

European Housing Crisis Response Plan

Across Europe, people are finding it increasingly difficult to access and afford a decent home. Approximately 900,000 people are sleeping rough or in shelters every night, and an estimated 125 million people are living in energy poverty. House prices and rents are going through the roof. The average cost of a house in the EU was almost 50% higher in mid-2023 than at the same time in 2010 and rents have increased by 3% in the last year alone. The scale and the pervasiveness of Europe's housing crisis demands swift and unified action taken, also at the EU level to support citizens in need, in the same way the EU responded to the Covid-crisis and energy crisis with vaccine procurement or emergency legislation to ensure energy security.

The next European Commission should step up its actions to tackle the housing crisis and adopt a **'European Housing Crisis Response Plan'** coordinated by a **Commissioner responsible for the right to housing**. This plan should address five priority areas:

- 1) **More affordable and social housing:** Measures to (re)build public housing sectors should be at the core of Europe's response to this crisis. It is estimated that the annual investment gap in social and affordable housing reaches €57 billion. Private money alone will not fill this gap, nor will it provide the affordable and social housing that citizens need. To support European countries to build more affordable housing, EU state aid rules should be amended to remove existing barriers to public investment in affordable and social housing. A dedicated **EU Housing Fund** should be established under the next multiannual budget from 2027 wherein funds are specifically earmarked for the construction of affordable and social housing.
- 2) **Boosting renovation and construction:** The people most impacted by rising energy bills are those with the lowest incomes and living in the buildings that are wasting the most energy, often with negative impacts on their health. The EU Housing Fund should also help to bring energy bills down by including a dedicated funding stream for renovations that prioritises the disbursement of funding for vulnerable groups, such as people living in energy poverty. Social protections such as priority for renovation grants and priority for schemes that replace fossil fuel based heating and cooling systems in homes are means to achieve this. Additional protections against eviction through renovation or 'renovictions' are essential. The European Commission should also develop a strategy to mitigate the impact of rising costs of construction materials, a problem that has been compounded by inflation and rising interest rates.
- 3) **Ending homelessness by 2030:** Homelessness is not a fact of life and the EU must implement measures to end this most extreme form of poverty. In 2021, the Member States agreed to work towards ending homelessness by 2030 with the *Lisbon Declaration on the European Platform on Combatting Homelessness*. To reach this objective, Housing First must become central to European homelessness policies. The *European Platform on Combatting Homelessness* should be reinforced with renewed ambition and its own budget. The European Commission and Member State governments should treat homelessness as a multifaceted issue by linking it to policies on health, equality, migration and poverty.
- 4) **Stricter oversight of short-term rentals:** The housing crisis in many cities and touristic areas across Europe has been exacerbated by the rapid growth of short-term holiday rentals through platforms such as Airbnb and Booking. Occasional renting out of spare rooms has turned into a full-blown business model driven by investors. Governments and cities should be able to put in place limits and even bans where needed. The Short-Term Rental Regulation will ensure that authorities will finally get the data they need to enforce the existing rules, and it should be implemented swiftly. The European Commission should not intervene when local and national governments take proportionate measures designed to curb the negative effects of short-term

rentals on access to housing in their areas. Private gain should not be prioritised over providing long-term affordable homes for people

- 5) **Tackle housing speculation:** Homes are for people, not for profit. The Greens/EFA study 'My homes is an asset class' outlines how European housing markets have been financialised, and how this process has been accelerated by the EU's Capital Markets Union. While private money is needed for building more homes, we must take action at a European level to counter unhelpful, speculative practices by investment funds such as Blackstone. In the first instance, a transparency register of real estate transactions and ownership should be established. The next Commission should also analyse the EU's contribution to financialisation and develop an action plan to tackle speculation through European legislation on banking, capital markets, state aid, budget, taxes and mortgages.