

European Affordable Housing Plan: EEB Response

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Introduction

Sustainable and affordable homes for a resilient and resource-wise Europe

Housing is an essential enabler of decent living conditions, and a fundamental pillar to ensure access to clean water and energy, promote mental and physical wellbeing and social inclusion. We need a housing system that delivers high-quality, energy efficient and affordable housing for all—a housing system that is built to last and serve European residents' needs not only in the short, but also in the long term. This does not only include a decent and healthy built environment, but also a natural environment for Europeans to live and thrive in, as intact ecosystems are vital for the resilience, health and well-being of our societies. The European Affordable Housing Plan (EAHP) offers a crucial opportunity to transform the housing sector to deliver on these needs.

To do so, rather than focusing simply on building new, the EAHP must propose solutions that change the way we use the existing building stock. This encompasses addressing vacancies and under-occupation but also prioritising the use of buildings for social good, rather than financial profit. In doing so, the EAHP can be essential in increasing the wellbeing and resilience of Europeans.

Investing in affordable and sustainable housing also strengthens the EU's competitiveness and autonomy: A 2020 study by the Buildings Performance Institute Europe (BPIE) finds that for every €1 million invested in energy renovation of buildings, an average of long-term 18 jobs are created. Further, with 42% of EU homes being heated with natural gas, renovating and switching to renewable heating sources are crucial to reduce Europe's import dependency.

Waste no time on false solutions: The case for a holistic approach

The EAHP presents a critical opportunity to respond to multiple crises with holistic solutions to tackle homelessness, high cost of housing and energy poverty, while alleviating the environmental impact of the sector in terms of resource, energy and land use. Attempting to address the housing crisis by

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indiscriminately building new is not only untenable with regards to carbon budgets and climate objectives, but will also have limited effects on the cost of living: Between 2011 and 2022, [the number of dwellings per capita in the EU has actually increased](#), meaning that construction has more than kept up with population growth. Yet, in the same decade, [property prices have increased by 50%](#), showing that affordability is not just a supply issue. Rather, inefficient use caused by demographic change, social inequalities, and the increased treatment of homes as a commodity rather than a social good also play a crucial role in hiking up housing cost. The EAHP must take a comprehensive approach to address the different root causes of the affordability and sustainability crisis of the buildings sector.

Unaffordable housing is not sustainable: Poor housing conditions, housing shortages and energy poverty have become severe problems in the EU: [8.8% of the EU population spends more than 40%](#) of their disposable income on housing. On average, [house prices went up by 37%, and rents by 16%](#) between 2010 and 2021. Moreover, COVID-19 and the cost of living crisis have also sparked a [youth homelessness crisis](#), with the number of young citizens experiencing homelessness skyrocketing in cities across Europe: in Madrid, youth homelessness rates have shot up 10% since 2021, and in Dublin that figure has increased by 50% in the past year alone.

But unsustainable housing is also expensive: Low-quality, poorly insulated housing cause high energy bills, significant impacts on health, and lower quality of life overall: In the EU, around [75% of the existing building stock is energy inefficient](#), and conversely, space heating accounts for as much as [two thirds of residential energy demand](#), adding high energy bills to already high cost of housing. Children growing up in cold homes are [more than twice as likely to suffer from respiratory diseases](#), and inadequate housing creates around [€194 billion per year in public health costs](#), with vulnerable households being affected most severely. No less urgent is the [cost of inaction](#) in addressing the climate, pollution and biodiversity impacts of the building sector, which remains the [most environmentally impactful sector](#) within the EU. Almost one-third of Europe's environmental footprint comes from buildings, 42% of the EU's annual energy demand, and around 33% of Europe's waste.

Housing is vital – so is nature: A healthy society depends just as much on decent, affordable housing as it does on thriving ecosystems. Urban sprawl and poor urban planning negatively affect biodiversity and the integrity of ecosystems, which is critical for air and water quality, soil and food systems, and resilience towards extreme weather events – in short, it is [essential for basic quality of life](#). Nature is already under pressure, with [81%](#) of habitats in poor condition, [up to 70%](#) of soils degraded and [only 38%](#) of rivers, lakes and coastal waters in good ecological and [29% in good chemical status](#). Sacrificing nature instead of addressing unequal access and the structural factors that commodify housing means endangering the foundation of our lives and economies.

Summary of recommendations

The EEB recommends the following for the EAHP:

- **Improving availability of housing by making more efficient use of the existing building stock:** This includes improving the data availability on the current use of buildings, incentivising the reintroduction of vacant buildings to the housing market, prioritising primary housing, investing in renovation and retrofitting, and promoting the efficient use of spaces. In 2011, 16% of EU dwellings were vacant, with significant numbers also in cities like Brussels, Berlin, and Paris, and recent research finds that underoccupied homes could house an additional 100 million people. Office buildings, with an average occupancy rate of 57%, also offer potential for

conversion. Optimising the use of existing buildings can positively impact public budgets and municipal planning, save time compared to new construction, reduce material costs and environmental impact, create local jobs in renovation, and mitigate urban sprawl.

- **Ensuring long-term affordability of housing:** This includes measures to tackle energy poverty by promoting energy renovations and reducing the dependency on fossil fuel heating sources, as well as measures to reduce inequality in housing markets. With the urgency of addressing the increasing burden of housing costs on millions of European households, it is crucial to avoid false and simplistic solutions that would waste public finances and cannot ensure long-term affordability. Sustainable construction is a solution to save cost in a lifecycle perspective, as well as reducing the burden of rising energy prices by increasing the energy efficiency of buildings by means of renovations. Measures to address the increasing financialisation of housing are essential to change the structural issues negatively affecting housing affordability.
- **Build on the awareness that society needs both nature and affordable housing** and that they cannot be put in opposition to one another. For rural and urban communities to be resilient and healthy, intact ecosystem and biodiversity are nothing less than a necessity. The EAHP should not lead to the weakening of safeguards in for nature, especially when there are other solutions available. Instead, we call for maintaining and strengthening nature and biodiversity protection to ensure a healthy environment for all.

Improving the availability of housing by making more efficient use of the existing building stock

As mandated in Commissioner Dan Jorgensen's Mission Letter, the EU must develop proposals to tackle the inefficient use of the current housing stock. This includes reintroducing vacant homes into the housing market, making better use of underoccupied buildings, and, where needed, retrofitting and renovating buildings to make them inhabitable.

A significant number of buildings in the EU are vacant: Although more recent data is lacking, it is estimated that [16% of EU dwellings were vacant in 2011](#)/47 million homes according to FEANTSA. Importantly, vacancies **are not limited to rural areas but also in cities**, where housing demand is the most urgent: for instance, there were [4,500 long-term empty homes](#) in Brussels in 2024, [10,000](#) in Berlin, and [18,600](#) in Paris in 2021. There is also **large potential in underoccupied homes**, that is, homes that larger than their inhabitants' needs: By 2023, [one-third of the EU population lived in under-occupied homes](#)¹, and a [recent study](#) found that the existing building stock holds potential to house an additional 100 million people, that is, 23% of the EU population. The average [office occupancy rate in Europe was 57%](#) in September 2023, and the transformation of unused or underused office or industrial buildings into housing holds great potential.

This presents an opportunity to **address the housing crisis by making better use of existing buildings**, with potentially positive impacts on public budgets and municipal planning. Further, making existing buildings available for housing is often possible using less time than required for new construction processes, which is crucial considering the urgency of providing housing. Optimising the

¹ Defined as followed: "A household is under-occupied if it has at its disposal more than a minimum number of rooms considered adequate: one room for the household, per couple, for each adult single person, per pair of single people of the same gender aged 12-17, for each single person aged 12-17 and not included in the previous category, and per pair of children under 12." (<https://ec.europa.eu/eurostat/web/interactive-publications/housing-2024#quality-of-housing>.)

use of the existing building stock rather than building new [reduces material cost and impact](#), creates local employment in renovation and repurposing, and mitigates urban sprawl while addressing the housing crisis.

Reducing the need for new construction is crucial, with construction products accounting for [250 million tonnes of GHG emissions yearly](#) and [one-third of material demand](#) in the EU. The 2024 study by the BPIE, the European Commission and Ramboll estimates that **adapting existing buildings could [avoid up to 11 million tonnes of GHG emissions in Germany alone](#)**.

Best practices to improve the use of the building stock already exist across Europe—what the EAHP needs to do is provide the support needed for these solutions to scale up and be replicated: improve data availability for policy making, provide financial support, exchange knowledge and promote best practice.

To ensure a better use of the existing building stock, the EEB calls for the EAHP to:

1) Improve data availability on the use of existing buildings to inform policy

The collection of data on vacancies and under-occupation across Europe remains inconsistent and lacks systematisation. Systematic data collection would ensure targeted investment, optimised urban planning, and evidence-based policies. With better data, under-occupied or vacant buildings can be repurposed to meet demand, especially in urban areas where land is scarce and necessary for adaptation and other ecosystem services. Currently, such data is missing: for instance, in Germany, [only 25% of cities currently track building vacancies and 8% identify infill potential](#). Such a measure would also allow better assessment of systemic issues with short-term rentals.

Here, as well, best practices already exist: [France's National Plan to Combat Vacant Housing](#), introduced in 2020, aims to tackle more than 1.1 million long-term empty homes, with a particular focus on areas facing high housing demand. The initiative includes 64% of the municipalities across mainland France and leverages digital tools such as the LOVAC database and the “Zéro Logement Vacant” platform, to enable them to identify vacant properties, contact and assist the owners in bringing these homes back into use.

To improve data availability on the use of existing buildings, the EAHP should:

- Establish common definitions to monitor vacancy, under-occupation and potential for conversion, differentiating between kinds of vacancies (e.g., voluntary, involuntary, temporary)
- Introduce a legally binding obligation for EU Member States to systematically monitor the usage of existing buildings (residential and non-residential), collect and report data on building use with EU support to help cities close data gaps. This is crucial to identify dwellings that should be reintroduced into the market, or which have potential for renovation or conversion to be reintroduced into the housing market. The data is further helpful in informing policies and initiatives to tackle underused spaces, e.g. with incentives or facilitation of intergenerational living or flat-sharing.
- To facilitate this while reducing administrative burden, the EAHP should encourage and support Member States to merge insights from different existing sources, such as data on energy use (as required by the EPBD), tax records, and municipal surveys.
- Provide technical assistance to municipalities and Member States in creating localised systems for tracking building use, which can then feed into national and EU-level databases.

2) Invest in renovation and retrofit:

A fixed percentage (e.g. 20%) of the pan-European investment platform for affordable and sustainable housing should be allocated to renovate, reuse and repurpose vacant and under-occupied properties into energy-efficient, affordable housing units, targeting at least 100,000 conversions by 2030. These investments must be accompanied by social safeguards, ensuring that repurposed buildings provide housing for vulnerable households struggling to find decent and comfortable homes. This would optimise the use of existing buildings to create high-quality and affordable housing.

3) Leverage district level approaches

The EAHP should leverage the EPBD implementation and funding programmes to help scale up integrated, [district-level regeneration projects](#) that combine building renovations with broader climate, social, and infrastructure improvements, to maximise climate resilience, energy efficiency, and community cohesion. For instance, the national funding programme KfW 432 in Germany has enabled the city of Chemnitz to renovate 90% of the buildings in the district of Brühl, which prior to this had vacancy rates of around 80%. The funding was used to develop integrated neighbourhood concepts and used in combination with traditional urban renewal programmes.

4) Incentivise the reintroduction of vacant buildings into the housing market:

The EAHP should encourage Member States to set up fiscal measures such as the taxation of vacant and underused housing (including second homes) based on the potential rental income, which would help improve the use of the existing building stock and provide additional housing supply. In France, for instance, successfully implemented vacancy taxes encourage owners to reintroduce empty dwellings to the housing market in areas where there is unmet demand, in municipalities with over 50,000 inhabitants, enforced after one year of vacancy. It is proportional to potential rental income and starts at 17% in the first year, increasing to 34% in the following years if the property is still vacant. The tax, first introduced in 1999, resulted in a [13% decrease of the vacancy](#) by 2001.

5) Prioritise primary housing where needs are urgent:

The EAHP should investigate the impact of short-term rentals *as well as* secondary residences on the availability of housing, such as the evolution of secondary residences in areas with high housing demand. For example, in 2021, the city of [Rome](#) counted over 300'000 secondary and otherwise vacant homes. Considering the pressing need for housing, primary housing should be prioritised in city planning and measures to restrict further development of secondary residences could be considered: for instance, a [Swiss federal law](#) on second homes introduced in 2016 has required all municipalities in Switzerland to draw up an annual inventory of housing, and in principle prohibits the authorisation of any new second homes in municipalities that have exceeded a 20% quota. The city of [Hamburg](#) has introduced an obligation to register and request a permit before being allowed to use dwellings for other purposes than housing (e.g., short-term rentals, secondary homes).

6) Promote efficient use of buildings:

Not only vacant buildings hold great potential for more housing, but also underoccupied houses and apartments – dwellings that host significantly fewer people than they could. Measures offering incentives and support to tenants that could be interested in moving to “right-sized” dwellings, or house

adaptations such as 'splitting' homes could free up important living space. Space use considerations should be integrated in the implementation of building policy: For instance, the one-stop shops to be set up as part of the EPBD implementation could also be used to provide tenants with advice regarding downsizing or house adaptation, and district renovation plans could simultaneously assess housing needs. Further, renovation subsidies or other housing-related financing could incentivise efficient space use: for instance, the [German state-owned development KfW supports communal co-living](#) projects through reduced interest rates – the same could be envisioned for intergenerational living.

Ensuring long-term affordability of housing

In Europe, [8.8% of the population spends more than 40%](#) of their disposable income on housing. On average, [house prices went up by 37% and rents by 16%](#) between 2010 and 2021. But housing cost is not only about rent: Especially for most vulnerable and low-income households, [rising energy prices](#) have a significant effect on the cost of living: About [42 million EU citizens were unable to keep their homes adequately warm in 2022](#). Improving energy performance through renovation is therefore crucial to decrease the financial strain on these households.

For new construction, sustainable and energy-efficient buildings do not have to be more expensive: [a recent study from Germany](#) demonstrates that from a lifecycle cost perspective, with available construction techniques already today, buildings with high sustainability rating according to the German Sustainable Building Council can be the same or lower cost as conventional buildings.

At the same time, the [growing financialisation](#) and speculation on housing have contributed to inflated housing prices and need to be addressed. Simplistic solutions of indiscriminately building new or providing financial support without addressing financialisation and inequality are an inefficient use of public funding, material and energy resources, and should be avoided.

To ensure long-term affordability of housing, the EEB calls for the EAHP to:

1) Support an ambitious and fast transposition of the EPBD and EED with a priority on households in energy poverty by providing upfront financing and technical assistance:

Support an ambitious and fast transposition of the EPBD and EED into national legislation particularly regarding the renovation requirements for residential buildings: National implementation should ensure that measures focus on worst-performing buildings and provide full upfront financing for the poorest households, such as the Italian [Superbonus](#). Further, providing upfront subsidies through collaborative models such as Community Land Trusts (CLTs) can further ensure that such subsidies do not negatively affect affordability of housing in the long term by increasing property value. This has been demonstrated in the pilot project [Upcycling Trust](#), in which financial support is granted through CLTs to vulnerable and low-income households to cover the cost of energy efficiency renovations. In return for the support received, the renovated homes become part of the CLT, which enforces certain social criteria for sale or rental. Through this mechanism, public funding can be used to both increase energy efficiency and provide long-term affordable housing.

Furthermore, funding should be complemented by social safeguards, such as monitoring of social impacts as well as measures to prevent rent increases and evictions.

Promoting community-based initiatives such as citizen-led renovations by energy community bring further advantages, such as democratic control and participation by local citizens, and reduction of the cost of renovation. For example, the energy community Les7Vents in France has facilitated 20,000 deep renovations, and many more shallow ones, allowing for final energy savings of 20,000MWh/year.

They now receive a government subsidy of €7,000/home, to focus on some of the most vulnerable people in society, helping them with their renovation, while also offering them social worker services or facilitating contact with existing social workers.

2) Protect vulnerable households from rising fossil fuel costs and carbon pricing:

Alongside the Social Climate Fund, the ETS2 will be the largest amount of money ever to be made available to consumers for renovations at the EU level. This calls for a progressive set up of the ETS2 revenues distribution, in particular towards those most affected by the energy price increase. While deep renovations should always be pursued when feasible, it is equally crucial to act swiftly to provide adequate housing for those currently without it. As an initial step in a broader, more holistic renovation strategy, upgrading heating systems to renewable technologies—such as heat pumps, solar panels, and energy storage—is essential. This approach helps avoid locking vulnerable households into fossil fuel-based heating, which will become increasingly expensive due to the expansion of the EU Emissions Trading System (ETS2).

3) Promote strict non-speculative and permanent affordability conditionalities to all forms of public support:

To ensure that public support creates the most social value and permanent affordability, public support (including subsidies, tax regimes and derisking) should come with strict conditionalities to lock in the benefits of affordability for the most vulnerable groups instead of fuelling market prices over time.

4) Promote social housing as well as non-profit, non-speculative and community-led affordable housing models:

To ensure long-term affordability and higher performance on sustainability standards, the EAHP should promote social housing as well as non-profit, non-speculative and community-led housing models by creating specific funding mechanisms that enable these initiatives to access low-interest, long-term loans, and lower the scale requirements of the European Investment Bank's Pan-European Investment Platform to allow for smaller scale initiatives.

5) Prevent the financialisation of housing and limit the speculative investment on housing: the EAHP should monitor the impact of speculation on housing affordability and take measures to limit the financialisation and speculation on housing, as called for by the [European Youth Forum](#), among others.

Safeguarding nature, essential for our survival

Nature is not a luxury; it is a necessity. We need intact nature for the health and well-being of people, as healthy ecosystems improve air and water quality, increase resilience to extreme weather, and support food systems. The EAHP should not weaken nature protection, but rather strengthen nature protection as the foundation for healthy and safe environments.

Between 2018 and 2023, Europe lost an area equivalent to the [size of Cyprus](#) to construction. [Almost 80%](#) of land taken is situated in commuting zones, which provide important wildlife habitats and are key for flood prevention and food production. Furthermore, water plays a crucial role as a climate

regulator linked to [90% of extreme weather events](#). Artificialisation of soil, channelisation of water courses, erosion of ecosystems and biodiversity, overexploitation and pollution hinder the natural water cycle on both local and bigger scales. This leads to raising drinking water services' costs due to increasing pollution, which can create water poverty and impact hygiene, sanitation and ability of people to enjoy one of their most basic human rights. Moreover, intact floodplains and healthy soils absorb water during extreme rainfall, which, in turn, lowers the risk of flooding, including in urban areas downstream. Natural vegetation in and around cities also strongly impacts urban microclimates and air quality. Increasing tree coverage to 30% would lower temperatures by an average of 0.4°C and up to 5.9°C, which could [avoid nearly 40%](#) of deaths attributable to the urban heat island effect. Intact ecosystems, and access to them, are therefore vital for societies but also an integral part of the [health and well-being of people](#) living in both urban and rural contexts.

The EEB calls for the EAHP to:

- 1) **Maintain and strengthen the enforcement of nature and biodiversity protection** to ensure a safe and healthy environment, in particular for instance the Nature Restoration Law, which sets targets for the restoration of urban ecosystems, as well as the Water Framework Directive to safeguard water quality.
- 2) **Act in compliance with the EU Soil Strategy 2030's land take hierarchy** and promote land recycling in urban development, which remained at just 13.5% between 2006 and 2012.
- 3) **Promote equitable access to nature and life-sustaining functions of nature** by safeguarding nature as public spaces, equitable urban planning, and ensuring the right to clean air, water, and healthy food for all.

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