

European Affordable Housing Plan

December 2025



“A home is not just four walls and a roof. It is safety, warmth, a place for family and friends. It is belonging. But for too many Europeans today, home has become a source of anxiety. It can mean debt or uncertainty.”

– President von der Leyen, 2025 State of the Union address



Increase in **house prices** since 2013 across the EU, faster than household income.



Growth of **average rents** with new rents growing significantly more.



Residential building permits since 2021.



Dwellings unoccupied.

Investments in housing supply markedly declined over the last decade. Supply has not kept up with strong evolving demand due to higher construction costs, innovation deficits, shortages of skilled labour and excessive red tape.



Boosting housing supply

Strengthening the productivity and innovation in construction

The European Strategy for Housing Construction will promote advanced construction materials and methods, such as offsite and modular construction, and digitalisation to increase resource efficiency and reduce building costs.

Cutting red tape to accelerate housing supply

The new **housing simplification package** will reduce administrative burden, accelerate permitting and renovation and improve cost efficiency.

Combining affordability, sustainability and quality in housing

Innovative materials and construction techniques will be utilised to ensure housing is cost-effective, environmentally friendly, and of high quality, in line with the **New European Bauhaus** and building on its blueprints and innovations.

Mobilising investment and driving reforms

Mobilising additional public and private investment

Creation of a new **Pan-European Investment Platform** in cooperation with the European Investment Bank, national and regional promotional banks, and other international financial institutions.

Addressing short-term rentals in areas under housing stress

Propose a new legislative initiative on short-term rentals to mitigate their impact on local housing affordability, maintaining a balance with tourism benefits.

Addressing speculation in the housing market

Identify speculative behaviours and promote transparency in the residential market.

Revise State aid rules enabling faster and simpler public support for social and affordable housing

Revised State aid rules to facilitate support for social and affordable housing projects without prior notification and authorisation by the Commission.

Driving forward Member States' structural reforms

Encourage reforms in areas such as spatial planning, social housing, and taxation, reducing complexity and enhancing housing supply.



Protecting the most affected

Housing for young people

Mobilising investment for student housing, promote innovative housing models for young people, help mobile students from disadvantaged background.

Preventing and addressing homelessness

Expand social housing and support people in vulnerable situations.



Mobilised investments

Under the current EU budget period (MFF) the EU:

- Mobilised **more than €43 billion of investments** in social, affordable and sustainable housing.
- Will mobilise **new investments**:
 - Additional **€10 billion** estimated in 2026 and 2027 through **InvestEU**
 - **At least €1.5 billion** in proposals from Member States and regions to reprogramme **Cohesion funds under the Mid-term review**
 - Additional support will also come from the **Social Climate Fund**.

New funding possibilities will be unlocked in the **next long-term EU budget for 2028-2034**.

Significant support will also be provided by key partners such as the **European Investment Bank**, the **Council of Europe Development Bank**, the **European Bank for Reconstruction and Development**.

National and regional promotional banks and institutions will aim to invest **€375 billion** by 2029.

