

# ADDRESSING EUROPE'S URBAN HOUSING CRISIS

edited by **Tobia Zevi** and **André Sobczak**



**Near**



**ISPI**



# ADDRESSING EUROPE'S URBAN HOUSING CRISIS

---

edited by Tobia Zevi and André Sobczak

ISPI

© 2026 Ledizioni LediPublishing  
Via Antonio Boselli, 10 – 20136 Milan – Italy  
[www.ledizioni.it](http://www.ledizioni.it)  
[info@ledizioni.it](mailto:info@ledizioni.it)

ADDRESSING EUROPE'S URBAN HOUSING CRISIS

Edited by Tobia Zevi and André Sobczak

*The opinions expressed are solely those of the authors and not necessarily represent the views of ISPI or Near.*

*The editors would like to express their sincere gratitude to Gian Maria Della Gatta for his valuable support throughout the editorial process and for his constructive collaboration.*

First edition: September 2026  
Cover image by Francesco Fadani

Print ISBN 9791256008841  
ePub ISBN 9791256008858  
Pdf ISBN 9791256008865  
DOI 10.14672/56008841

ISPI. Via Clerici, 5  
20121, Milan  
[www.ispionline.it](http://www.ispionline.it)

Catalogue and reprints information: [www.ledizioni.it](http://www.ledizioni.it)

This study is an initiative of the ISPI's Global Cities Programme promoted with the knowledge partnership of Near. The Global Cities Programme examines the role of global cities on regional and global scales, especially in response to emergencies exacerbated by the pandemic and the geopolitical crises, their relationships with nations and international entities, and their collaborative goals, including efforts to address climate change and achieve the UN's 2030 Agenda. Specific attention is attached to the impact of Global Cities and urbanisation on the flows of goods, capital and data, on mobility and infrastructure, on migration and socio-economic inequalities. The Programme – with the support and collaboration of Near – carries out research and promotes events targeted to businesses, national and international institutions, as well as to the wider public.



# Table of Contents

---

## Introduction

*Tobia Zevi, André Sobczak*..... 9

### 1. The State of Housing in European Cities

*Anna Iafisco, Pietro Reviglio*..... 27

### 2. Priorities and Innovative Housing Strategies of EU Cities

*Julie Lawson*..... 55

### 3. Financing Housing in European Cities. The Perspective of Large-scale Urban Regeneration Projects

*Alberto Bortolotti*..... 85

### 4. Housing for All in Europe: Enhancing EU-Cities Partnership for Housing

*Eduard Cabré, Maria del Mar Jiménez Carreté*..... 113

### 5. Towards a Global Housing Coalition: UN-Habitat's Housing Ecosystem and its Partnership with Europe

*Anacláudia Rossbach*..... 133

|                                                                                                                                                      |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| 6. Building a Global Strategic Alliance<br>for Housing: The Role of Plural<br>Public–Private Partnership<br><i>Luigi Borré, Paola Delmonte</i> ..... | 157 |
| About the Authors.....                                                                                                                               | 171 |

# Introduction

Tobia Zevi, André Sobczak

---

Housing has become one of the defining policy challenges of our time. Across regions, income levels and systems of government, the ability to access an adequate, secure and affordable home is increasingly under pressure. The manifestations of this crisis differ considerably. In rapidly urbanising regions, inadequate housing is closely associated with informal settlements and insufficient basic infrastructure. In many high-income countries, it takes the form of rising rents, homelessness, insecure tenure and the exclusion of low- and middle-income households from economically dynamic cities. Yet these apparently different situations reflect a common challenge: housing systems are struggling to respond to profound changes in demographics, labour markets, financial flows, climate conditions and urban development.

The scale of the challenge is considerable. Globally, an estimated 3.4 billion people experience some form of housing inadequacy, 1.2 billion live in informal settlements and more than 300 million experience homelessness. In Europe, almost 1.3 million people are estimated to be sleeping rough, staying in shelters or living in temporary accommodation for people experiencing homelessness. Between 2010 and the second quarter of 2025, house prices in the European Union increased by 60.5%, while rents rose by 28.8%. Behind these figures are households postponing their life plans, essential workers unable to live close to their workplaces, young people unable to leave the parental home and growing numbers of residents exposed to overcrowding, eviction, energy poverty or homelessness.

Housing can therefore no longer be treated as a residual area of social policy or as a commodity whose provision can be left primarily to market forces. It is a fundamental component of the social and economic infrastructure and potentially an essential driver of climate resilience. The availability, location and quality of housing shape access to employment, education, healthcare, transport and public services. They influence labour mobility, productivity, household formation, social cohesion and trust in public institutions. They also determine the exposure of households and communities to heatwaves, flooding, energy costs and other environmental risks.

The housing crisis is especially visible in cities. Urban areas concentrate employment, investment, universities, services and economic opportunity, but also increasingly acute affordability pressures and inequalities. In 2024, 9.8% of households in EU cities spent more than 40% of their disposable income on housing, compared with 6.3% in rural areas. In the Eurocities Mayors Pulse Survey 2025, 39% of mayors described housing in their cities as unaffordable, while a further 47% considered their cities to be at risk or facing moderate affordability pressures. The 2026 survey confirms the political importance of the issue: 39% of mayors identify housing among their leading priorities, and 19% consider it their single most important priority.

Mayors have consequently become some of the most prominent advocates for a stronger response at national, European and international levels. They are responding to emergencies and homelessness while trying to expand affordable supply, regulate short-term rentals, renovate ageing buildings, mobilise land and protect neighbourhoods from displacement. At the same time, their ability to act remains limited by insufficient resources, fragmented competences and regulatory frameworks that do not always correspond to the territorial realities they face.

This Report comes at a time when housing has moved to the centre of the European political agenda, increasingly recognised as critical to social cohesion, competitiveness and

the green transition. ISPI and Eurocities have partnered to connect international policy analysis with city-level evidence and identify how local innovations can be supported and scaled through stronger cooperation across all levels of government. The report aims to contribute to a European housing framework that gives cities the resources, powers and capacity to deliver adequate, affordable and sustainable housing.

The chapters in this report examine these interrelated dimensions of the housing crisis. They consider the state of housing in European cities, the institutional and land-policy innovations developed by municipalities, the financing of affordable housing and large-scale urban regeneration, the emerging role of the European Union, the possibility of building a global housing coalition and the contribution that carefully governed public-private partnerships can make. Taken together, they point towards a shared conclusion: Europe does not lack individual projects or policy ideas. Its principal challenge is to build housing systems capable of aligning land, finance, public policy, community needs and environmental objectives over the long term.

## **From Housing Shortage to Systemic Crisis**

The housing crisis is often presented as a mismatch between supply and demand. This is an important part of the diagnosis, but it is insufficient on its own. As the chapter “The State of Housing in European Cities”, by Anna Iafisco and Pietro Reviglio, demonstrates, European housing pressures result from a stack of mutually reinforcing factors. In the Eurocities Mayors Pulse Survey 2025, 76% of the mayors surveyed identified the imbalance between housing demand and supply among their principal challenges. Rising construction costs were identified by 71% of mayors, while 60% pointed to land availability. Speculative investment, regulatory constraints and short-term rentals were also identified as important contributing factors.

Behind these aggregate pressures stand very different local housing systems. Evidence from cities as diverse as Łódź, Florence, Barcelona, Amsterdam and Zurich show that housing stress can arise from different combinations of demographic change, tourism, land constraints, regulatory pressures and mismatches between available housing and local needs. It is therefore not limited to rapidly growing global cities.

Affordability itself must be understood in relation to household income and housing quality, rather than through prices alone. A comparatively inexpensive dwelling is not affordable if local incomes are insufficient, if energy costs are excessive or if its location prevents access to jobs and essential services. Housing exclusion may also arise through insecure tenure, overcrowding, inadequate physical conditions, energy poverty, displacement or homelessness.

This more comprehensive understanding is central to “The State of Housing in European Cities”, which frames housing as the foundation of the urban social contract. The chapter also shows how the crisis has expanded beyond those traditionally regarded as vulnerable. Low-income households and people in precarious employment remain particularly exposed, but young adults, families, students, older people, essential workers and many middle-income households are also struggling to secure adequate homes. Housing pressure is increasingly affecting the residents who sustain the daily functioning of cities, including teachers, nurses, care workers and public-service employees.

This shift transforms the political meaning of the crisis. Housing is no longer only about protecting a residual group unable to access the market. It is about whether cities can continue to accommodate the diversity of people on which their economic, social and civic life depends.

Homelessness represents the sharpest edge of this wider systemic failure. The evidence presented in the report shows that homelessness cannot be separated from insufficient social and affordable housing, insecurity in the private rental market and weak prevention systems. Housing First demonstrates the

value of beginning with permanent housing and voluntary support, but it cannot scale without sufficient affordable homes and effective prevention systems homelessness.

## **Housing and the European Social Contract**

Europe's housing crisis challenges the economic and social model developed after the Second World War. Access to education, employment, healthcare and social protection cannot deliver equal opportunity if access to a stable home is increasingly determined by inherited wealth, housing tenure or the capacity to absorb rapidly rising costs.

Long-term treatment of housing primarily as a commodity has contributed to the weakening of social and affordable housing systems and to an increasing reliance on market-led provision, as argued by Cabré and Jiménez Carreté in their chapter "Housing for All in Europe: Enhancing EU-Cities Partnership for Housing" which situates housing within the European social contract. In housing markets characterised by scarcity and high demand, private construction tends to concentrate on more profitable segments. New supply does not automatically become accessible to lower- or middle-income households, particularly when land values and investment strategies push development towards high-return products, with the risk of pushing residents away from their neighbourhood.

At the same time, the expansion of short-term and seasonal rentals has removed part of the existing stock from long-term residential use in tourist cities. In Barcelona, the effects are strongest in neighbourhoods with the highest concentration of short-term rental activity. In these areas, short-term rentals have been associated with substantially larger increases in rental and transaction prices than the citywide average. They also affect neighbourhood relations and perceptions of liveability. The implications of short-term rentals therefore extend beyond the total quantity of housing to the character and stability of urban communities.

These pressures are creating new divisions between homeowners and renters, between generations and between residents able to access opportunity-rich areas and those displaced towards more distant or poorly connected neighbourhoods. Housing costs reduce disposable income affecting consumption and the ability to save and to invest in education, health or professional development. Housing instability disrupts schooling and employment, while displacement separates people from social networks, public services and community support.

The resulting inequalities have political consequences. If institutions cannot secure access to such a fundamental component of everyday life, confidence in public institutions and in the European project itself may be weakened. The visibility of inequality within cities can sharpen perceptions of injustice, particularly where economic dynamism and investment coexist with housing insecurity and deteriorating access to basic services. Housing is therefore also a question of democratic resilience.

This is one reason why housing has moved rapidly up the European political agenda. Housing remains primarily a national competence, but European decisions already shape local housing outcomes through fiscal rules, State aid provisions, energy standards, financial regulation, competition policy and EU investment programmes. Moreover, the consequences of housing unaffordability extend directly into areas in which the European Union has an established interest, including labour mobility, cohesion, climate neutrality, investment and the functioning of the Single Market.

The European Affordable Housing Plan represents an important acknowledgement of this reality. Together with the revision of State aid rules, the mobilisation of InvestEU guarantees, the expansion of European Investment Bank activity and the development of a Pan-European Investment Platform for Affordable and Sustainable Housing, it signals that housing is becoming a more explicit European priority. The inclusion of housing within the European Semester, the

creation of the European Housing Alliance and the preparation of an Affordable Housing Act also points towards a broader European framework.

Mayors for Housing Alliance was between the actors that contributed to this shift. Initiated through cooperation between the mayors of Barcelona, Rome, Paris and Bologna and supported by Eurocities and C40, the Alliance has promoted direct access to investment, stronger recognition of cities, protection of tenants, action on short-term rentals and targeted support for areas experiencing severe housing pressures. Several elements of this agenda are reflected in the emerging European framework, including the attention given to stressed housing markets, short-term rentals, investment and local authorities.

However, important gaps remain. The investment available is still limited relative to the estimated annual housing investment gap of around €150 billion. Much European funding is channelled through national systems, meaning that resources may not reach the cities experiencing the strongest pressures quickly or predictably. Fiscal constraints can prevent public authorities from co-financing projects even when European support is available. The simplification of permitting and investment procedures must also avoid weakening affordability, sustainability or public-interest requirements.

## **Inclusive Cities Are Competitive Cities**

Housing is not only a pillar of Europe's social model. It is increasingly a condition for economic competitiveness: in high-productivity urban regions, rising housing costs can prevent workers from moving to where employment opportunities are concentrated, while essential and lower-paid workers may be driven towards peripheral areas, increasing commuting times and placing additional burdens on transport networks. Younger people may find it difficult to pursue education or early-career opportunities in expensive cities. Employers, meanwhile, may struggle to recruit and retain staff.

Housing policy should therefore not be seen as a trade-off between inclusion and competitiveness. A city that attracts investment but excludes the people required to sustain its public services and productive economy is undermining its own competitive position. Conversely, affordable, well-connected and energy-efficient housing can support labour-market participation, reduce commuting costs, improve health and strengthen the attractiveness of a city to workers and businesses.

This relationship also appears in the Eurocities mayoral evidence. While housing is one of the principal pressures identified by mayors, 42% also regard housing retrofitting and heat-decarbonisation supply chains as sectors with strong potential to generate jobs and inclusive growth during the coming decade. Housing is therefore both a constraint on competitiveness and a potential source of economic transformation.

The report's chapter "Priorities and Innovative Housing Strategies of EU Cities", by Julie Lawson, illustrates how cities reconcile these objectives through long-term land stewardship and integrated planning that connects affordable housing with transport, services, social mix and environmental standards

Many of the most consequential innovations are institutional rather than technological. Housing observatories, municipal development agencies, land banks, leasehold systems, metropolitan agreements and Community Land Trusts allow cities to shape development over longer periods. They can help secure affordable housing in well-connected locations, coordinate infrastructure and preserve affordability beyond the initial investment cycle.

## **Financing Affordability and Governing Urban Value**

The scale of the crisis makes clear that public resources alone will not be sufficient. Yet reliance on market delivery alone has also proved inadequate. The challenge is to develop financial and governance arrangements that mobilise private and

institutional capital while safeguarding affordability and the public interest.

Two chapters approach this challenge from complementary perspectives. “Financing Housing in European Cities: The Perspective of Large-scale Urban Regeneration Projects”, by Alberto Bortolotti, examines land-value capture, large-scale projects and an integrated co-financing proposal. “Building a Global Strategic Alliance for Housing: The Role of Plural Public-Private Partnership”, by Luigi Borré and Paola Delmonte, examines how public, private, cooperative and Third Sector actors can be brought together within a shared framework.

Both contributions reject a simple opposition between public and private provision. Public authorities provide land, planning rights, infrastructure, guarantees, regulation and long-term policy direction. Private and institutional actors contribute capital, construction capacity, technical expertise and asset management. Cooperatives, limited-profit providers and community organisations can connect affordability with collective stewardship and neighbourhood welfare.

The question is therefore not whether private capital should participate in housing. It is under what conditions, with what allocation of risk and in exchange for which social outcomes.

One perspective that emerges is that of plural public-private partnership. The concept extends beyond a bilateral relationship between government and developer. It includes European, national, regional and municipal authorities, public development banks, housing providers, cooperatives, institutional investors, builders, designers, Third Sector organisations and communities. Its purpose is to blend different functions, housing types and sources of finance while maintaining a clear public-interest framework.

These experiences suggest a principle of reciprocity. Where public authorities contribute land, guarantees, grants, planning advantages or risk reduction, private actors should accept corresponding obligations. These may include moderated returns, transparent costs, long-term affordability, social mix,

tenant protection and measurable delivery targets. Public support should not simply increase returns on investments that would otherwise have occurred. It should change the type, affordability or quality of housing delivered.

Land policy is central to this equation. Public decisions on zoning, infrastructure and development rights create significant increases in land value. Land-value capture mechanisms allow part of this publicly created value to be reinvested in affordable housing, infrastructure and public services.

Bortolotti's comparison of Paris, Berlin and Milan demonstrates both the potential and limitations of existing systems. Public benefits can remain indirect, unevenly distributed or insufficiently connected to affordable housing; effective capture therefore depends on institutional capacity, public control of land, transparency and bargaining power. The examples of Paris-Saclay, Berlin Adlershof and the Milano Innovation District shows that major projects can combine innovation, infrastructure and housing, but that affordability depends on governance and contractual design.

Building on these lessons, the chapter proposes JOSHUA, a district-level co-financing architecture combining European and national development finance, municipal instruments, private capital, public land and land-value capture. Its central governance questions concern control, risk allocation, long-term affordability and the distribution of collectively generated value.

## **Reconciling Housing and Environmental Objectives**

The need for more affordable housing must be addressed within Europe's environmental constraints. An expansion of carbon-intensive construction and further consumption of undeveloped land would create new costs and undermine climate commitments. At the same time, climate and energy policies that increase rents or displace lower-income residents would weaken public support for the environmental transition.

Europe's existing building stock gives this challenge particular urgency. Around 85% of EU buildings were constructed before 2000, approximately 75% have poor energy performance and the annual renovation rate remains close to 1%. The revised Energy Performance of Buildings Directive requires Member States to reduce the average primary energy use of residential buildings and to concentrate a substantial part of the effort on the worst-performing stock.

As "The State of Housing in European Cities" explains, accelerating renovation can reduce emissions, improve living conditions and lower energy bills. However, renovation must be accompanied by safeguards against displacement. Tenants may face substantial rent increases following improvements, while residents of public or social housing may require temporary relocation. Low-income homeowners and multi-owner apartment buildings face financial and coordination barriers. A socially just renovation strategy therefore requires affordable finance, technical assistance, tenant protection, participation and, where relocation is necessary, a meaningful right to return.

The Report examines several relevant city-led approaches. The Basque Country's OPENGELA model uses neighbourhood-based one-stop shops to provide technical, administrative and financial assistance. Paris' Caserne de Reuilly combines adaptive reuse, mixed-tenure housing and circular construction. Barcelona has connected building renovation with the regeneration of public space and community facilities. The Affordable Housing Initiative's Lighthouse Districts similarly treat renovation as part of neighbourhood transformation rather than as an isolated technical intervention.

Adaptive reuse is particularly relevant to the relationship between housing supply and the objective of limiting land consumption. Vacant dwellings, offices, commercial properties and former industrial or military sites represent an important potential resource. The scale of underuse is evident in cities such as Berlin, Prague and Brussels. In Paris, property conversion has produced around 900 homes annually since 2013, with social

housing accounting for approximately 42% of the housing created. In Brussels, the conversion of offices accounted for around 23% of net housing production in 2021, and approximately one quarter of current new housing originates in former offices.

Nevertheless, conversion is not suitable in every case. Building depth, structure, light, ventilation and location may make residential reuse technically difficult or financially unviable. Conversion must also comply with standards for housing quality, accessibility and energy performance. Most importantly, the creation of housing within a former office district must be accompanied by schools, healthcare, mobility, public space and other services required for a functioning neighbourhood.

Julie Lawson's chapter places these interventions within a wider transition towards circular and climate-neutral housing. Cities can influence construction markets through public procurement, tendering, life-cycle costing, material reuse and redevelopment rules. They are also moving from individual building retrofits towards district-scale interventions integrating energy systems, mobility, water management, public space and social infrastructure. This gives cities a role not only as regulators of the environmental transition, but also as market shapers and innovation platforms.

Climate resilience introduces a further dimension. Heatwaves, flooding and other extreme events increasingly threaten homes and neighbourhoods. Urban greening, permeable surfaces, tree canopy, green roofs and flood-sensitive land management can reduce exposure. However, poorer households often live in lower-quality buildings or locations with greater vulnerability. Climate adaptation is therefore inseparable from social equity and housing policy.

## **Building Neighbourhoods, Not Only Dwellings**

A central message cutting across the report is that the success of housing policy cannot be measured solely by the number of units delivered. A home may be affordable in financial terms

but inadequate if it is insecure, inaccessible, energy inefficient or disconnected from employment and essential services.

Housing is consequently a spatial policy. Decisions about where homes are built or renovated determine access to schools, childcare, healthcare, public transport, green infrastructure, employment and cultural life. They can either reduce or reproduce territorial inequalities.

This is particularly clear in “Priorities and Innovative Housing Strategies of EU Cities”. The shows how coordinated planning and public land stewardship can connect housing with transport, schools, parks, local services and public space, allowing authorities to shape neighbourhoods over time rather than treating each building as an isolated investment.

Community Land Trusts in Brussels add another perspective. Their model separates land ownership from housing ownership, restricts speculative resale and involves residents in long-term governance. Affordability is understood not only as a lower purchase price, but also as security, participation and the possibility of remaining within a neighbourhood without fear of displacement.

The plural partnership chapter similarly emphasises social and economic mix. Affordable housing should not become a residual product concentrated in isolated developments or targeted so narrowly that it reinforces segregation. Diverse tenures, household types, price levels and functions can support more stable communities and allow housing systems to respond to changing needs over the life course.

This focus on community is especially important in the context of short-term rentals, gentrification and neighbourhood change. A housing system must provide dwellings, but it must also enable people to build relationships, access services and participate in urban life. The quality of housing cannot be assessed only inside the dwelling. It is also determined by the neighbourhood outside it.

## **From Local Experimentation to a European and Global Housing Agenda**

Cities across Europe are already addressing these challenges through innovative. Yet successful projects frequently remain small, temporary or dependent on exceptional political and financial conditions. The deeper challenge is to move from pilots to durable systems.

The cases examined by Lawson show that effective housing innovation depends on institutional ecosystems combining long-term public investment, land stewardship, legal recognition, metropolitan planning and appropriate subsidy. Similar instruments may produce very different results in weaker governance frameworks.

Policy transfer must therefore focus on principles and enabling conditions rather than the simple replication of individual instruments. Long-term stewardship, public control of value creation, integrated planning, community participation and enforceable affordability are potentially transferable principles. Their practical application must be adapted to local legal, fiscal and institutional conditions.

Institutional capacity is consequently one of the most important themes emerging from the report. Cities require multidisciplinary skills in planning, land management, finance, procurement, data, energy renovation and community engagement. They need the capacity to assemble land, structure investment, negotiate with developers, access European funds and monitor long-term outcomes. Without such capacity, funding may remain unused, projects may be delayed and public authorities may capture only a limited share of the value created through urban development.

Housing observatories and data platforms should form part of this institutional infrastructure. Better evidence is required on rents, incomes, land values, homelessness, vacancy, short-term rentals, renovation, displacement and neighbourhood accessibility. Comparable data can support territorial targeting

and policy evaluation, while city-level evidence can reveal pressures hidden by national averages.

The chapter “Towards a Global Housing Coalition: UN-Habitat’s Housing Ecosystem and its Partnership with Europe” places these European challenges within the emerging global housing agenda. It argues that a new coalition does not necessarily require an additional institution. Existing mechanisms can be connected more effectively across intergovernmental dialogue, knowledge, technical assistance, finance and implementation. UN-Habitat’s intergovernmental, knowledge, technical-assistance, data and convening mechanisms together constitute an emerging housing ecosystem rather than a single programme.

Europe’s developing housing architecture can engage with this ecosystem in both directions. European cities and institutions can contribute experience in social and cooperative housing, energy renovation, long-term finance, land policy and multi-level governance. Europe can also learn from other regions about incremental housing, informal-settlement upgrading, community finance, land-value capture and alternative forms of delivery.

Connections could be strengthened between the European Housing Alliance and UN-Habitat’s intergovernmental work, as well as between the Pan-European Investment Platform and global discussions on housing finance. Housing could also occupy a more prominent place in European external cooperation, development finance and climate investment. The global chapter notes that less than 0.1% of Official Development Assistance is allocated to housing, despite its contribution to health, education, employment, climate resilience and poverty reduction.

Cities should be central to this cooperation. They are not merely locations in which policies are implemented. They generate knowledge, develop institutional innovations and connect housing with land, services and infrastructure. City networks can help translate local experience into European and global policy while allowing municipalities to learn from approaches developed elsewhere.

## **Towards a New Housing Settlement**

The contributions to this report approach the housing crisis from different perspectives, but they converge around several principles.

First, housing must be recognised as a public good and as strategic social, economic and environmental infrastructure. This does not imply a single model of public provision, but it does require public authorities to define the outcomes that housing systems must deliver.

Second, the crisis cannot be solved through supply alone. Additional construction is necessary in many cities, but its contribution to affordability depends on tenure, price, location and the governance of land. New homes should be combined with renovation, adaptive reuse, vacancy reduction, regulation and stronger forms of social and cooperative provision.

Third, inclusive housing and urban competitiveness are mutually reinforcing. Affordable housing supports labour mobility, essential services, talent attraction and productive urban economies. A competitiveness strategy that neglects housing risks excluding the people on whom economic success depends.

Fourth, private and institutional capital must be mobilised, but within transparent and enforceable public-interest frameworks. Public land, guarantees, infrastructure and planning decisions create value. Public authorities should capture an appropriate share of that value and ensure that risk reduction is matched by moderated returns and long-term affordability.

Fifth, Europe must reconcile housing delivery with climate neutrality and resilience. Renovation, circular construction, adaptive reuse and compact development can contribute to this objective, but the transition must include safeguards against displacement and energy poverty.

Sixth, housing policies should create neighbourhoods, not just units. Access to transport, education, healthcare, employment, public space and community life is an integral dimension of housing adequacy.

Finally, cities need resources, powers and institutional capacity. Mayors are already leading responses to the crisis, but local innovation cannot substitute for supportive national, European and global frameworks. A stronger housing agenda should provide predictable investment, direct and territorially targeted support, technical assistance, reliable data and regulatory conditions enabling cities to act.

The chapters that follow examine how this agenda can be developed in practice. Iafisco and Reviglio establish the scale and urban geography of Europe's housing crisis. Lawson examines the institutional, land and planning strategies through which cities are attempting to shape more inclusive and climate-resilient development. Bortolotti explores the financing of large-scale urban regeneration, land-value capture and the proposed JOSHUA architecture. Jiménez and Cabré consider the emerging European framework and the political role of city leadership. Delmonte and Borré develop the concept of plural public-private partnership and the conditions under which diverse forms of capital can support affordable housing. The UN-Habitat contribution by Anacláudia Rossbach finally connects Europe's debate to a global housing ecosystem based on intergovernmental cooperation, knowledge, capacity building and local implementation.

Together, these contributions suggest that the housing crisis is not the inevitable outcome of urbanisation, demographic change or economic success. It reflects policy choices about land, finance, public investment and the distribution of urban value. Different choices are possible, but they require a long-term alliance between cities, national governments, European institutions, international organisations, housing providers, communities and responsible investors. The report consequently calls for a stronger urban dimension in the next Multiannual Financial Framework. This includes housing allocations within future National and Regional Partnership Plans, more direct access for cities and metropolitan areas, and the targeting of resources according to territorial need.

While this publication was finalised in the summer of 2026, recent developments warrant a brief update to the picture presented here. In September, the European Commission presented its proposal for an Affordable Housing Act, placing housing affordability and availability more prominently on the European policy agenda and introducing a framework to identify areas under housing stress and support targeted action. At the global urban level, the 2026 Urban 20 process has likewise placed affordable housing as its first absolute priority, reflecting the growing attention devoted to housing by cities and national policymakers alike. These developments do not, in themselves, signal a resolution of the housing crisis, nor do they guarantee that greater political attention will translate into effective action. They nevertheless point to a growing recognition of housing affordability and availability as a structural policy challenge, and suggest that the issue is likely to remain central to urban and social policy in the years ahead.

# **1. The State of Housing in European Cities**

Anna Iafisco, Pietro Reviglio

---

## **Housing as the Foundation of the Urban Social Contract**

Housing is the foundation of the urban social contract. It shapes how people live, participate and belong in cities, anchoring social cohesion, economic productivity and democratic life. Today, however, this foundation is under unprecedented strain across Europe. What was once primarily a challenge for the most vulnerable has evolved into a systemic crisis affecting a broad spectrum of urban residents – essential workers, young people and middle-income households alike. Rising evictions and increasing homelessness are placing growing strain on local authorities, highlighting the limits of existing housing systems and the growing gap between incomes and housing costs.

Cities are at the frontline of this crisis, but they are also leading the way in developing effective solutions. As the level of government closest to residents, they have a unique capacity to respond in integrated and innovative ways, working with housing providers, cooperatives, community organisations and private actors. Yet, their ability to act is often constrained by limited financial resources and insufficient access to national and European instruments.

Building on Eurocities' longstanding work on housing, this chapter frames housing as a cornerstone of the social contract, essential in building cities that are equitable, sustainable and democratic.

The chapter brings together a wide range of evidence and analysis, combining insights from Eurocities Mayors' Pulses, city-level thematic research, EU-wide data sources and previous Eurocities policy work. It provides a comprehensive examination of Europe's housing challenges by looking at the affordability challenge and exploring issues such as homelessness and housing exclusion. It also analyses the key drivers of the crisis, including structural, economic and regulatory factors, while highlighting the role of land use planning and integrated urban development. In addition, the chapter reviews how cities are responding on the ground and reflects on the broader implications for EU policy and action.

## **Housing at the Centre of the Mayoral Agenda**

In recent years, housing has moved decisively to the centre of mayoral agendas across Europe. The Eurocities Mayors' Pulse surveys highlight the scale and urgency of the crisis. In 2025, 39% of mayors reported that housing was unaffordable, while only 14% still considered it accessible, pointing to a growing imbalance with implications for social inclusion, competitiveness and trust. The 2026 results confirm this trajectory: 39% of mayors identify housing among their top issues, and for 19% it is the single most important priority.

Housing is no longer seen solely as a social policy concern, but as a defining question of urban leadership. Mayors increasingly frame it as a foundation for social stability, economic opportunity and climate action. This is closely linked to Europe's broader economic future, with 42% of mayors identifying housing retrofitting and heat decarbonisation supply chains as the sectors most likely to drive jobs and inclusive growth in the coming decade.

This political prioritisation reflects a deepening and systemic crisis. Already in 2025, beyond 39% of mayors reported unaffordability, a further 47% classified their cities as “moderate” or “at risk”, signalling that pressures extend well beyond the most constrained markets. Rising house prices and rents, combined with stagnating incomes and increasing construction and energy costs, continue to erode access to adequate housing and increasingly affect the functioning of urban economies.

Through the Mayors for Housing Alliance – launched at the end of 2024 by Jaume Collboni, Mayor of Barcelona, Roberto Gualtieri, Mayor of Rome, and Anne Hidalgo, then Mayor of Paris –, city leaders have articulated a collective call for stronger EU engagement. Their demands combine immediate measures with structural reform. In the short term, mayors call for emergency financing to address acute shortages, recognition of cities as key implementation partners, and faster, more flexible access to EU funding. More fundamentally, they call for adjustments to State aid rules to enable greater public investment in social and affordable housing and for the activation of the national escape clause to expand fiscal space. These proposals reflect growing expectations that EU frameworks should better support delivery on the ground.

Ultimately, the rising political salience of housing reflects a deeper structural reality. While affordability is the most visible dimension, it is only one aspect of a system under strain. Supply shortages, mismatches between housing needs and available stock and the increasing interlinkages between housing, climate, energy and social policies point to a more complex challenge. Recognising housing as a central, cross-cutting issue is therefore essential to addressing the multiple pressures facing European cities today.

## **The State of Affordability and Accessibility in European Cities**

Beyond demonstrating the political salience of housing, the Eurocities Pulse housing affordability data also provides a useful basis for unpacking what “affordable”, “moderate” and “unaffordable” mean in practice. The survey uses a pragmatic city-level understanding of affordability: whether average incomes are sufficient to cover sustainable rent – broadly understood as rent not exceeding around one third of total income – or mortgage payments.<sup>1</sup> This sits alongside the standard EU housing cost overburden indicator, which identifies households spending as more than 40% of disposable income on housing costs. In 2024, this applied to 9.8% of households in EU cities, compared with 6.3% in rural areas.<sup>2</sup> Recent Eurostat data confirms that the affordability squeeze is continuing: between 2010 and the second quarter of 2025, house prices in the EU increased by 60.5%, while rents rose by 28.8%.<sup>3</sup>

However, affordability is not simply a question of price levels. Behind the affordability categories lie very different local housing systems, shaped by income levels, tenure structures, land availability, demographic pressure, tourism, public housing traditions and investment dynamics. Recent reports stress that affordability is fundamentally about price in relation to income, and that “cheap” housing is not necessarily affordable if local incomes are low or if housing quality and accessibility are poor.<sup>4</sup> This distinction is particularly relevant in cities, where housing systems differ from national averages. JRC analysis shows that in 2022, 45% of people in cities rented their homes, compared with 27% in towns and suburbs and 22% in rural areas, while

---

<sup>1</sup> Eurocities, Monitor and Pulse Mayors Survey 2025, 2025.

<sup>2</sup> European Commission, Eurostat regional yearbook – 2025 edition.

<sup>3</sup> Ibid.

<sup>4</sup> ESPON HOUSE4ALL, 2025 EUROPEAN RESEARCH PROJECT, Access to Affordable and Quality Housing for All People, Main Report, November 2025.

Eurostat reports that, in 2024, 73% of the EU population living in cities lived in flats.<sup>5</sup>

The Eurocities data points to particularly severe affordability pressures in several Southern and Western European cities, although the challenge is not limited to them. Barcelona, which reports the lowest affordability in the survey, combines regulatory constraints, limited land availability, short-term rentals and demand exceeding supply among its main drivers. Amsterdam and Zurich also fall firmly in the unaffordable category, with demand pressures compounded by regulatory constraints, construction costs, land scarcity and investment dynamics.<sup>6</sup> Other cities identified in the Eurocities Pulse as facing strong pressure include Rome, Bologna, Lyon, Nice and Marseille, where rising mortgage rates, rental shortages and short-term rental platforms form part of the wider pressure on housing costs.<sup>7</sup>

Other data gathered by Eurocities helps to interpret these territorial patterns in greater depth (See Cities addressing the housing crisis: Innovative and integrated approaches). In Florence, a popular tourist destination with a shrinking population, where 55% of households spend more than 30% of income on housing, median rents have reached €16.5 per square metre and home prices are approximately €4,200 per square metre.<sup>8</sup> In Berlin, nearly a third of households are reported as overburdened by housing costs, while in Ghent the burden differs sharply by tenure: 20% among owner-occupiers, 30% among social renters and 50% among private market renters.<sup>9</sup> Łódź illustrates a different geography of pressure: despite population decline, average property prices rose by 81% between 2019 and 2024, and social housing waiting times

---

<sup>5</sup> European Commission, JRC Publications, *The different faces of homelessness*, 2024; Eurostat, 2025.

<sup>6</sup> Eurocities (2025).

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

exceed 60 months (Eurocities, 2025). These examples show that housing stress is not only a problem of expanding global cities, it also affects tourist cities, former industrial cities and places where housing stock, tenure structure or investment dynamics create mismatches between local needs and available homes.

At the other end of the Eurocities Pulse scale, Vienna stands out as the most affordable city, linked to its long-standing commitment to public and social housing. Other cities such as Oulu, Toulouse, Chemnitz, Katowice and Zaragoza also score in the affordable range in the dataset, although several still identify construction costs, land availability or demand pressures as emerging concerns. This suggests that “moderate” and “affordable” should not be read as an absence of housing risk. They may indicate cities where pressures are less visible, more tenure-specific or concentrated among particular groups rather than across the whole population.

This is why the housing crisis must also be understood as an issue of accessibility. This crisis is affecting vulnerable groups, essential workers, young people and middle-income households, not only those already in poverty.<sup>10</sup> There is, generally, growing consensus on the groups most exposed: low-income households and people in precarious jobs face acute insecurity and overcrowding; young people and students compete for scarce and expensive rentals; key workers, including teachers, nurses and care workers, are increasingly unable to live near their workplaces; families with children struggle to find larger homes; and many older people lack access to age-appropriate and accessible housing.<sup>11</sup> This marks a critical shift. Housing pressure is no longer confined to residual social need; it increasingly affects the functional middle of the city – the residents who sustain public services, local economies and neighbourhood life.

---

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

Additional evidence confirms these findings. Eurofound shows that unaffordable housing leads to homelessness, housing insecurity, financial strain and inadequate housing, and can prevent young people from leaving the family home.<sup>12</sup> Its recent work on young people finds that young adults aged 18-39 are disproportionately affected, partly because they often combine lower or more insecure incomes with the need to access housing in urban areas where demand-supply gaps are most acute.<sup>13</sup> The European Investment Bank similarly links the lack of affordable housing to delayed family formation, constrained educational choices and difficulties for essential workers such as teachers and nurses to take up jobs in major cities because they are priced out.<sup>14</sup> Taken together, these findings suggest that the housing crisis is no longer only a welfare issue, but also a labour market, competitiveness and social cohesion issue.

The state of housing in European cities should therefore be read through a wider lens than price alone. High rents and mortgage costs are central, but residents may also experience housing exclusion through overcrowding, insecure tenure, poor-quality dwellings, energy poverty, displacement from central or well-connected neighbourhoods or homelessness. Eurostat's 2025 housing overview reports that, in 2024, 9% of the EU population could not afford to keep their home adequately warm, reinforcing the point that affordability is closely linked to adequacy, quality and energy costs.<sup>15</sup> The central challenge for cities is therefore not only whether housing is affordable in a narrow market sense, but whether residents can access adequate, secure and sustainable homes in places that allow them to participate fully in urban life.

---

<sup>12</sup> Eurofound, *Unaffordable and inadequate housing in Europe*, Research Report, 2023.

<sup>13</sup> Eurofound, *Living and Working in Europe 2025*, May 2026.

<sup>14</sup> European Investment Bank, 2025.

<sup>15</sup> Eurostat (2025).

## Homelessness and Housing Exclusion: The Sharpest Edge of the Crisis

Homelessness is the sharpest edge of Europe's urban housing crisis. It is not a separate social issue, but the point where shortages of adequate, affordable and secure housing become most visible. Across Europe, almost 1.3 million people are estimated to be sleeping rough, staying in night shelters or living in temporary accommodation for people experiencing homelessness, underscoring how far Europe remains from achieving the Lisbon Declaration's objective of ending homelessness by 2030.<sup>16</sup>

Recent local data confirm that this pressure is concentrated in major urban areas. In the Brussels-Capital Region, the 2024 count recorded 9,777 people experiencing homelessness, a 25% increase compared with 2022. Non-conventional housing, including squats and informal occupations, accounted for 27% of those counted.<sup>17</sup> In the Dublin Region, 11,421 people were in emergency accommodation in June 2025, including 3,666 children and 1,626 families, showing the growing importance of family homelessness.<sup>18</sup> Even Finland, often seen as the European benchmark for Housing First, recorded a reversal in 2025, with 4,579 homeless people living alone, 20% more than in 2024.<sup>19</sup>

These figures are not directly comparable, but they point to the same structural issue: homelessness is increasingly linked to housing insecurity, unaffordable rents, insufficient social and affordable housing and weak prevention systems. Eurofound shows that unaffordable housing leads to homelessness, housing insecurity, financial strain and inadequate housing, while also

---

<sup>16</sup> Eurocities, *Housing First in Action*, Report, 2025; European Commission, *Lisbon Declaration on the European Platform on Combatting Homelessness*, 21 June 2021.

<sup>17</sup> Bruss'help/Brussels Studies, 2026.

<sup>18</sup> Dublin Region Homeless Executive, "Dublin Region Homeless Action Plan", 2025.

<sup>19</sup> Centre for State-Subsidised Housing Construction/Ministry of the Environment Finland, 2026.

affecting health, wellbeing, opportunities, healthcare costs and productivity.<sup>20</sup> In 2025, 12.4% of non-homeowners across the EU reported that they were likely to have to leave their dwelling within three months because they could no longer afford it, illustrating how close housing stress can be to displacement.<sup>21</sup>

Housing First changes the terms of the response. Instead of asking people to prove that they are “housing ready”, it starts from the principle that stable housing is the basis for recovery, autonomy and social inclusion. Housing is combined with intensive but voluntary support, tailored to individual needs and provided for as long as necessary. The model has one of the strongest evidence bases among homelessness interventions, with many programmes internationally achieving housing retention rates above 80%.<sup>22</sup> In Brno, 92% of individuals and 96% of families retained housing after one year, with more than 80% continuing after two years; in Lisbon, NGOs report retention above 95% after two years for participants who access the programme.<sup>23</sup>

The core lesson is that Housing First works, but it cannot scale in isolation from the wider housing system. Where affordable homes are unavailable, where social housing waiting lists are long or where private rental markets are inaccessible, even strong Housing First programmes face bottlenecks. Homelessness policy must therefore be connected to broader housing policy: expanding social and highly affordable housing, preventing evictions, improving access to support and ensuring that people experiencing homelessness are not pushed to the end of the housing queue. This is also central to Eurocities’ wider housing work, which frames cities as developing integrated housing strategies in contexts where markets are under strain and the social fabric is at risk.<sup>24</sup>

---

<sup>20</sup> Eurofound, *Unaffordable and inadequate housing in Europe*, Research Report, 2023.

<sup>21</sup> Eurofound, *Living and Working in Europe 2025*, May 2026.

<sup>22</sup> Eurocities, *Housing First in Action*, Report, 2025.

<sup>23</sup> Ibidem; Eurocities, *Contribution to the EU anti-poverty strategy*, 2025.

<sup>24</sup> Eurocities, *Cities addressing the housing crisis*, 2025.

Homelessness also reflects wider changes in urban society. Housing insecurity increasingly intersects with precarious work, unstable incomes, migration status, poor health and weak access to services. OECD evidence notes that housing pressures are especially severe for people with low or unstable incomes, young people, families with children and older people.<sup>25</sup> Public health literature underlines that homelessness is not only the absence of shelter, but a form of severe housing deprivation, social marginalisation and exclusion from fundamental rights, including healthcare.<sup>26</sup>

Finally, part of the crisis remains hidden. Standard counts often miss people staying temporarily with friends or relatives, women avoiding shelters, young people, migrants and people without regularised status. The JRC stresses that homelessness figures are likely to underestimate these groups because of fragmented methodologies and the absence of a universally accepted definition.<sup>27</sup> Better data is therefore a condition for prevention, fair access to support and effective housing-led pathways. Homelessness shows why the housing crisis cannot be addressed only through general supply: it requires highly affordable and social housing, Housing First, eviction prevention, integrated health and social support and city-level systems capable of making hidden exclusion visible.

## **Drivers of the Crisis: Demand, Land, Construction Costs, Speculation and Short-Term Rentals**

The housing crisis facing European cities is not driven by a single cause, but by a cumulative and reinforcing set of pressures. The crisis is often considered a multi-causal phenomenon, where

---

<sup>25</sup> OECD, *Affordable housing*, 2026.

<sup>26</sup> M. Amadini, E. Pasini and F. Puccio, “Exploring the multidimensional impact of homelessness on health and social inclusion”, *Frontiers in Public Health*, 2025.

<sup>27</sup> European Commission, JRC Publications, *The different faces of homelessness*, 2024.

structural imbalances between supply and demand interact with rising construction costs, land constraints and financial dynamics. These drivers do not operate in isolation; rather, they form a stack of pressures that together shape housing outcomes, amplifying both shortages and affordability challenges across different urban contexts.

From Eurocities Pulse Mayors Survey, 2025, the most prominent driver is the structural imbalance between demand and supply, identified among the top three challenges by 76% of cities. Urban populations continue to grow, household sizes are shrinking and housing needs are diversifying, while supply has not kept pace. This persistent gap has led to sustained increases in prices and rents, limiting access to adequate housing and affecting a growing share of residents across income groups.

Closely linked to this is the sharp rise in construction costs, cited by 71% of cities. This increase is primarily driven by higher material prices and labour shortages in the construction sector, which have significantly raised the cost base of new developments. Supply chain disruptions in recent years, together with increased demand for construction materials, have further reinforced these pressures. As a result, the financial feasibility of new housing projects has become more challenging, particularly in segments aimed at affordability.

Land availability is another critical constraint, highlighted by 60% of cities. In dense urban areas, the limited availability of developable land restricts the ability to expand housing supply. This is further compounded by competing land uses, regulatory constraints and fragmented ownership patterns, which together increase complexity, reduce flexibility and push up costs.

Financial and investment dynamics also play a growing role. Speculative investment, identified by 29% of cities, reflects the increasing treatment of housing as a financial asset rather than primarily as a social good. In certain markets, this is associated with the expansion of large-scale institutional investment, as well as smaller-scale speculative practices, both of which can influence price dynamics.

Regulatory constraints, cited by 26% of cities, reflect the role of planning procedures, administrative requirements and national and regional frameworks in shaping housing delivery. While these rules are often essential to ensure quality, safety and environmental performance, their complexity or lack of coordination can delay projects and limit responsiveness to local needs.

Finally, short-term rentals have emerged as a significant and rapidly growing factor, particularly in high-demand and tourist cities, and are cited by 25% of mayors as a top driver. Their impact varies across contexts, but it is increasingly associated with pressures on both availability and affordability, especially in central neighbourhoods.

Across these interrelated pressures, land emerges as a pivotal factor shaping the structure and outcomes of housing markets. The Eurocities report *Cities addressing the housing crisis: Innovative and integrated approaches* highlights that the challenge is not only the scarcity of land, but also how it is owned, governed and used. Differences in tenure patterns and limited public control constrain cities' ability to steer development towards social and affordability objectives. At the same time, rising land values capture an increasing share of overall housing costs, reinforcing affordability pressures and reducing the feasibility of inclusive projects.

Closely linked to construction costs is the challenge of land availability, a structural limitation across almost all surveyed cities. High urban density, speculative pressures and the scarcity of well-located plots have driven up land prices and restricted development potential. In Florence and Zurich, historical preservation regulations limit expansion, while Liège faces the costly decontamination of polluted sites. Cities such as Berlin and Oslo avoid building on green spaces, concentrating development in brownfield or 'grey' areas, where redevelopment costs are higher. In Lodz and Utrecht, limited municipal land ownership reduces public leverage over affordability and planning objectives, while Barcelona and Bruges face intense competition for scarce plots linked to tourism demand.

In response, cities are deploying a range of strategies to mobilise land and unlock supply, including densification, regeneration of underused sites and the conversion of non-residential buildings. Public land remains a key lever to support affordability and social mix, although its availability varies significantly across cities. These approaches require balancing competing priorities – including environmental objectives, quality of life and urban growth – making land use decisions complex and politically sensitive.

Within this broader context, short-term rentals illustrate how housing markets are evolving beyond traditional supply-demand dynamics. As highlighted by the Mayors for Housing Alliance, their expansion reflects a shift in the use of residential stock towards higher-yield economic activities linked to tourism and platform economies. This can reduce the availability of long-term housing, contribute to price increases and alter neighbourhood dynamics.

This transformation raises broader questions about the role of housing in cities and underscores the need for more effective governance tools. In particular, access to reliable data on short-term rentals is increasingly seen as essential to support monitoring and enforcement. Improving transparency in this segment is therefore an important step towards restoring balance between residential use and economic activity and ensuring that housing systems continue to support inclusive and sustainable urban development.

## **Housing as Integrated Urban Development: Land, Mobility, Services and Neighbourhoods**

Housing is not merely a matter of social policy or construction targets; it is fundamentally spatial policy. Where homes are built, reused or renovated directly shapes residents' access to employment, education, healthcare, public transport, green and blue infrastructure, cultural life and essential services. As a result, housing location and urban form have long-term

implications for equity, sustainability and quality of life. A spatial perspective reveals that the organisation of cities actively structures opportunities: it can either expand access to essential services or reinforce exclusion. Housing must therefore be understood as a core driver of inclusive and sustainable urban development, requiring planning approaches that strengthen the social and environmental fabric of cities rather than treating it as a separate sector.

Achieving this shift depends on holistic urban planning that embeds housing within broader urban systems. Affordable and quality housing must be coordinated with sustainable mobility, green infrastructure and essential social services such as schools, childcare, healthcare and community facilities. As highlighted by Eurocities, such integrated approaches help reduce territorial inequalities and strengthen urban resilience. Conversely, fragmented planning risks reinforcing spatial segregation, limiting access to opportunities and increasing pressure on infrastructure systems. Coordinated governance across municipal departments – and alignment with regional and national levels – is therefore essential to ensure coherent spatial and investment strategies.

This integrated approach is reflected in the “15-minute city” concept, which envisions neighbourhoods where residents can access most daily needs within short walking or cycling distances. Beyond proximity, this model requires well-designed urban districts that combine diverse housing typologies, accessible services, high-quality public space and sustainable mobility networks. As emphasised in Eurocities’ work on urban transformation, proximity-based development reduces car dependency, lowers emissions and enhances quality of life while fostering social interaction and community cohesion. Within this framework, housing is not simply accommodated within neighbourhoods; it actively shapes their structure and functionality.

The European Union’s Cohesion Policy framework, particularly through the European Regional Development Fund (ERDF) and its support for Sustainable Urban Development

(SUD) strategies, provides key instruments to operationalise this spatial logic. Cities play a central role in translating EU-wide objectives – such as climate neutrality, social inclusion, sustainable mobility, digital transition, economic competitiveness, resilience and democratic trust – into concrete place-based interventions. ERDF-supported SUD strategies enable integrated investments that combine housing renovation, public realm improvements, active mobility infrastructure and digital services. Their effectiveness depends on long-term urban strategies that prioritise equity and ensure that the benefits of ecological and digital transitions are distributed across all neighbourhoods.

This direction is consistent with the Eurocities Strategy 2030, which places affordable housing and homelessness prevention at the centre of inclusive urban development. The strategy promotes compact and polycentric urban models that reduce urban sprawl, protect natural and agricultural land and prioritise the regeneration of underused or degraded urban areas. Through the reuse of existing buildings and brownfield sites, cities can limit environmental pressures while supporting the development of mixed-use, socially diverse and accessible neighbourhoods. In this approach, housing quality is inseparable from access to services, public space and sustainable mobility, reinforcing the idea that urban well-being depends on integrated spatial planning.

Moreover, climate resilience is becoming a defining dimension of housing policy. Cities are increasingly exposed to heatwaves, flooding and other climate-related risks, requiring adaptation to be embedded directly into spatial development strategies. This includes the deployment of nature-based solutions such as urban greening, expanded tree canopy coverage, green roofs and permeable surfaces to mitigate heat island effects and improve stormwater management. At the same time, spatial planning must balance urban density with sufficient green and open spaces that provide cooling functions, enhance biodiversity and support water retention. Flood-resilient approaches – such

as avoiding construction in high-risk areas, restoring natural waterways and reinforcing floodplains – illustrate how land-use decisions are central to long-term urban resilience. Importantly, these risks are not evenly distributed: lower-income households are often more exposed due to poorer housing quality and less favourable locations, making climate adaptation a matter of social equity as well as environmental policy.

This integrated understanding is reinforced by the Joint Declaration “Delivering Affordable and Climate-Resilient Housing for All” signed by cities, architects and public, cooperative and social housing providers. The declaration calls for a coordinated European response to the housing crisis that simultaneously delivers affordability, quality and climate resilience. It emphasises the need to align housing policy, urban design and spatial planning from the outset, ensuring that homes are socially inclusive, environmentally sustainable and well-integrated into their urban contexts. It further highlights that resilient housing systems depend on cooperation across sectors and governance levels, reflecting a shift away from fragmented approaches towards a more coherent European framework.

Ultimately, housing must be understood as a foundational element of urban development rather than a discrete policy field. When integrated with land use, mobility, services and neighbourhood design, it becomes a powerful lever for sustainability, resilience and social inclusion. Only through such an approach can cities ensure that housing is not only affordable and safe, but also spatially connected to opportunities, services and networks that make urban life genuinely inclusive and sustainable.

## **Sustainable, Energy Efficient and Climate-Resilient Housing: Renovation Without Displacement**

Europe's housing stock faces a dual challenge: improving energy performance while ensuring that renovation does not come at the expense of housing affordability and social inclusion. Around 85% of buildings in the EU were built before 2000 and 75% have poor energy performance, while the annual renovation rate remains stuck at approximately 1%. Accelerating renovation is therefore essential not only to reduce emissions and energy consumption, but also to lower energy bills and improve living conditions.

The revised Energy Performance of Buildings Directive requires Member States to develop National Building Renovation Plans and establish pathways to reduce the average primary energy use of residential buildings by 16% by 2030 and 20-22% by 2035. While countries retain flexibility in how these targets are achieved, at least 55% of the required reduction must come from renovating the worst-performing buildings.

Cities are already contributing to these objectives through urban regeneration programmes and neighbourhood-scale renovation projects. However, the social dimension of renovation remains a significant challenge. Deep renovation works can temporarily or permanently displace residents, even in public and social housing. In such cases, cities and housing providers ensure that households have access to suitable temporary accommodation and are guaranteed the right to return once works are completed.

The challenge is even more complex in multi-apartment buildings, which are common across many Central and Eastern European cities. Renovation decisions often require agreement among multiple owners with different financial capacities and priorities, creating barriers to implementation. Meanwhile, tenants in the private rental sector face a different risk: renovations can be used to justify substantial rent increases

or even for “renovictions”. Without adequate safeguards, the benefits of energy-efficient housing may accrue to property owners while low- and middle-income households are pushed out of their neighbourhoods.

This concern is not new. Ahead of the Nice Housing Ministerial in 2022, Eurocities and partner organisations called on the EU and national policymakers to ensure that housing renovation contributes to climate neutrality without exacerbating housing exclusion, displacement or affordability pressures. The European Commission’s Affordable Housing Plan builds on this approach by promoting integrated renovation models that combine energy efficiency, affordability and social inclusion. Among its flagship actions is the Better Homes Partnership, which seeks to identify concrete projects, partnerships and replicable solutions to accelerate affordable, high-quality home renovations across the EU.

Since its launch in 2021, the New European Bauhaus further complements these efforts by promoting renovation projects that are not only sustainable but also inclusive, high-quality and designed around the needs of residents and local communities.

The EU has also introduced more operational instruments to support the local delivery of housing renovation projects. The Affordable Housing Initiative provides practical support to cities and social housing providers through capacity building, technical assistance and pilot projects. At the heart of the initiative are the 100 Lighthouse Districts, which serve as testing grounds for integrated neighbourhood renovation approaches combining energy efficiency, circular construction, digital innovation and social inclusion. Through the SHAPE-EU project, participating cities and housing organisations exchanged knowledge and developed scalable models for affordable and sustainable housing renovation.

In Paris, the regeneration of the Caserne de Reuilly demonstrates how public land mobilisation can support affordable housing delivery within a circular urban development framework. The project transformed a former military site into

a mixed-tenure development comprising around 580 housing units, combining social, intermediate and regulated private rental housing. By integrating adaptive reuse, material recovery and selective demolition, it illustrates how circular construction principles can be embedded in large-scale urban regeneration while preserving heritage assets and supporting social mix.

In the Basque Country, the OPENGELA project provides a replicable model for neighbourhood-scale renovation through locally embedded One-Stop-Shop services. Operating in the districts of Otxarkoaga (Bilbao) and Txonta (Eibar), the scheme combines technical assistance, administrative support and tailored financing for households undertaking energy renovations. Its MAS OPENGELA mechanism addresses financing barriers through long-term repayable loans, demonstrating how integrated governance and targeted financial instruments can facilitate deep renovation in vulnerable urban areas.

Looking ahead, the success of Europe's renovation wave will depend not only on increasing the pace of investment but also on ensuring that social safeguards are embedded throughout the renovation process. Protecting tenants from displacement, supporting low-income homeowners, facilitating decision-making in multi-owner buildings and involving residents in planning and implementation will be essential to deliver a just transition.

## **Adaptive Reuse, Compact Growth and the Future of Urban Land**

The scale of the renovation challenge in Europe highlights the need to make better use of the existing building stock. Across the continent, buildings and dwellings remain vacant or underused even as access to affordable housing becomes increasingly difficult. The scale of the mismatch is particularly visible in cities. In Berlin, around 40,000 apartments are estimated to

stand empty despite acute housing shortages.<sup>28</sup> In Prague, the number of vacant dwellings exceeds 90,000 vacant flats,<sup>29</sup> while in Brussels at least 4,500 homes were found to be identified as unoccupied in 2024, alongside between three and four million square metres of vacant office space.<sup>30</sup> These figures suggest that vacancy is not merely a marginal phenomenon but a significant untapped resource that could help address housing needs while limiting additional land consumption.

Adaptive reuse is increasingly recognised as a strategic response to both Europe's housing shortage and its land-use challenges. In Paris, the conversion of offices and commercial premises into housing has delivered around 900 homes per year since 2013, illustrating the potential of underused real estate to contribute to housing supply in land-constrained urban areas. Around 42% of the housing created through these conversions has been social housing, demonstrating that office-to-residential projects can support affordability objectives when accompanied by appropriate public policies and planning requirements.

According to the Brussels Office Observatory, office conversions in the Belgian capital contributed around 23% of net housing production in 2021, and today approximately one quarter of new housing in the region originates from former office buildings. As changing work patterns have increased office vacancy in parts of the city, adaptive reuse has emerged as a way to bring underutilised assets back into productive use while limiting land consumption and capitalising on existing infrastructure and services.

However, the success of adaptive reuse depends on appropriate governance and planning frameworks. Not all office buildings are suitable for residential conversion, and additional measures may be needed to ensure affordability, housing quality, energy performance and access to services.

---

<sup>28</sup> Destatis, 2024.

<sup>29</sup> OECD, *Housing Reforms in Czechia and Poland*, 2025, based on the Czech Population and Housing Census 2021.

<sup>30</sup> Brussels Housing & Brussels Studies Institute, 2024.

For cities, adaptive reuse is not only a housing tool but also a land-use strategy. Reusing vacant buildings and regenerating former industrial, military and commercial sites can unlock housing capacity in well-connected locations, reducing the need for development on undeveloped land and making more efficient use of existing infrastructure, public services and public investment.

## **City Responses: From Pilots to Systemic Strategies**

Building resilient housing systems requires a diverse mix of housing solutions tailored to different needs and circumstances. These range from emergency accommodation and Housing First programmes to social housing, affordable rental schemes, cooperative housing and affordable pathways to homeownership. Taken together, these interventions form a housing continuum, helping households navigate changing life circumstances and preventing gaps that can lead to housing exclusion.

Across Europe, local initiatives are addressing different needs within this continuum. In Bonn, the Bonner Offensive zur Überwindung der Wohnungslosigkeit supports people experiencing homelessness through prevention, housing acquisition and coordinated support services, with the objective of ending homelessness by 2030. In Barcelona, the Housing with Supportive Services for the Elderly scheme provides affordable, accessible housing combined with care and community services, enabling older residents to maintain their independence while reducing social isolation. In Ghent, the ICCARus programme helps low-income homeowners renovate unsafe and energy-inefficient dwellings through a revolving renovation fund and tailored social support, preventing housing deterioration and displacement. Meanwhile, Amsterdam's Affordable Housing for Starters scheme creates discounted-sale homes for first-time buyers, with priority access for essential workers in sectors such as healthcare, education and policing. Meanwhile, in Milan, the Casa ai Lavoratori programme expands access to affordable

rental housing for workers facing increasing difficulties in the private market, helping key professions remain in the city despite rising housing costs.

These local initiatives are often part of broader systemic approaches to housing. Such approaches recognise that housing is closely interconnected with health, education, employment, climate and social inclusion outcomes. Building resilient housing systems therefore requires coordinated action across policy sectors and levels of government. Increasingly, cities are embedding housing within wider urban strategies, linking housing provision with neighbourhood regeneration, energy efficiency, social inclusion and economic development objectives. This demonstrates that housing should not be viewed solely as an end in itself, but also as a foundation for broader urban resilience and wellbeing. Achieving this at scale, however, requires supportive national and regional policies, sustained investment and enabling regulatory frameworks.

Rennes Métropole provides a particularly compelling example of a systemic approach to housing. Faced with rapid population growth, rising housing costs and increasing pressure on its social housing system, the metropolitan authority has embedded housing within a broader strategy that links affordability, land use, climate objectives and public transport planning. Through its Local Housing Programme (PLH) 2023-28, Rennes Métropole aims to deliver 5,000 homes annually, including 1,250 social housing units per year, while combining new construction with building renovation and office-to-residential conversions.

Rather than relying on a single intervention, the strategy combines a wide range of tools. Affordable housing requirements are integrated into planning regulations, with all major residential developments required to provide social housing, rising to 40% in priority areas. Rennes also applies a Unified Rent Policy across its social housing stock, standardising rents for equivalent dwellings regardless of location and helping to promote social mix across the metropolitan area.

A further innovative feature is the large-scale deployment of the Real Solidarity Lease (BRS) through the metropolitan Community Land Trust (OFS). Under this model, the land remains in collective ownership while households purchase only the building, reducing acquisition costs by 30-40% and preserving affordability through resale conditions. The approach is complemented by partnerships with municipalities, non-profit housing providers and social lenders, allowing affordable homeownership to reach households that would otherwise be excluded from the market.

Land policy also plays a central role. Through collaboration with the Brittany Public Land Agency (EPF Bretagne), Rennes uses land banking and long-term land acquisition mechanisms to secure sites for future housing development and maintain public influence over urban growth. Housing delivery is closely linked to climate and mobility goals, with most new social housing located near high-capacity public transport corridors and all new developments expected to meet high energy-efficiency standards. Together, these measures demonstrate how housing policy can be integrated with land management, transport planning, climate action and social inclusion objectives, rather than being treated as a standalone sector.

## **What Cities Need from the EU: Resources for Housing Investment**

European cities are at the forefront of the housing crisis. They are expected to increase the supply of affordable and social housing, renovate ageing buildings, improve energy efficiency and protect residents from rising housing costs. Yet, their capacity to act is constrained by a growing mismatch between responsibilities and resources. While local governments are increasingly asked to deliver housing solutions, they often lack the financial tools, fiscal flexibility and direct access to funding needed to respond at the scale required.

The challenge is structural and long-term. Across Europe, cities face a combination of limited affordable housing supply, rising construction and land costs, demographic changes and an ageing housing stock that requires substantial renovation. Many urban housing markets are characterised by persistent shortages, while a significant share of existing dwellings does not meet modern energy-efficiency standards. At the same time, growing numbers of smaller households and older residents are creating new forms of housing demand that current supply struggles to accommodate. As recognised by the European Affordable Housing Plan, addressing these challenges will require investment on a scale that far exceeds current public capacity. The housing investment gap in the European Union is estimated at around €153 billion annually.<sup>31</sup>

Although housing remains primarily a national competence, EU policies already have a significant influence on cities' ability to address housing needs. EU funding programmes, state aid rules, fiscal governance frameworks and investment priorities shape the resources and policy space available to local authorities. For this reason, cities increasingly view the European Union as a critical partner in tackling the housing crisis.

The European Affordable Housing Plan represents an important step forward. Cities welcome the growing recognition of housing as a European priority and the acknowledgement that access to affordable housing is essential for social cohesion, economic competitiveness and the green transition. The mobilisation of EU resources has already contributed to this objective. Between 2021 and 2027, substantial support has been made available through Cohesion Policy funds, InvestEU, the Recovery and Resilience Facility and the European Investment Bank (EIB). More recently, an additional €10 billion has been allocated to InvestEU for 2026-27, with the potential to mobilise up to €375 billion in investment by 2029 through partner financial institutions. The EIB has also expanded its

---

<sup>31</sup> European Commission, 2025.

housing ambitions, aiming to increase housing-related lending to €6 billion annually by 2026, while a proposed Pan-European Investment Platform for Affordable and Sustainable Housing could further strengthen cooperation between public authorities and private investors.

However, cities argue that the scale of available funding remains insufficient relative to the scale of the crisis. Despite positive developments, grant-based support for housing remains limited and the resources mobilised so far fall well short of closing the investment gap. Moreover, most EU housing funding continues to be channelled through national governments, meaning that cities often face significant barriers in accessing resources directly. This can lead to delays, administrative complexity and funding allocations that do not always reflect housing pressures on the ground.

For cities, the next Multiannual Financial Framework (MFF) therefore represents a crucial opportunity to establish a stronger European investment framework for housing. A central priority should be the creation of a European Housing Fund, conceived not necessarily as a new standalone instrument but as a coherent framework that prioritises housing across the EU budget. Such a fund should combine grants, loans and guarantees to support the construction of social and affordable housing, the renovation of existing stock and the development of innovative housing models. Equally important, it should provide more direct and predictable access for cities and metropolitan areas.

This objective should be supported by a dedicated urban chapter within the future National and Regional Partnership Plans, accompanied by earmarked resources for housing. The concentration of housing pressures in cities and metropolitan areas requires a governance model that reflects territorial realities. Funding should therefore be allocated according to need, including through the identification of Stressed Housing Market Areas (SHMAs), allowing resources to be directed towards places where affordability challenges are most acute. Prioritised access to funding, higher co-financing rates and

faster approval procedures in these areas would help ensure that investment reaches territories where it can have the greatest impact.

Beyond funding, cities stress the importance of creating the right regulatory conditions for investment. Public expenditure on social and affordable housing is currently counted under deficit and debt calculations within the Stability and Growth Pact. As a result, municipalities and Member States with limited fiscal space may be unable to co-finance housing projects, even when EU support is available. For years, cities have been calling for housing investment to receive similar treatment to other strategic priorities by being excluded from deficit calculations. Such a reform would unlock significant public investment and strengthen the effectiveness of EU housing initiatives.

Ultimately, cities are not asking the European Union to replace national housing policies. Rather, they seek a framework that recognises housing as a European strategic priority and equips local authorities with the resources and flexibility needed to act. This requires three fundamental commitments: treating housing as a public good rather than merely a market commodity, ensuring long-term affordability through sustained public investment and directing support towards the territories experiencing the greatest housing pressures. Only by combining these principles with a stronger investment framework can Europe enable its cities to deliver the affordable, sustainable and resilient housing systems that the coming decades will require.

## **Towards a New Housing Agenda for European Cities**

Housing in European cities is no longer a narrow affordability issue. It has become a systemic challenge that affects social inclusion, homelessness, health, labour market participation, climate objectives, land use and urban competitiveness. Rising housing costs and growing housing insecurity are not only undermining living standards but also weakening cities' ability

to attract workers, support economic activity and deliver on broader social and environmental goals. Addressing the housing crisis therefore requires a holistic approach that recognises housing as a cornerstone of the urban social contract and a prerequisite for resilient, inclusive and sustainable cities.

Cities are at the centre of this effort. As the level of government closest to residents, they are often the first to respond to housing needs while also developing innovative solutions. Across Europe, municipalities are expanding affordable housing, preventing homelessness, repurposing underused buildings and promoting social mix through planning and land-use policies. In doing so, they increasingly act as system integrators, connecting housing with wider objectives such as social cohesion, climate neutrality and territorial development. Yet, their ability to deliver lasting change remains constrained by limited funding, rising land and construction costs, regulatory barriers and fragmented governance frameworks.

Moving forward, Europe must shift from crisis management towards a structural transformation of its housing systems. This requires governance arrangements that better recognise the role of cities, financing instruments aligned with the scale of investment needs, stronger EU support and a housing agenda that places cities at its core. The following chapters explore how these elements can help build more affordable, sustainable and resilient housing systems for Europe's urban future.



## **2. Priorities and Innovative Housing Strategies of EU Cities**

Julie Lawson

---

### **European Cities at the Centre of the Housing Challenge**

Across Europe, cities are confronting a growing housing paradox: they are becoming more prosperous, attractive and environmentally ambitious, yet increasingly difficult to access for many of their residents. Rising land values, escalating rents and widening socio-spatial inequality are placing mounting pressure on households as well as urban governments. In many cities, access to affordable and adequate housing is no longer limited to the concerns of traditionally disadvantaged groups. Key workers, younger households, older residents and moderate-income earners are increasingly struggling to remain in well-connected neighbourhoods close to employment, services and public transport.

At the same time, European cities face the parallel challenge of adapting ageing housing stock to climate and energy objectives while responding to demographic change, migration and infrastructure pressures. Energy poverty, urban sprawl and deteriorating housing conditions continue to affect many urban regions, while growing demand for centrally located housing intensifies pressure on land markets and existing neighbourhoods. As a result, housing is increasingly recognised

not simply as a social policy issue, but as a strategic component of sustainable urban development, economic resilience and climate transition.

These pressures have prompted many municipalities to move beyond fragmented or purely market-led housing interventions toward more integrated urban housing strategies. Across Europe, these resilient cities are combining land policy, planning reform, cooperative and non-profit housing provision, climate-sensitive renovation, adaptive reuse and long-term public stewardship to shape housing outcomes more actively. Rather than focusing solely on housing output, their approaches seek to improve long-term affordability, accessibility, social inclusion and urban liveability.

International and European policy frameworks have reinforced this shift toward integrated approaches. The Sustainable Development Goals, the Right to Adequate Housing, the New Urban Agenda, the Leipzig Charter and the Geneva UN Charter on Sustainable Housing all emphasise the importance of inclusive, climate-resilient and socially sustainable urban development.

In this spirit, the UN and Housing Europe-led *#Housing2030* initiative, synthesising evidence from across the region and argued that effective affordable housing systems depend on the integration of four key policy domains: governance, finance, land and climate-neutral housing provision.<sup>1</sup> The report, podcasts and websites document and demonstrate how affordability pressures are closely connected to urbanisation, financialisation, climate change and institutional fragmentation, requiring coordinated and evidence-based policy responses.<sup>2</sup> Rather than promoting a single model, *#Housing2030* advocated adaptable policy frameworks capable of responding to different institutional and territorial contexts.<sup>3</sup>

---

<sup>1</sup> United Nations Economic Commission for Europe, UN-Habitat, & Housing Europe, *#Housing2030: Effective policies for affordable housing in the UNECE region*, United Nations, 2021.

<sup>2</sup> UNECE et al. (2021).

<sup>3</sup> Ibid.

Recent European research has further highlighted the strategic role of land governance in shaping housing outcomes. EU Horizon's *Equal House* research programme argues that land is not simply a passive input into housing production, but one of the primary determinants of affordability, accessibility and spatial inclusion.<sup>4</sup> Long before homes are constructed, decisions about how land is assembled, serviced, zoned and allocated shape whether affordable housing can be delivered in accessible and opportunity-rich neighbourhoods.

Recent fieldwork undertaken through the *Equal House* project revealed how these governance arrangements shape urban development in practice. In Vienna's Aspern Seestadt, affordable housing, schools, parks, tram lines and public services were planned together as part of a coordinated urban structure rather than delivered incrementally through fragmented development. The result is not simply housing provision, but the creation of mixed and accessible neighbourhoods designed around long-term liveability.<sup>5</sup>

In Helsinki's Jätkäsaari and Kalasatama districts, municipal leasehold arrangements helped integrate mixed-income housing with public transport, cycling infrastructure and waterfront public space through coordinated land allocation and metropolitan planning. In Brussels, Community Land Trust projects demonstrated how affordability can also be understood as long-term security and protection from displacement, supported through collective stewardship and community participation.<sup>6</sup>

At the same time, cities increasingly operate within broader ecosystems of policy learning and urban diplomacy. Networks such as Eurocities, Housing Europe and the Covenant of Mayors support peer learning, collaborative experimentation

---

<sup>4</sup> P. O'Brien, A. Earley, L. O'Hara, and J. Lawson, *Work Package 5: Land policy instruments for the provision of social and affordable housing*. Equal House Project, 2025.

<sup>5</sup> J. Lawson and O. Anisimov, *Making a difference: Land policies and housing in the field*, Equal House Project, 2026.

<sup>6</sup> Ibid.

and exchange of expertise across Europe. Institutions such as Eurostat, the Organisation for Economic Co-operation and Development and the European Housing Advisory Board are also contributing to stronger evidence systems and comparative housing analysis.

This chapter examines how European cities are responding to housing pressures through innovative and increasingly integrated housing strategies. Drawing on evidence from *#Housing2030*, the Equal House project and the Affordable Housing Initiative, it explores how municipalities are using land policy, cooperative and community-led housing, circular renovation, adaptive reuse, zoning reform and public stewardship to support more affordable, inclusive and climate-resilient urban development.

## **Governing Housing Strategically: Evidence, Institutions and Urban Policy Learning**

Across Europe, innovative housing strategies increasingly depend not only on individual policy instruments, but on the institutional capacity of cities to coordinate land, planning, infrastructure, climate action and social objectives over time. As housing pressures have intensified, many municipalities have recognised that fragmented governance arrangements are poorly suited to addressing interconnected urban challenges. In response, cities are increasingly developing strategic housing frameworks supported by specialised agencies, evidence systems and collaborative forms of urban governance.

The *#Housing2030* initiative identified governance as one of the four foundational pillars of effective affordable housing systems.<sup>7</sup> The report emphasised the importance of strategic planning, evidence systems, multi-level coordination and accountable implementation structures capable of sustaining affordable housing outcomes over time. Rather than treating housing as an isolated sector, the report argued that effective

---

<sup>7</sup> UNECE et al. (2021).

governance requires alignment across housing, land use, transport, climate policy and social inclusion objectives.<sup>8</sup>

Across Europe, cities are increasingly strengthening institutional arrangements to support this integrated approach. At the European scale, comparative urban research is increasingly supported through institutions such as Eurostat, the Organisation for Economic Co-operation and Development, ESPON, the Housing Europe Observatory and urban research networks linked to Eurocities. These organisations increasingly provide harmonised indicators, metropolitan datasets and comparative analytical frameworks that allow cities to benchmark affordability, overcrowding, energy poverty, land-use change and spatial inequality across regions and countries.

However, as housing pressures intensify, many European metropolises are recognising the need to monitor, analyse and govern rapidly changing urban conditions. Increasingly, cities are treating housing intelligence and urban analysis as strategic public infrastructure essential to long-term urban governance. Some cities are investing in specialised housing observatories, urban data platforms and evidence partnerships to better understand changing housing conditions and guide policy responses. At the metropolitan and municipal level, these systems monitor trends in rents, land values, overcrowding, housing supply, homelessness, energy poverty and displacement pressures, often combining administrative data, census analysis, spatial mapping and neighbourhood-level monitoring.

In Paris, the Atelier Parisien d'Urbanisme (APUR) provides detailed spatial analysis on rents, land values, social housing distribution, demographic change, climate vulnerability and urban regeneration across metropolitan Paris. In Barcelona, the Observatori Metropolità de l'Habitatge de Barcelona monitors rental inflation, evictions, affordability pressures and renovation needs across the metropolitan region. In Brussels, perspective. brussels and the Brussels Institute for Statistics and Analysis

---

<sup>8</sup> UNECE et al. (2021).

support regional housing and spatial planning policy through demographic, land-use and affordability analysis.

Other city-focused research institutions operate through partnerships between municipalities, universities and public housing actors. In Vienna, housing analysis linked to *wohnfonds\_wien*, municipal statistical offices and research institutes supports long-term land management and affordable housing planning. In Amsterdam, the Amsterdam Bureau for Research and Statistics (OIS) provides neighbourhood-scale analysis on housing, population change and socio-spatial inequality. In Helsinki, metropolitan monitoring systems linked to the MAL (Land Use, Housing and Transport) agreements coordinate housing, demographic and transport analysis across municipalities.

### Building neighbourhoods, not just housing

Beyond monitoring, several European cities demonstrate how specialised public institutions can actively shape long-term urban development. In Vienna, *wohnfonds\_wien* coordinates land acquisition, developer competitions and infrastructure planning to support mixed-tenure neighbourhood development and long-term affordability. In Paris, institutions such as APUR and redevelopment agencies operating through the ZAC framework inform the coordination of land assembly, transport investment and social housing delivery across major regeneration districts. In Helsinki, the city has its own real estate and development companies and makes intergovernmental agreements to align housing supply, transport infrastructure and land use plans with adequate investment.

Together, these examples illustrate how institutional capacity, public land stewardship and integrated planning frameworks, as well as appropriate investment, enable cities to shape urban development trajectories over decades rather than responding reactively to market-led growth.

Diving deeper, in Vienna, *wohnfonds\_wien* plays a strategic role in land acquisition, developer selection and neighbourhood

coordination. Through public land management and developer competitions, the agency integrates affordable housing delivery with schools, parks, transport infrastructure and environmental objectives. Rather than maximising short-term land-sale revenue, the city uses public land strategically to shape mixed and accessible neighbourhoods over time.

Fieldwork observations from Aspern Seestadt highlighted how affordable housing, childcare facilities, tram lines, public space and community infrastructure were planned together as part of a coherent urban structure rather than delivered incrementally through fragmented development.<sup>9</sup> The result is not simply a housing project, but a mixed-tenure neighbourhood designed around long-term liveability, accessibility and social inclusion.

Similarly, in Paris, on the ground, redevelopment agencies coordinate affordable housing, public transport and public space through large-scale regeneration frameworks such as the ZAC system. These arrangements allow public authorities to guide development sequencing, infrastructure investment and affordability requirements across major redevelopment districts.<sup>10</sup>

These examples illustrate that successful housing strategies require more than isolated interventions. They depend on durable public institutions capable of coordinating housing delivery with broader urban development objectives.

### Governing urban growth collectively for the long-term

As already mentioned, the Finnish MAL (Land Use, Housing and Transport) agreements provide one of Europe's clearest examples of integrated metropolitan housing governance. The 30-year MAL framework coordinates housing supply, transport investment and land-use planning across the Helsinki metropolitan region and other urban areas.

---

<sup>9</sup> Lawson and Anisimov (2026).

<sup>10</sup> Equal House Project, *Policy snapshot: Land policy for affordable housing – Inclusionary zoning*, Equal House Project, 2025.

Rather than allowing municipalities to compete independently for development and infrastructure investment, the agreements align national funding and metropolitan planning priorities. This supports compact urban growth, transit-oriented development and more coordinated housing supply across municipal boundaries.<sup>11</sup>

Fieldwork in Helsinki's Jätkäsaari and Kalasatama districts illustrated how municipal leasehold systems shape urban form over decades. Affordable rental housing, owner-occupied dwellings, cycling infrastructure and waterfront public space are integrated through coordinated land allocation and long-term municipal stewardship.<sup>12</sup> This Finnish example demonstrates that effective housing strategies depend not only on local policy tools, but also on enabling metropolitan and national governance frameworks.

### Evidence, expertise and urban diplomacy

Cities are also increasingly participating in broader ecosystems of policy learning, experimentation and urban diplomacy. Networks such as Eurocities, Housing Europe, the European Housing Alliance, Forum of Mayors and the C40 facilitate collaboration between municipalities, housing providers, researchers and policymakers. These networks support peer learning, comparative analysis and exchange of expertise across Europe.

The growing role of research and policy development via networks and alliances, such as ENHR working group on Housing Policy and the European Housing Advisory Board further reflects increasing recognition of housing as a strategic European policy concern requiring coordinated governance and expert input. At the same time, evidence systems and comparative research are becoming increasingly important

---

<sup>11</sup> UNECE et al (2021); Equal House Project, *Policy snapshot: Land policy for affordable housing – Land leasing*, Equal House Project, 2025.

<sup>12</sup> Lawson and Anisimov (2026).

in shaping urban housing policy. Housing observatories, affordability indicators and monitoring frameworks help cities evaluate policy outcomes and adapt strategies over time.

Importantly, many of the most significant innovations emerging across Europe are institutional rather than purely technological. While construction technologies and retrofit systems remain important, some of the most transformative changes involve new forms of land stewardship, metropolitan coordination, participatory governance and long-term public planning. In this sense, European cities are increasingly acting not only as sites of housing delivery, but also as laboratories of urban governance innovation.

## **Strategic Public Land Policies for Affordable and Inclusive Housing**

Land policy plays a fundamental role in shaping housing affordability, accessibility and urban sustainability. Long before homes are designed or constructed, decisions about how land is assembled, serviced, zoned and allocated determine where housing can be built, how much it costs and whether people can live close to employment, services and public transport. Across Europe, cities facing growing affordability pressures increasingly recognise that housing outcomes cannot be understood solely through construction costs, subsidies or mortgage conditions. They are also profoundly shaped by how urban land markets are governed and how publicly created land value is managed.

The Equal House research programme emphasises that land is often the most expensive component of housing production and a major driver of urban housing inflation in high-demand cities.<sup>13</sup> Speculative land markets, fragmented ownership and reactive planning systems can undermine affordability, delay development and reinforce socio-spatial inequality. Conversely, where cities actively shape land development through public

---

<sup>13</sup> O'Brien et al. (2025).

land banking, leasehold systems, inclusionary planning or coordinated redevelopment mechanisms, they are better able to stabilise development conditions, reduce speculation and support long-term affordability.

The *#Housing2030* initiative similarly identified land governance as one of the four core pillars of affordable and sustainable housing systems.<sup>14</sup> The report argued that effective land policy can improve access to affordable housing by securing well-located sites, coordinating infrastructure investment and supporting compact, climate-sensitive urban growth.

### Holding land for the public good: Vienna

Vienna provides one of Europe's strongest examples of strategic public land banking linked to affordable housing delivery. Through institutions such as *wohnfonds\_wien*, the city has developed a long-term approach to acquiring, servicing and allocating land in ways that support affordability, social inclusion and high-quality urban development.<sup>15</sup>

Public land banking allows the municipality to acquire land ahead of speculative price escalation, coordinate infrastructure provision and allocate development sites through regulated competitions. Rather than maximising short-term land-sale revenue, Vienna uses public land ownership strategically to shape long-term neighbourhood outcomes.

Fieldwork observations from Aspern Seestadt revealed how affordable housing, schools, childcare facilities, parks, tram lines and local services were integrated through coordinated planning and staged development.<sup>16</sup> The district illustrates how public land management can support not only housing supply, but the creation of mixed and accessible urban neighbourhoods structured around public transport and walkability.

---

<sup>14</sup> UNECE et al. (2021).

<sup>15</sup> Equal House Project, *Policy snapshot: Land policy for affordable housing – Land banking*, Equal House Project, 2025.

<sup>16</sup> Lawson and Anisimov (2026).

The Equal House fieldwork also highlighted the importance of Vienna's broader institutional ecosystem, including limited-profit housing providers, long-term affordability regulation and coordinated planning institutions. Together, these arrangements enable the city to sustain affordability and social mix over time rather than relying on one-off interventions.

### Long-term stewardship through public land leasing: Helsinki

Helsinki offers one of Europe's most influential examples of long-term public land stewardship through its extensive municipal leasehold system. The city retains ownership of approximately 70% of municipal land and leases development sites through long-term contracts, typically ranging from 60 to 100 years.<sup>17</sup> Rather than selling land outright, Helsinki uses leasehold arrangements to shape affordability, tenure mix, infrastructure coordination and climate-sensitive urban development over time.

Public leasehold systems separate land ownership from land use, allowing municipalities to retain strategic control over urban development while moderating speculative land-price escalation. Lease agreements typically include conditions relating to land use, affordability, building quality, tenure mix and sustainability performance. Ground rents are linked to land values through regulated formulas and indexed over time, while public ownership enables the city to capture part of the land value uplift created through infrastructure investment and urban growth.<sup>18</sup>

Fieldwork undertaken in Jätkäsaari and Kalasatama demonstrated how Helsinki's leasehold model shapes urban form over decades.<sup>19</sup> In both districts, former industrial and

---

<sup>17</sup> Equal House Project, *Policy snapshot: Land policy for affordable housing – Land leasing...*, cit.

<sup>18</sup> Ibid.

<sup>19</sup> Lawson and Anisimov (2026).

port areas have been transformed into dense mixed-income neighbourhoods integrating affordable rental housing, owner-occupied dwellings, cycling infrastructure, tram networks, waterfront public space and local services through coordinated land allocation and metropolitan planning. In Jätkäsaari, housing development was closely integrated with the extension of the tram system and walkable street networks, while Kalasatama combines high-density housing with smart-energy infrastructure and extensive waterfront regeneration.

Importantly, Helsinki's leasehold model operates within Finland's broader MAL (Land Use, Housing and Transport) framework, which coordinates housing production, transport investment and infrastructure planning across the metropolitan region. This multi-level governance structure enables municipalities and national government actors to align urban growth, climate objectives and housing supply over the long-term. The Helsinki case therefore demonstrates how public land stewardship, metropolitan coordination and long-term leasehold arrangements can support more affordable, accessible and climate-resilient urban development.

#### Inclusionary planning and public-led regeneration: Paris

Paris illustrates how inclusionary planning and coordinated redevelopment can embed affordable housing within high-value urban development and major metropolitan regeneration projects. France's SRU law (*Solidarité et Renouvellement Urbain*) requires municipalities in large urban areas to achieve minimum social housing thresholds – generally 20 to 25% of housing stock depending on local conditions – with financial penalties and state intervention mechanisms applying to municipalities that fail to comply.<sup>20</sup> This national framework has significantly strengthened the role of inclusionary planning within metropolitan Paris and surrounding municipalities.

---

<sup>20</sup> Equal House Project, *Policy snapshot: Land policy for affordable housing – Inclusionary zoning...*, cit.

At the project scale, redevelopment frameworks such as the ZAC (*Zone d'Aménagement Concerté*) system enable public authorities to coordinate land assembly, infrastructure provision, transport investment and affordability requirements across large urban districts. Rather than relying exclusively on direct subsidy or public land acquisition, inclusionary planning mechanisms ensure that private development contributes directly to broader social, environmental and spatial objectives. Public development agencies and metropolitan authorities use these frameworks to coordinate mixed-tenure development, public transport integration, schools, parks and community infrastructure over extended development periods.

Projects such as Clichy-Batignolles, Paris Rive Gauche and the Olympic Village redevelopment in Plaine Commune demonstrate how inclusionary planning can be combined with climate-sensitive regeneration and mixed-income urban development. In Clichy-Batignolles, affordable housing was integrated alongside major public transport investment, district heating systems, parks and environmental infrastructure within a former rail-yard redevelopment. Paris Rive Gauche similarly combined social housing provision with large-scale infrastructure coordination, university facilities and public-space renewal along former industrial land on the Left Bank.

Fieldwork undertaken in Plaine Commune highlighted how the Olympic Village redevelopment was embedded within a broader metropolitan transformation strategy rather than treated as an isolated event-led project.<sup>21</sup> Affordable housing, schools, public transport connections, active mobility infrastructure and public space were planned together through coordinated redevelopment processes involving SOLIDEO, Plaine Commune and municipal authorities. The project also sought to support long-term mixed-income neighbourhood development following the Olympic Games through conversion of athlete accommodation into permanent housing.

---

<sup>21</sup> Ibid.

The Paris case demonstrates that inclusionary planning is most effective when supported by strong planning powers, coordinated land development institutions and long-term public oversight. It also illustrates how metropolitan redevelopment frameworks can be used to align affordability, transport investment, climate objectives and urban regeneration within large-scale urban transformation projects.

### Community stewardship and permanent affordability: Brussels

Brussels provides one of Europe's most significant examples of how Community Land Trusts (CLTs) can support long-term affordability and protect residents from displacement in high-pressure urban housing markets. By separating land ownership from housing ownership, CLTs seek to remove land from speculative markets while enabling households to access permanently affordable housing through long-term and collectively governed arrangements.<sup>22</sup>

The Brussels Community Land Trust (CLTB), established in 2012, combines public support, community governance and long-term stewardship to preserve affordability across generations. Land is held collectively through a non-profit structure, while households purchase or lease dwellings under conditions that regulate resale values and maintain affordability over time. Rather than allowing full capital gains from rising land values, resale formulas enable residents to accumulate modest equity while ensuring homes remain accessible to future lower-income households.<sup>23</sup>

The CLTB model was developed partly in response to growing housing affordability pressures and displacement risks within the Brussels metropolitan region. Projects such as Arc-en-Ciel and CALICO demonstrate how community-led housing models

---

<sup>22</sup> Equal House Project, *Policy snapshot: Land policy for affordable housing – Community land trusts*, Equal House Project, 2025.

<sup>23</sup> Ibid.

can combine affordability with social inclusion, shared facilities and collective governance structures. These projects often integrate common spaces, shared gardens and participatory management arrangements designed to strengthen long-term community stability.

Fieldwork interviews undertaken through the Equal House project highlighted how residents associated affordability not only with lower housing costs, but also with security, participation and protection from displacement.<sup>24</sup> Residents frequently described affordability in relational and social terms: the ability to remain within established neighbourhoods, access schools and services and participate in long-term community life without fear of eviction or speculative rent escalation.

The Brussels case also illustrates the important role cities can play in enabling community-led housing innovation. The Brussels-Capital Region has supported CLTB through land provision, subsidy frameworks and institutional recognition, while municipalities and civil-society organisations have contributed to project development and community engagement. This demonstrates that CLTs do not emerge spontaneously through markets alone; they depend on supportive legal frameworks, public investment and long-term institutional partnerships.

#### Coordinating urban expansion: Land readjustment in Spain

Land readjustment mechanisms provide another important approach through which cities can coordinate urban development where land ownership is fragmented. Through land pooling, parcel reallocation and shared infrastructure provision, municipalities can support serviced land development, transport coordination and affordable housing delivery without relying solely on direct public land acquisition.<sup>25</sup> These mechanisms

---

<sup>24</sup> Lawson and Anisimov (2026).

<sup>25</sup> Equal House Project, *Policy snapshot: Land policy for affordable housing – Land*

are particularly relevant in rapidly urbanising areas or large regeneration zones where fragmented land ownership would otherwise delay development or increase infrastructure costs.

Land readjustment typically involves consolidating privately owned land parcels, reserving part of the land for roads, parks, infrastructure and public uses and redistributing serviced plots back to landowners according to agreed planning frameworks. In principle, this allows cities to coordinate urban expansion, capture part of the land-value uplift generated through infrastructure investment and support more efficient urban form.

The Equal House research highlights contrasting experiences with land readjustment in Spain, demonstrating how governance arrangements strongly influence outcomes. In Valencia, land readjustment has often been associated with developer-led urban expansion and speculative growth dynamics linked to the rapid urbanisation cycles of the 1990s and early 2000s. Mechanisms such as *reparcelación* enabled large-scale urban expansion and infrastructure coordination, particularly in growth areas such as Sociópolis and peripheral redevelopment districts. However, weaker affordability obligations and stronger private-sector influence often limited the extent to which these developments secured long-term affordable housing outcomes or contained speculative land dynamics.<sup>26</sup>

Fieldwork observations in Valencia highlighted how large-scale urban expansion was frequently shaped by infrastructure provision and real-estate growth strategies rather than integrated affordability objectives.<sup>27</sup> While land readjustment enabled coordinated road networks, utilities and urban servicing, the broader governance framework often prioritised urban growth and land valorisation over long-term housing affordability and social inclusion.

By contrast, stronger public oversight and housing obligations in parts of the Basque Country have enabled land

---

*readjustment*. Equal House Project, 2025.

<sup>26</sup> Ibid.

<sup>27</sup> Lawson and Anisimov (2026).

readjustment to support more coordinated urban development and affordable housing provision. Municipal and regional authorities have used planning obligations, public land reserves and social housing requirements to ensure that urban expansion contributes more directly to affordable housing supply and balanced urban growth. In these contexts, land readjustment mechanisms operate within stronger public-interest planning frameworks that integrate infrastructure coordination with social housing objectives.

The comparison demonstrates that land instruments alone do not determine housing outcomes. Their effectiveness depends heavily on governance arrangements, planning frameworks, institutional capacity and the balance between public and private interests. Land readjustment can either reinforce speculative urbanisation or support coordinated and inclusive development depending on how value capture, affordability requirements and public oversight are structured.

More broadly, the European cases examined throughout this chapter demonstrate that land policy is not a marginal technical issue, but a central component of urban housing strategy. Public land banking in Vienna, leasehold systems in Helsinki, inclusionary redevelopment in Paris, community stewardship in Brussels and land readjustment approaches in Spain each illustrate different mechanisms through which cities can shape affordability, infrastructure coordination, social inclusion and sustainable urban growth over time.

## **Circular Renovation, Adaptive Reuse and Climate-Neutral Housing**

Across Europe, cities are increasingly recognising that housing affordability and climate transition cannot be addressed separately. Ageing housing stock, rising energy costs and decarbonisation targets are driving new approaches to renovation, neighbourhood regeneration and adaptive reuse. Municipal governments are playing an increasingly important

role in coordinating these transitions by aligning climate policy, housing policy, infrastructure investment and urban planning.

The *#Housing2030* initiative identified climate-neutral housing construction and renovation as one of the four central pillars of effective and sustainable housing systems.<sup>28</sup> The report argued that climate policy and housing policy are increasingly interconnected, particularly in relation to energy efficiency, urban form, infrastructure planning and housing affordability.

Recent research on circular economy housing further argues that the transition toward more sustainable housing systems requires moving beyond linear models of resource extraction, consumption and disposal toward approaches that minimise waste, extend material life cycles and strengthen resource efficiency.<sup>29</sup> Importantly, this transition is not occurring automatically through markets alone. Cities are increasingly acting as coordinators, regulators, land stewards, procurers and innovation platforms capable of shaping urban sustainability transitions.

The European Affordable Housing Initiative (AHI) has reinforced this shift by supporting “Lighthouse Districts” that combine climate-sensitive renovation with neighbourhood regeneration, social inclusion and community participation. These initiatives highlight the strategic role of municipalities in coordinating stakeholders, mobilising investment and linking housing renewal to broader urban sustainability objectives.

### Cities as coordinators of district-scale transformation

Across Europe, many municipalities are shifting from isolated building retrofits toward district-scale approaches that integrate:

- energy-efficient renovation,
- renewable energy systems,

---

<sup>28</sup> UNECE et al. (2021).

<sup>29</sup> R. Horne, et al., *Informing a strategy for circular economy housing in Australia*, AHURI Final Report No. 403, Melbourne: Australian Housing and Urban Research Institute, 2023.

- public-space renewal,
- sustainable mobility,
- and social infrastructure.

This reflects growing recognition that cities are uniquely positioned to coordinate the multiple systems involved in urban decarbonisation.

Research undertaken through the AHURI Circular Economy Housing Inquiry<sup>30</sup> emphasised that significant efficiencies can be achieved when housing, energy systems, transport infrastructure and water management are planned together at neighbourhood scale rather than addressed separately building by building.<sup>31</sup> The inquiry further argued that circular housing transitions require cross-sectoral and multi-institutional collaboration involving municipalities, housing providers, utilities, industry and local communities.

In many European cities, local governments are now using urban regeneration frameworks, climate plans and public investment programmes to coordinate these transitions spatially. Rather than treating housing renewal purely as a technical retrofit challenge, municipalities increasingly frame renovation as part of broader neighbourhood transformation.

In Vivalla, Sweden, municipal-led regeneration combined housing renovation with employment programmes, public-space improvements and community engagement. Similarly, in Aalborg East, Denmark, local authorities integrated environmental upgrading with neighbourhood renewal, improved pedestrian connections and strengthened local services. These projects demonstrate how cities can use renovation programmes not only to improve energy performance, but also to strengthen urban liveability and social cohesion.

---

<sup>30</sup> J. Lawson and L. Dorignon, *What finance, fiscal, regulatory and policy instruments are used internationally and might be used to advance circular economy housing in Australia?* Australian Housing and Urban Research Institute, 2021.

<sup>31</sup> Ibid.

## Cities as market shapers and public procurers

The international review undertaken for the AHURI Circular Economy Housing Inquiry identified a wide range of policy and procurement instruments relevant to local governments seeking to support circular and low-carbon housing transitions. These included green public procurement systems, circular tendering processes, life-cycle costing methodologies, waste-reduction targets, adaptable design standards, material passports and certification schemes designed to encourage reuse, repairability and lower embodied carbon within construction processes.<sup>32</sup>

This work aligns closely with emerging European policy frameworks and city-led experimentation. The European Commission's Circular Economy Action Plan and subsequent initiatives on the sustainable built environment have increasingly emphasised the role of public procurement, life-cycle assessment and circular construction standards in reducing construction waste and embodied emissions. EU guidance on circular procurement also highlights the strategic role of municipalities as major landowners, infrastructure managers and public procurers capable of shaping construction markets through procurement rules and redevelopment frameworks.

Across Europe, several cities are now embedding circular procurement principles directly into redevelopment projects and public housing programmes. Dutch municipalities and housing associations have been particularly influential in developing circular tendering frameworks for social housing and urban regeneration. In the Netherlands, circular procurement guidelines developed through the Circular Construction Economy Transition Team and the Netherlands Enterprise Agency have promoted the use of circular KPIs, modular design, material reuse and performance-based procurement in housing and infrastructure projects.

Projects supported through the Affordable Housing Initiative and related European programmes increasingly

---

<sup>32</sup> Ibid; Horne et al. (2023).

combine energy-efficient renovation, circular construction and neighbourhood regeneration. Circular public procurement guidance developed by the European Investment Bank's Circular City Centre (C3), ICLEI Europe and Circle Economy documents how municipalities are embedding circular principles into construction contracts through pre-demolition audits, adaptable building design, secondary-material requirements and training clauses linked to circular construction skills.

Research on municipal circular procurement in cities such as Nijmegen further demonstrates how local governments are using assessment tools, tendering criteria and redevelopment frameworks to support circular housing outcomes at district scale. These studies highlight that successful circular transitions depend not only on technology, but also on institutional learning, procurement capacity and long-term municipal coordination.

Cities are also using demonstration projects and pilot districts to accelerate learning and innovation. The Affordable Housing Initiative highlights how municipalities increasingly collaborate with housing providers, energy agencies, construction firms and universities to test new renovation technologies and circular construction systems. These projects help build technical expertise while reducing risks associated with innovation.

Importantly, cities are not only regulating development, but also helping to shape new markets and supply chains for circular housing systems.

### **Adaptive reuse and compact urban development**

Many municipalities are also using adaptive reuse and building reconversion to expand housing supply while reducing environmental impacts. Former industrial sites, office buildings and underused infrastructure are increasingly being repurposed into mixed-use neighbourhoods that integrate housing, employment, public space and sustainable transport.

Cities play a particularly important role in enabling adaptive reuse because they control planning frameworks, infrastructure

coordination and often strategic land assets. Through zoning reform, redevelopment agencies and public land ownership, municipalities can guide regeneration toward affordability and sustainability objectives.

Fieldwork observations from regeneration districts in Paris and Helsinki highlighted how municipal planning frameworks transformed former industrial and port areas into mixed-income neighbourhoods integrated with public transport, cycling infrastructure and waterfront public space.<sup>33</sup> These examples illustrate how cities can use redevelopment processes to simultaneously advance climate, mobility and housing objectives.

### Cities as climate governance actors

An important trend emerging across Europe is the growing role of cities as climate governance actors. Municipal climate strategies increasingly incorporate:

- housing retrofit,
- energy efficiency,
- compact urban development,
- circular construction,
- and climate adaptation measures.

Networks such as Eurocities and the Covenant of Mayors have strengthened collaboration between cities working on climate-neutral urban development and sustainable housing transitions.

At the same time, cities face substantial governance challenges. Climate-sensitive renovation requires:

- long-term financing,
- technical expertise,
- tenant protections,
- institutional coordination,
- and stable regulatory frameworks.

---

<sup>33</sup> Lawson and Anisimov (2026).

Therefore, many successful projects rely on strong municipal institutions working alongside housing providers, public development agencies and national support programmes.

Across Europe, circular renovation, adaptive reuse and climate-neutral housing are increasingly becoming central components of urban governance strategies rather than isolated environmental initiatives. These developments demonstrate that cities are not simply implementing climate policy. They are actively reshaping neighbourhoods, infrastructure systems and housing markets in ways that seek to support affordability, inclusion and long-term urban resilience.

## **Experimentation, Transferability and Urban Innovation**

Across Europe, many of the most innovative housing strategies have emerged through experimentation, institutional learning and gradual adaptation rather than through the application of fixed policy models. Faced with growing affordability pressures, climate obligations and changing urban conditions, cities are increasingly testing new approaches to land governance, cooperative provision, circular renovation and neighbourhood regeneration. At the same time, municipalities are participating in expanding networks of policy exchange, urban diplomacy and collaborative learning that help circulate housing ideas and governance practices across Europe.

The Equal House research programme emphasises that effective policy learning involves more than identifying successful projects; it requires understanding the institutional and governance conditions that enable these approaches to operate successfully.<sup>34</sup> Housing systems are deeply embedded within broader planning systems, land markets, welfare arrangements and political cultures. As a result, strategies that work effectively in one city cannot simply be replicated elsewhere without adaptation.

---

<sup>34</sup> O'Brien et al. (2025).

This is particularly evident in relation to land policy. The Equal House fieldwork demonstrated that similar instruments can produce very different outcomes depending on governance arrangements and public oversight. Land readjustment mechanisms in parts of Spain, for example, have sometimes reinforced speculative urban expansion, while stronger public-interest frameworks in the Basque Country have supported more coordinated and inclusive development outcomes.<sup>35</sup>

Similarly, Community Land Trusts in Brussels depend on a supportive ecosystem of public subsidy, legal recognition, community participation and long-term stewardship institutions. Vienna's land-banking system likewise relies on decades of institutional development, stable public investment and limited-profit housing regulation. These examples illustrate that innovative housing strategies are rarely isolated policy tools; they are typically embedded within broader institutional ecosystems.

### Cities as laboratories of urban innovation

Across Europe, cities are increasingly acting as laboratories of housing innovation. Pilot districts, demonstration projects and temporary programmes are being used to test new approaches to:

- affordable housing delivery,
- climate-neutral renovation,
- participatory planning,
- and public land stewardship.

Importantly, much of this experimentation is institutional rather than purely technological. Cities are experimenting with new forms of governance, financing, metropolitan coordination and public participation alongside construction and retrofit innovation.

---

<sup>35</sup> Equal House Project, *Policy snapshot: Land policy for affordable housing – Land readjustment...*, cit.

The Affordable Housing Initiative's "Lighthouse Districts" provide important examples of this approach. These projects are intended not only as successful renovation schemes, but also as platforms for policy learning and replication across Europe. Municipalities use these projects to test integrated approaches linking energy-efficient housing, public-space renewal, mobility systems and community participation.

Fieldwork undertaken through the Equal House project highlighted how cities often adapt international ideas to local institutional contexts rather than directly copying policy models.<sup>36</sup> In Helsinki, for example, long-term municipal leasehold systems evolved within Finland's broader planning and welfare structures. In Vienna, developer competitions and land banking operate within a distinctive ecosystem of limited-profit housing institutions and long-standing public investment traditions.

These examples suggest that successful policy transfer depends less on replicating individual instruments than on adapting broader principles such as:

- long-term stewardship,
- integrated planning,
- affordability protections,
- and coordinated public governance.

### Urban networks and city diplomacy

Transnational municipal networks are playing an increasingly important role in accelerating policy exchange and collaborative experimentation. Organisations such as Eurocities, Housing Europe, the European Housing Alliance and the Covenant of Mayors provide platforms through which cities compare experiences, share policy tools and develop common advocacy agendas.

These networks increasingly contribute to what can be described as a European ecosystem of urban policy learning.

---

<sup>36</sup> Lawson and Anisimov (2026).

Municipalities are no longer simply implementing national housing policies; they are also actively shaping European debates concerning affordability, climate transition, land governance and social inclusion.

The growing role of the European Housing Advisory Board further reflects increasing recognition that housing is becoming a strategic issue requiring coordinated expertise and multi-level governance. Comparative evidence, peer-learning programmes and housing observatories are increasingly helping cities assess policy outcomes and adapt strategies over time.

### From pilot projects to long-term systems

At the same time, experimentation also reveals important tensions and limitations. Pilot projects may remain symbolic or difficult to scale if they are not supported by stable institutions, long-term financing and enabling regulatory frameworks. Some innovative projects rely heavily on exceptional public support or favourable political conditions that may not easily transfer elsewhere.

The Equal House fieldwork highlighted the importance of institutional continuity and governance capacity in sustaining housing innovation over time.<sup>37</sup> Successful housing reform often depends on:

- long-term political commitment,
- stable implementation agencies,
- legal clarity,
- financing mechanisms,
- and collaboration across multiple levels of government.

Importantly, many of Europe's most successful housing systems have evolved incrementally rather than through abrupt transformation. Vienna's land and housing institutions, Helsinki's metropolitan planning frameworks and cooperative housing systems in several European countries have developed

---

<sup>37</sup> Ibidem.

gradually over decades through adaptation and institutional learning.

Across Europe, cities are therefore increasingly demonstrating that housing innovation is not simply about producing new projects or technologies. It is about building governance systems capable of sustaining affordability, climate resilience and social inclusion over the long-term.

## **Lessons for European Cities and Future Directions**

The examples examined in this chapter demonstrate that European cities are increasingly developing more integrated and strategic approaches to housing governance in response to mounting affordability, climate and spatial challenges. While the instruments and institutional arrangements vary considerably across contexts, several common lessons emerge regarding the role cities can play in shaping more affordable, inclusive and climate-resilient urban development.

A first lesson is that housing affordability cannot be separated from land governance. Across the cases examined, affordability outcomes are shaped long before construction begins through decisions concerning land ownership, zoning, infrastructure coordination and development sequencing. Public land banking in Vienna, leasehold systems in Helsinki, inclusionary planning in Paris and community stewardship models in Brussels all demonstrate how cities can actively shape land development rather than simply respond to market outcomes.

The Equal House research highlights that where municipalities coordinate land development strategically, they are better able to secure affordable housing in well-connected and opportunity-rich locations.<sup>38</sup> Conversely, fragmented and reactive land development often contributes to escalating land prices, speculative pressures and socio-spatial inequality.

---

<sup>38</sup> O'Brien et al. (2025).

A second lesson concerns the importance of institutional capacity and long-term governance arrangements. Successful housing strategies rely not only on policy instruments, but also on specialised public institutions capable of coordinating planning, land management, infrastructure and housing delivery over time. Vienna's *wohnfonds\_wien*, Helsinki's leasehold administration and metropolitan planning frameworks, and Paris' redevelopment agencies all illustrate how durable public institutions help sustain affordability and social inclusion beyond individual political cycles.

Importantly, many of the most significant innovations emerging across Europe are institutional rather than purely technological. While retrofit technologies and construction innovation remain important, transformative change often depends on new forms of:

- land stewardship,
- metropolitan coordination,
- participatory governance,
- and public planning.

The chapter also demonstrates the growing importance of metropolitan and multi-level governance. Housing affordability, infrastructure investment and climate adaptation increasingly operate across municipal boundaries and require coordinated responses. Finland's MAL (Land Use, Housing and Transport) agreements provide one of Europe's clearest examples of how national governments, metropolitan regions and municipalities can align housing supply, transport investment and climate-sensitive urban growth through shared governance frameworks.

Fieldwork observations from Jätkäsaari and Kalasatama demonstrated how this metropolitan coordination becomes visible in urban form. Housing, public transport, cycling infrastructure and waterfront public space were integrated through long-term planning and municipal land stewardship rather than delivered as disconnected projects.<sup>39</sup>

---

<sup>39</sup> Lawson and Anisimov (2026).

A further lesson concerns the strategic role of cities in climate transition and circular economy housing. Across Europe, municipalities are increasingly using district regeneration, adaptive reuse and circular renovation to align environmental and housing objectives. Rather than focusing solely on building performance, many cities are using renovation programmes to improve neighbourhood liveability, reduce energy poverty and strengthen social cohesion.

Research on circular economy housing also highlights the importance of municipal coordination in shaping low-carbon housing transitions.<sup>40</sup> Cities increasingly act as:

- regulators,
- public procurers,
- land stewards,
- infrastructure coordinators,
- and innovation platforms.

Through procurement systems, redevelopment frameworks and demonstration projects, municipalities are helping shape markets for circular construction, energy-efficient retrofit systems and sustainable neighbourhood development.

The chapter also demonstrates the growing importance of evidence systems, policy learning and urban diplomacy. Comparative research, housing observatories and transnational municipal networks increasingly support cities in developing more informed and adaptive housing strategies. Organisations such as Eurocities, Housing Europe and the European Housing Alliance are helping cities exchange experiences, compare governance approaches and strengthen collective advocacy around housing affordability and climate transition.

At the same time, the chapter suggests that successful policy transfer requires adaptation rather than simple replication. Housing systems are deeply embedded within broader legal, institutional and political contexts. Approaches

---

<sup>40</sup> Lawson and Dorignon (2021).

that succeed in one city cannot simply be copied elsewhere without consideration of governance structures, land markets and institutional capacities. As *#Housing2030* emphasised, adaptable policy frameworks are more valuable than universal blueprints.<sup>41</sup>

Looking forward, European cities are likely to face continued pressure from rising housing demand, demographic change, infrastructure costs and climate transition. Fiscal constraints and political fragmentation may also limit the ability of municipalities to scale innovative approaches. Nevertheless, the cases examined in this chapter demonstrate that cities are increasingly developing sophisticated and collaborative responses to these challenges.

Ultimately, Europe's most innovative housing cities are not simply producing more dwellings. They are building institutional ecosystems capable of coordinating land, infrastructure, housing, climate action and social objectives over the long-term. In this sense, these innovative and committed cities are becoming central actors in shaping more inclusive, affordable and climate-resilient urban futures.

---

<sup>41</sup> UNECE et al. (2021).

### **3. Financing Housing in European Cities. The Perspective of Large-scale Urban Regeneration Projects**

Alberto Bortolotti

---

Housing affordability has become a key priority across the European Union.<sup>1</sup> In recent years, house prices have increased much faster than household incomes. Since 2013, house prices have risen by more than 60% on average across the EU, and rents have also increased significantly.<sup>2</sup>

As a result, housing has become increasingly unaffordable for a large share of the population. Around 40% of European urban residents would need more than 30% of their income to rent or purchase a small 25m<sup>2</sup> apartment.<sup>3</sup> Low-income households spend a very high share of their income on housing costs, while overcrowding remains a persistent issue, affecting around 16.8% of the EU population.<sup>4</sup> At the same time, demand continues to increase, with estimates suggesting a need for around 2.25 million additional housing units in the coming years.<sup>5</sup>

---

<sup>1</sup> European Commission, Affordable Housing Plan, Brussels, 2025.

<sup>2</sup> Eurostat, Government expenditure on housing and community amenities. Statistics Explained service, 2025.

<sup>3</sup> European Commission (2025).

<sup>4</sup> Eurostat, Overcrowding rate by age, sex and poverty status, EU-SILC survey, 2022.

<sup>5</sup> European Investment Bank, JESSICA Initiative – Sustainable Development of Urban Areas. Luxembourg, EIB, 2018.

Despite this growing need, public investment in affordable housing remains limited,<sup>6</sup> due to the lack of capital availability of municipal, regional and central governments. In fact, between 2019 and 2023, EU city-level investment in affordable housing amounted to only €2.462 billion.<sup>7</sup> Today, more than 80 million Europeans are estimated to need affordable or social housing.<sup>8</sup> In addition, 8.7% of the EU population spends more than 40% of their income on housing,<sup>9</sup> while 47% of young Europeans aged 18-34 still live with their parents.<sup>10</sup> Moreover, a key structural driver of the crisis is the financialisation of housing.<sup>11</sup>

Over recent decades, housing has increasingly become a financial asset class rather than a basic social good.<sup>12</sup> The scale of this phenomenon is illustrated in Figure 3.1, which shows the growing value of financial products linked to real estate, estimated at \$280.6 trillion – around three times the global GDP.<sup>13</sup> This reflects the increasing integration of housing into global financial markets, with institutional investors such as pension funds, insurance companies and sovereign wealth funds playing a major role in driving price increases and market polarisation.<sup>14</sup>

These dynamics have been reinforced by deregulation, reduced taxation and the long-term decline of public and social

---

<sup>6</sup> European Commission (2025).

<sup>7</sup> Eurocities, European Pillar of Social Rights. Cities delivering social rights, Eurocities policy study, 2020.

<sup>8</sup> European Parliament, Report on access to decent and affordable housing for all, Committee on Employment and Social Affairs, 2020.

<sup>9</sup> Eurostat (2022).

<sup>10</sup> Ibid.

<sup>11</sup> A. Holm, G. Alexandri, and M. Bernt (eds.), *Housing policy under the conditions of financialization. The impact of institutional investors on affordable housing in European Cities (HoPoFin)*, Paris, Sciences Po publications, 2023.

<sup>12</sup> A. Bortolotti, “Statecraft financialization in spatial planning. Insights from the deterritorialization of three Milanese large-scale projects”, *Cities*, vol. 172, 2026, pp. 1-11.

<sup>13</sup> Savills World Research, *Real estate transactions report*, London, Savills, 2018.

<sup>14</sup> Holm et al. (2023).

housing stocks across Europe.<sup>15</sup> As a result, housing markets in major metropolitan areas have become increasingly polarised, with affordability worsening especially in major cities.

Regional disparities remain significant. Overall, housing vulnerability is further increased by rising construction costs and higher mortgage rates driven by inflation (Figure 3.2). Southern and Eastern European countries continue to show higher levels of overcrowding and lower housing quality (Figure 3.3), reflecting long-term reductions in public investment in housing since the late XX century (Eurostat, 2022).

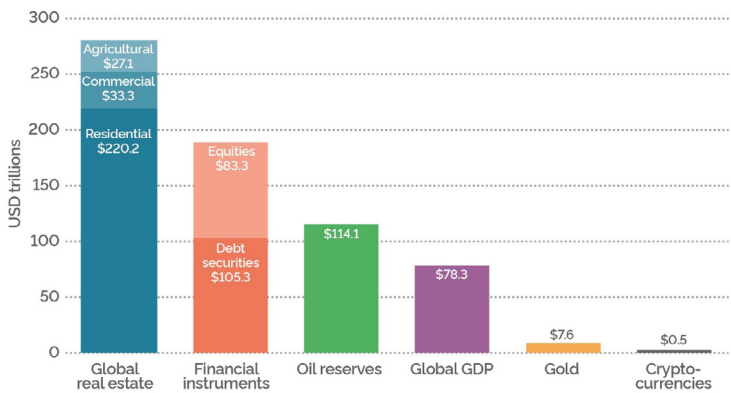
In this context, housing affordability is no longer only a national issue but a structural European challenge. Ensuring access to decent, affordable and energy-efficient housing has therefore become a key policy priority for the EU, given its implications for social cohesion, economic stability and territorial equality.

The European Affordable Housing Plan represents a fundamental policy response to this challenge. It aims to simplify administrative and planning procedures, accelerate housing delivery and reduce barriers to investment. It also promotes investment in sustainable construction, renewable energy systems, digitalisation and circular economy practices, supporting both housing supply and the green transition. In addition, the proposed Affordable Housing Act seeks to strengthen the regulatory framework at EU level. It aims to help member states addressing financialisation and speculative investment and short-term rental pressures, while supporting long-term investment in affordable and social housing.

---

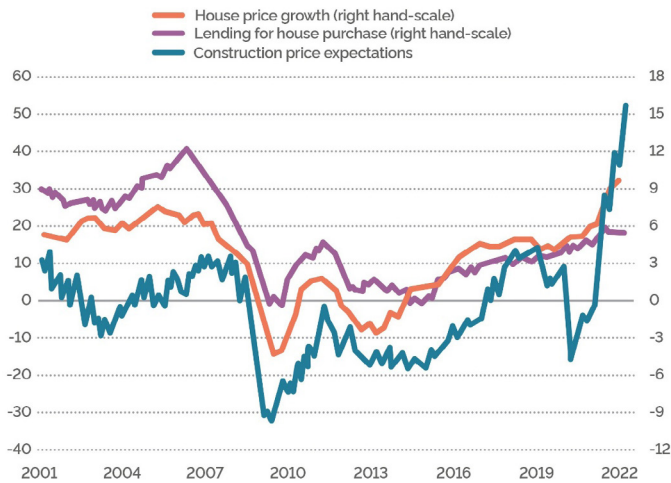
<sup>15</sup> E. Belotti et al., “Re-tracing the rise of institutional investor landlords in London and Milan through the lens of state de-risking”, *European Urban and Regional Studies*, vol. 33, no. 1, 2026, pp. 48-65; A. Rodríguez-Pose and M. Storper, “Housing, urban growth and inequalities: The limits to deregulation and upzoning in reducing economic and spatial inequality”, *Urban Studies*, vol. 57, no. 2, 2020, pp. 223-48.; M. Mazzucato and L. Farha, “The right to housing: A mission-oriented and human rights-based approach”, London, Council on Urban Initiatives, 2023.

FIG. 3.1 - GLOBAL REAL ESTATE VALUE



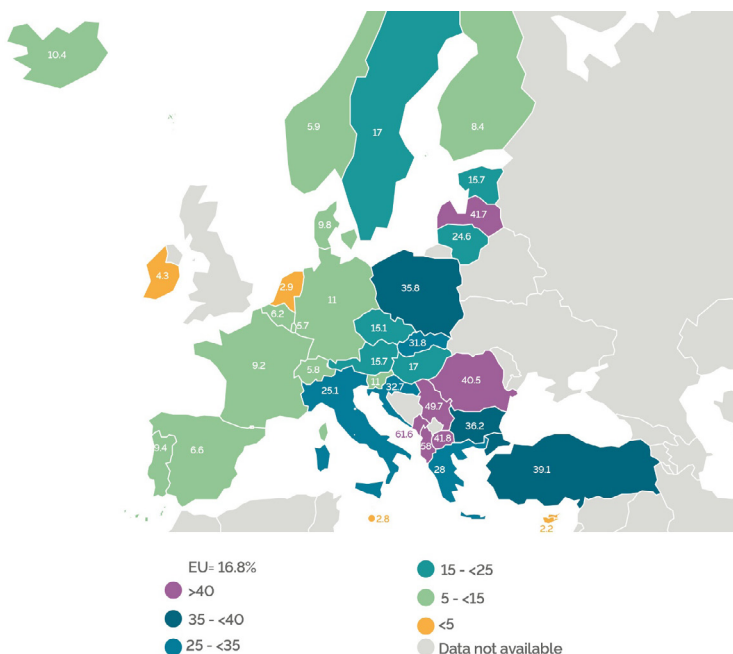
Source:  
Savills world research, 2018

FIG. 3.2 - CORRELATIONS IN HOUSING VULNERABILITY  
(HOUSING PRICE GROWTH; MORTGAGE LENDING RATE  
OF INTEREST; CONSTRUCTION PRICE EXPECTATIONS)



Source:  
European Central Bank, 2022

FIG. 3.3 - PEOPLE LIVING IN OVERCROWDED HOUSEHOLDS



Source:  
Eurostat, 2022

## Financing Affordability in Europe

Housing has historically been a key driver of urban and economic development in European cities. Throughout most of the XX century, housing policy and urban planning were closely linked, reflecting a welfare-based model of citizenship grounded in social rights and collective provision.<sup>16</sup> Over time, however, this model has weakened, as European housing systems have increasingly shifted towards market-oriented and individualised approaches. In this context, real estate has

<sup>16</sup> Holm et al. (2023).

become a central force shaping urban development, investment flows and access to housing.<sup>17</sup>

According to the European Commission (2025),<sup>18</sup> rental markets in many European cities have become increasingly 'sticky', meaning that housing is not only unaffordable but also difficult to access due to limited availability. In many EU regions, even spending 30% of average income is not sufficient to either buy or rent a modest dwelling.<sup>19</sup>

Rising housing scarcity has direct social consequences. Living conditions are deteriorating, with negative effects on health, well-being and long-term life opportunities. At the same time, housing demand continues to increase. The European Commission (2025)<sup>20</sup> estimates that Europe needs approximately 650,000 additional dwellings per year on top of the 1.6 million already being built, requiring around €150 billion in additional annual investment.

Today, Europe is characterised by growing territorial divergence.<sup>21</sup> While many regions face demographic decline and stagnation, major metropolitan areas continue to concentrate jobs, investment and wealth. This spatial imbalance, also due to dynamics generated by the financialisation of the economy, has intensified housing affordability pressures in urban regions, where prices have risen far faster than incomes. Moreover, in many cases, housing markets have failed to self-regulate, leading instead to increasing inequality and limited access for lower- and middle-income households.

---

<sup>17</sup> A. Bortolotti, "Financialization and deterritorialization in the Milanese major urban development projects", *plaNEXT—Next Generation Planning*, vol. 15, 2025, pp. 89-105.

<sup>18</sup> European Commission (2025).

<sup>19</sup> F. Sielker, S. Banabak, M. Gerhalter, T. Neuhuber, and D. Sutterlütli, *HOUSE4ALL: Access to Affordable and Quality Housing for All People*, Final Report, ESPON EGTC, 2025.

<sup>20</sup> European Commission (2025).

<sup>21</sup> G. Viesti, *Centri e periferie. Europa, Italia, Mezzogiorno dal XX al XXI secolo*, Roma-Bari, Laterza, 2021.

At the same time, large volumes of long-term capital have been directed towards private real estate markets rather than public or social housing provision and, in this sense, large-scale projects represent a crucial stake to address significant changes in the housing supply.

Among European countries, France and Germany have maintained a relatively structured social housing system, highlighting the importance of sustained public intervention in housing markets.

However, a key structural issue across Europe is the weakness of rental housing supply,<sup>22</sup> and public actors have a crucial role to play in shaping housing outcomes by mobilising EU resources. Public authorities, municipal housing companies and mission-oriented institutional investors can help expand affordable housing supply and promote social diversity in urban areas.

Within this context, several housing policies have already been pursued with the risk of potential overlaps among them. For instance, highly valuable programmes such as the Renovation Wave, the Affordable Housing Initiative, RePower EU and the New European Bauhaus affected my districts and dwellings with good results in energy efficiency and structural renovation. Nonetheless, the fragmentation of such expenditure did not severely impact the housing demand which, on the contrary, could be successfully tackled through large-scale projects affecting urban property markets.

A similar concern applies to the NextGenerationEU recovery instrument, established to support the recovery of EU Member States following the COVID-19 pandemic, and to the combined use of the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+), which support selected regional and local authorities in implementing sustainable urban development strategies that include only selected housing projects.

---

<sup>22</sup> Holm et al. (2023).

Although housing is primarily a national competence, EU-level policies significantly influence housing systems through taxation, financial regulation, environmental standards, state aid rules and investment frameworks. In this sense, it is crucial to design relevant financing EU programmes able to strengthen the cooperation among cities/regions, member states, European institutions and the European Central Bank (EIB). EIB's funds have already financed relevant major projects by mobilising capital resources under specific 'framework loans' as in the cases of JESSICA, INVESTEU or INTEGRATED URBAN PLANS.

On the other hand, although financialisation is an important factor shaping housing markets from a private perspective, it is a process that could also be leveraged by the public sector to answer the housing affordability.

In fact, institutional investment in EU residential real estate has increased significantly,<sup>23</sup> with assets held by pension funds, insurance companies, private equity firms and other investors tripling between 2012 and 2020.<sup>24</sup> This growth may have contributed to rising house prices, but such a lever can also be easily delivered by local governments and state companies for instance.

Finally, urbanisation continues to be a major driver of housing demand, as population shifts from rural to urban areas increase pressure on city housing markets. At the same time, EU data on housing speculation remain limited, making it difficult to fully assess its impact on price dynamics.

## **Land Value Capture Mechanisms Over Europe: Insights from Paris, Berlin and Milan**

Urban governance at the city and regional levels in delivering spatial planning and urban transformation, including housing

---

<sup>23</sup> Ibid.

<sup>24</sup> C. Banti and K. Phylaktis, "Are institutional investors the culprit of rising global house prices?", *Real Estate Economics*, vol. 53, no. 2, 2025, pp. 210-56.

programmes, is closely intertwined with land value capture (LVC) mechanisms, which are commonly used to finance affordable housing. LVC instruments are quite variegated over Europe.<sup>25</sup> Similarly, the affordable housing production is different among the EU Member States, and it is related to set proper taxation for the super-rich and the production of affordable dwellings.<sup>26</sup>

Urban planning has been developed as a discipline since the end of the XIX century due to the industrial revolution and the need to govern the sprawl of factories. Today, because of the expansion of the financialisation of the economy, there is a need to re-take control of finance-driven territorial dynamics since a significant part of capital gains is created as urban rent. Moreover, by starting from the theorisations of Henry George and Adam Smith, the academic literature is also focusing on LVC in relation to market distortions.<sup>27</sup>

According to Smith,<sup>28</sup> urban rent is not a production factor since the property market is an oligopolistic market, and in this sense, the re-foundation of relations between planning and rent is crucial to ensure housing affordability through land value capture. Given these circumstances, fiscal policies to reduce real

<sup>25</sup> W. Zonneveld, S. Duhr, and D. Stead, "The Europeanization of spatial planning through territorial cooperation", *Planning Practice & Research*, vol. 22, no. 3, 2006, pp. 291-307.

<sup>26</sup> T. Hirano and J.E. Stiglitz, "Credit, Land Speculation, and Long-Run Economic Growth", CIGS Working Paper Series No. 24-010E, 2024.

<sup>27</sup> R. Camagni, "Urban development and control on urban land rents", *Annals of Regional Science*, vol. 56, pp. 597-615; T. Crook, "Local authority land acquisition in German and the Netherlands: are there lessons for Scotland?", *Land Lines*, 2018; M. Mouton, S. Guelton, and P. Poinot, "Leveraging land-value capture in contexts of urban austerity: evidence from the Grand Paris Express (France)", *European Planning Studies*, vol. 32, no. 1, 2023, pp. 45-58; A. Sorensen, "Urban intensification and land value capture in Toronto: Conjunctural analysis, critical junctures, and development pathways in urban planning", *Environment and Planning A: Economy and Space*, vol. 56, no. 6, pp. 1803-19.

<sup>28</sup> R. Camagni, "Adam Smith (1723-1790): Uncovering his legacy for Regional Science", in P. Batey and D. Plane (eds.), *Great Minds in Regional Science*, Vol. 2. Cham (Switzerland), Springer International Publishing, 2023.

estate values would not provide affordability, while uniform planning rules and fostering competitiveness at the EU level, among real estate operators, could rise the capture of surpluses and limit the spread of touristification or financialisation which can significantly harm the availability of dwellings for the urban working class.

This issue deals with the general expenditure of EU Member States in housing policies, and the difficulties in capturing land value surpluses which can be reinvested for such purposes.<sup>29</sup> According to Eurostat (2025),<sup>30</sup> the sum of national, regional and local European governments' resources for affordable housing and community amenities' accounts for €199 billion in 2023, 1,2% of the EU GDP. In this scenario, several EU countries allocate only limited resources to housing policies. While the average of investments is 7,5% of GDP per country (comprising all the measures for fostering the affordability of both rented and property assets), Member States like Italy invest only the 0,6% of GDP.

If we assume that urban rent is primarily formed through general plans<sup>31</sup> and consider that territorial dynamics have always been framed by a dialogue between 'market' and 'state', the debate on housing affordability needs to tackle the effectiveness of LVC mechanisms, which are nowadays weak and uneven among the EU Member States.

The three cases of Paris, Berlin and Milan (Table 3.1) illustrate different approaches through which European cities are attempting to address the housing affordability crisis while capturing part of the value generated by urban development and public investment. These cities represent distinct institutional, legal and governance traditions within Europe, offering valuable insights into the opportunities and limitations of contemporary LVC strategies.

---

<sup>29</sup> M. Raco and T. Taşan-Kok, "Le (in)visibili ambiguità delle riforme urbanistiche guidate dagli operatori immobiliari", in A. Balducci (ed.), *La città invisibile*, Milano, Feltrinelli, 2023.

<sup>30</sup> Eurostat (2025).

<sup>31</sup> G. Campos Venuti, *Amministrare l'Urbanistica*, Torino, Einaudi, 1967.

As highlighted by OECD/Lincoln Institute (2022),<sup>32</sup> significant institutional diversity characterises land value capture systems across Europe. France has traditionally relied on negotiated planning obligations and development contributions, Germany combines planning instruments with land policy tools and value-sharing mechanisms, while Italy has historically adopted urbanisation charges and cadastral-based contributions linked to new developments. These different frameworks reflect broader variations in planning cultures, fiscal systems and public-sector capacities.

Despite these differences, these studies reveal several common challenges. First, the processes through which development rights, planning gains and public contributions are negotiated often lack transparency and are characterised by asymmetric information between public and private actors. Second, local governments frequently face institutional and political constraints that limit their ability to effectively capture and redistribute the value generated by urban development. Third, the benefits secured through these mechanisms, particularly affordable housing, often remain insufficient compared to the scale of the housing needs generated by contemporary urban growth.

---

<sup>32</sup> OECD/Lincoln Institute, “Global Compendium of Land Value Capture Policies”, Paris, OECD Regional Development Studies, 2022.

TAB. 3.1 - LVC MECHANISMS IN EUROPE

| City   | LVC Instruments                                                                                                                                                           | How it works                                                                                                                        | Limits                                                                                                                                                                                   | Law References                                       |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| Milan  | Contributo di costruzione (construction fee) articulated as Oneri di urbanizzazione & Monetizzazioni                                                                      | Oneri: Land contribution to realise infrastructure, amenities and parks<br>Monetisations: Fiscal contribution for land improvements | Value capture benefits tend to be limited, indirect in the case of Oneri and broadly redistributed in the case of Monetisations. Affordable housing plans are basically never considered | LR 9/1999<br>LR 12/2005<br>DPR 380/2001              |
| Paris  | Tax d'aménagement (development tax); Participation pour voirie et réseaux (infrastructure tax); Droit de préemption urbain (pre-emption rights)                           | Development tax on new constructions<br>Pre-emption rights to acquire plots at the pre-development rights                           | Value capture benefits tend to be redistributed broadly; % of new dwellings, parks, amenities, etc., are always negotiated                                                               | Loi Alur (2014)<br>Loi Elan (2018)                   |
| Berlin | Baulandmodelle (development tax for affordable housing); Erschließungsbeiträge (infrastructure tax); Umliegung (land readjustment tax); Bodenordnung (land consolidation) | Development tax on new constructions to build or fund affordable housing;<br>Municipal lever to acquire public land                 | Value capture benefits tend to be indirect as land improvements, rather than fiscal                                                                                                      | Baugesetzbuch (1986)<br>Baulandmodelle Berlin (2014) |

At the same time, LVC cannot be understood merely as a fiscal instrument. Its effectiveness depends on broader governance arrangements, public land policies, regulatory frameworks and the capacity of public authorities to define long-term development objectives. One of the most pressing challenges emerging across Europe is the ability to link land value capture mechanisms to the production of affordable housing and to the preservation of social diversity within cities.

Overall, while operating within distinct institutional contexts, all three cities are experimenting with policies aimed at redistributing part of the value generated by urban transformation towards public objectives, including affordable housing provision, urban regeneration, environmental sustainability and social inclusion. Their comparison highlights both the potential and the limitations of current European approaches, providing useful lessons for strengthening the role of land value capture as a tool for housing affordability and more equitable urban development.

## **Implementing EU Measures Through Large-scale Projects. Insights from Paris Saclay, Berlin Adlershof and Milano Mind**

The crisis of housing affordability across Europe is fostered by the interaction of financialised real estate markets, uneven land value distribution and limited public capacity to steer housing production. Rather than being purely national in scope, the drivers of this crisis are increasingly shaped by European-level dynamics, including investment flows, infrastructure financing models and regulatory asymmetries. In this context, the European Union could play a more prominent role not only through redistribution mechanisms and small-scale interventions, but also through the strategic design of large-scale urban development projects that integrate innovation, infrastructure and housing provision.

Over the last decades, many EU Member States have relied on market-led housing provision, if supply-side expansion would naturally correct affordability imbalances. However, empirical evidence shows that land and housing markets are structurally unable to self-correct inequalities, due to the inelastic and socially embedded nature of land.<sup>33</sup> The progressive privatisation of public housing stocks in several countries,<sup>34</sup> combined with the financialisation of real estate,<sup>35</sup> has significantly contributed to rising housing costs and spatial segregation.

At the EU level, housing has historically been marginal in structural funding programmes such as ERDF or ESF+, despite growing recognition of housing as a Service of General Economic Interest (SGEI). More recent policy debates suggest that institutions such as the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB) could play a stronger role in enabling long-term investments in

---

<sup>33</sup> Camagni (2023).

<sup>34</sup> J. Allen, J. Barlow, J. Leal, T. Maloutas, and L. Padovani, *Housing and Welfare in Southern Europe*, Blackwell Publishing, 2004.

<sup>35</sup> Bortolotti (2025).

affordable housing and mixed-use urban development. Within this framework, land value capture mechanisms become central: public action generates land value increments that can be partially recovered and reinvested in collective goods.<sup>36</sup>

Large-scale urban projects based on public-private partnerships (PPPs) and LVC instruments represent one of the most relevant experimental arenas for this approach.<sup>37</sup> However, recent research also shows that these instruments are not automatically redistributive: their outcomes depend on governance structures, bargaining power and the degree of public control over land.<sup>38</sup>

In the case of Paris-Saclay, the creation of the innovation district was possible though a partial land value capture for public goods, which ensured feasibility and publicness of the intervention. Paris-Saclay is a large-scale science and innovation cluster combining research institutions, firms and residential development under coordinated public planning. The project relies on state-led land management and infrastructure investment to attract high-value economic activity, while using LVC mechanisms to finance part of the infrastructure system Grand Paris Express.<sup>39</sup> Empirical studies on similar metropolitan projects show that LVC-based instruments in the Paris region have supported transit-oriented development and housing production near strategic infrastructure corridors but also highlight tensions regarding affordability outcomes and uneven distribution of benefits.<sup>40</sup> While Paris-Saclay includes planned housing components for students and workers, the broader literature suggests that affordability outcomes depend

---

<sup>36</sup> Lincoln Institute/OECD (2022).

<sup>37</sup> A. Bortolotti, *The Financialization and Planning of Urban Mega-Projects Insights from Amsterdam South Axis and Milano Innovation District*, Cham (Switzerland), Springer Briefs, 2026b.

<sup>38</sup> Bortolotti (2025); (2026); Ibid.

<sup>39</sup> Lincoln Institute/OECD (2022).

<sup>40</sup> J. Maulat and N. Aveline-Dubach, "Shifting land value capture instruments for the Grand Paris Express metro: Metropolitan governance, local trade-offs and urban outcomes", *Land Use Policy*, vol. 161, 2026, pp. 1-12.

heavily on regulatory constraints and local implementation capacity, rather than being automatic outputs of the model.

The case of Berlin Adlershof represents a long-term public land stewardship and incremental value recycling able to provide mix affordable constructions and raise up the competitiveness of the German capital region. Adlershof is an integrated science park development embedded in a broader urban regeneration strategy. Developed on an ex-brownfield, the district combines technological cresearch, business activity and residential uses in a mixed urban fabric.<sup>41</sup> A key characteristic of Adlershof is the long-term retention of public control over land and planning, which has allowed a more stable form of land value recycling into infrastructure and local services. Compared to more recent financialised development models, Adlershof reflects a stronger alignment between public land governance and urban regeneration objectives. However, even in this case, the model does not eliminate market pressures on housing prices; rather, it moderates them through planning and phased development.

In the case of the Milano Innovation District (MIND), a financialised PPP and constrained redistribution capacity, repositioned the competitiveness of the city by providing new public anchors and student housing. MIND is a post-Expo redevelopment project structured through a long-term concession and PPP framework involving public actors (notably Arexpo) and private developers (including Lendlease). The governance structure is strongly characterised by financialised land development mechanisms and institutional investor involvement.<sup>42</sup> Subsequent analyses further highlight how state-led de-risking strategies and public-private restructuring have enabled the entry of institutional investors while partially reshaping redistributive planning functions.<sup>43</sup>

---

<sup>41</sup> W. Salet and E. Gualini, *Framing Strategic Urban Projects: Learning from European City Regions*, London, Routledge, 2007.

<sup>42</sup> Bortolotti (2025).

<sup>43</sup> Bortolotti (2026).

Within this framework, affordable housing provisions exist but remain limited in scale relative to overall project value creation. Although mechanisms of social and student housing are included in the masterplan, research shows that these components are often secondary despite the high land value capture of €671 million in 99 years.<sup>44</sup> As a result, MIND illustrates both the potential and the limits of PPP-based LVC strategies in ensuring redistribution of land value gains.

Taken together, Paris-Saclay, Berlin Adlershof and Milano Innovation District illustrate three distinct governance models of large-scale urban development based on PPPs and land value capture. Rather than being uniformly 'virtuous cases', they should be understood as relevant cases and conditional models of urban governance that produce mixed outcomes. Across all the common effects, these cases show that housing provision was linked to large-scale development, but with varying degrees of affordability. LVC mechanisms worked partially, which enable reinvestment into infrastructure and public services but are uneven in redistributive strength.

However, the cases also show that affordability outcomes are not structurally guaranteed. As highlighted by recent literature on the financialisation of major projects, PPP-based urban development can simultaneously generate public value and reinforce private capture of land rents.<sup>45</sup> For this reason, these models should not be interpreted as ready-made solutions, but rather as scalable governance experiments requiring stronger EU-level coordination, regulatory safeguards and explicit affordability obligations.

---

<sup>44</sup> Bortolotti (2026b).

<sup>45</sup> Ibid.

## **A Policy Proposal: JOSHUA, a Co-financing Architecture for Large-scale Housing and Regeneration Projects**

As shown above, European cities are increasingly confronted with structural constraints in financing large-scale urban regeneration and affordable housing. Rising housing demand, industrial transformation and the need for infrastructure renewal are occurring in a fiscal environment characterised by constrained municipal budgets, strict European fiscal rules and fragmented EU funding instruments. While mechanisms such as EIB lending, EU Structural Funds and InvestEU have played an important catalytic role, they remain insufficient to address most of the scale and integrated nature of contemporary urban challenges.

The original JESSICA initiative introduced an important innovation in European urban policy by promoting revolving financial instruments for sustainable urban development (Figure 3.4). However, its practical application remained largely limited to specific interventions and did not fully evolve into a systemic financing architecture capable of supporting district-scale urban regeneration. In particular, it did not systematically integrate municipal bond markets, structured land value capture mechanisms, or tax increment financing logic. As a result, its capacity to support large integrated developments, comparable to leading international urban regeneration models, remained constrained.

The new initiative proposed in this paper is a Joint Operational Support for Housing and Urban Affordability (JOSHUA) which builds on JESSICA by proposing a shift from fragmented project finance to a fully integrated co-financing architecture for urban regeneration. The core idea is to treat urban regeneration not as a collection of isolated investments, but as a single financial ecosystem in which different sources of capital are aligned within a unified governance and cash flow structure. In this model, affordability in housing and

access to infrastructure are not financed primarily through direct subsidies or rent levels, but through the aggregate value generated by mixed-use urban development and the systematic capture of land value uplift.

At the centre of the framework is a urban regeneration Special Purpose Vehicle (SPV), which operates as the coordinating platform for capital allocation, development execution and cash flow distribution. This SPV combines multiple layers of financing. Senior debt is provided by institutions such as the European Investment Bank, InvestEU instruments and syndicated commercial banks, ensuring long-term, low-cost capital for infrastructure-grade investments. National development banks and public financial institutions provide a second layer of catalytic and de-risking capital, often through blended finance structures.

A key innovation of JOSHUA is the formal integration of municipal bond markets into the urban development financing structure. Municipal bonds are no longer used as general-purpose fiscal instruments but are explicitly ring-fenced and linked to future tax increments, land value appreciation and district-specific revenue streams. As the American experience shows, this can introduce a quasi-Tax Increment Financing (TIF) logic within the European institutional context, allowing cities to monetise future value creation to finance present-day investments.

Private institutional investors (including pension funds, insurance funds, infrastructure funds, etc.), provide equity capital seeking long-term stable returns from real estate and infrastructure assets. Crucially, public authorities contribute not primarily through cash financing but through in-kind equity contributions, particularly land, development rights and zoning uplifts. These contributions are essential, as they represent the primary lever through which the public sector captures part of the value created by urban transformation. In this sense, especially local governments play a role of 'director' in such large-scale urban regeneration projects.

The asset structure of the SPV is deliberately mixed. Industrial and R&D real estate constitutes the core economic engine, generating stable cash flows anchored in productive urban activities (e.g., innovation, technology, advanced services, etc.). Residential development combines market-rate and intermediate housing, providing demographic stability and reinforcing demand density. Affordable housing is integrated as a structurally supported component of the system rather than a standalone financially self-sustaining segment. Its viability depends on cross-subsidisation and value capture rather than rental income alone. Infrastructure and public realm investments complete the model by ensuring long-term attractiveness and functional integration of the urban district.

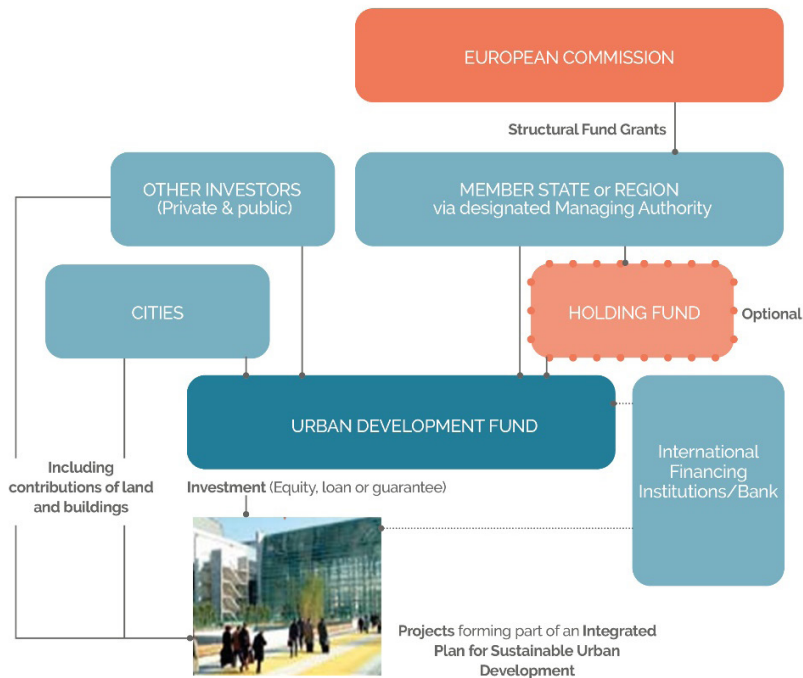
Financial sustainability is ensured through a hierarchical cash flow structure. Operating revenues generated by industrial, commercial and residential assets are first used to service senior debt obligations. Remaining cash flows are allocated to reserves and reinvestment needs. A dedicated cross-subsidy mechanism then channels part of the residual value into affordable housing and social infrastructure. This is complemented by systematic value capture instruments, including land value capture mechanisms, tax increment financing principles, development rights contributions and planning gain agreements, which ensure that increases in land and property values generated by public decisions are reinvested into public and social objectives.

The underlying policy rationale of JOSHUA is that urban value creation is fundamentally endogenous. Infrastructure investment, zoning decisions and industrial clustering do not merely support economic activity, but they actively generate significant increases in land and asset values. The central question is therefore not whether affordable housing can be financed through rents alone, but how the surplus generated by large-scale urban regeneration projects is distributed between private and public actors. JOSHUA explicitly structures this surplus redistribution through contractual, financial and institutional mechanisms.

By tackling the problematics already presented a few European cases, the implementation of such a framework requires careful institutional design. Fiscal constraints at municipal level, combined with European accounting rules, necessitate the use of SPVs to avoid direct consolidation of debt on public balance sheets. Furthermore, effective governance of LVC is critical to prevent asymmetric appropriation of value by private actors. Sequencing risks between industrial and residential development must also be carefully managed to ensure functional demand alignment within the district. Finally, the success of the JOSHUA model depends on the presence of a strong economic anchor, typically in the form of industrial, research or innovation clusters, capable of generating durable long-term demand.

Overall, JOSHUA represents a shift from fragmented urban finance instruments toward an integrated co-financing system in which European institutions, national development banks, municipalities and private investors operate within a unified financial and territorial framework. In this model, municipalities are direct actors for urban regeneration and affordable housing is no longer treated as a residual fiscal burden, but as an embedded outcome of a broader urban value creation process.

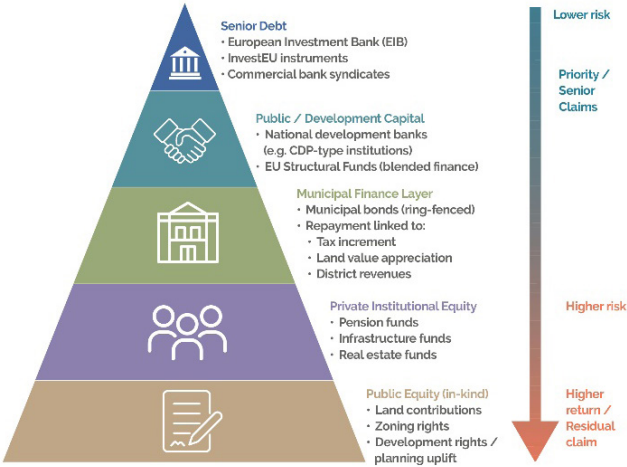
FIG. 3.4 - THE STRUCTURE OF JESSICA FINANCING



Source:  
EIC, 2008

FIG. 3.5 - THE STRUCTURE OF JOSHUA FINANCING

1. CAPITAL STACK



2. CORE ASSET STRUCTURE



3. VALUE CAPTURE MECHANISMS



LAND VALUE CAPTURE (LVC)



TAX INCREMENT FINANCING  
(TIF LOGIC)



ZONING UPLIFT MONETISATION



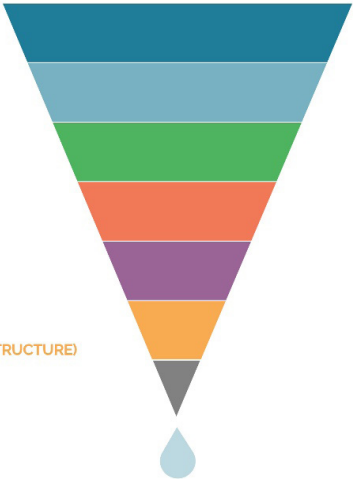
DEVELOPMENT RIGHTS CONTRIBUTIONS



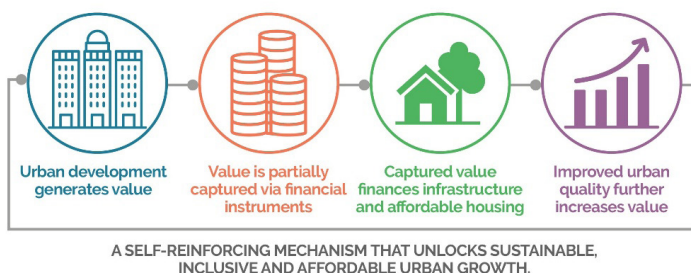
PLANNING GAIN AGREEMENTS

4. CASH FLOW WATERFALL

1. OPERATING REVENUE  
(RENTS, LEASES)
2. OPERATING COSTS + RESERVES
3. SENIOR DEBT SERVICE  
(EIB / BANKS)
4. SUBORDINATED DEBT / MEZZANINE
5. REINVESTMENT FUND
6. CROSS-SUBSIDY POOL  
(AFFORDABLE HOUSING + SOCIAL INFRASTRUCTURE)
7. EQUITY RETURNS (PUBLIC + PRIVATE)



## 5. SYSTEM LOGIC



## Discussion and Conclusions

The future of affordable housing in Europe cannot rely on small regeneration projects, fragmented financial instruments nor on a rigid separation between public regulation and private delivery. Instead, what emerges is the need for an integrated co-financing architecture, defined here by the JOSHUA model, capable of combining European financial tools, municipal instruments and private institutional capital within a unified large-scale urban development framework.

The experience of earlier JESSICA implementations demonstrates that revolving urban funds can function effectively, but only at a limited scale and without a fully articulated system of value capture. By contrast, large-scale urban regeneration cases such as Paris-Saclay, Berlin Adlershof and comparable district-level developments such as Hamburg HafenCity show that successful transformation requires not only financial engineering, but also strong institutional capacity to structure land, capture value uplift and coordinate long-term development trajectories. These experiences also confirm that housing markets operate primarily at the district level: meaningful improvements in affordability cannot be achieved through isolated projects but require the regeneration of entire

neighbourhoods capable of influencing local demand and supply dynamics. Urban regeneration is therefore not a project, but a territorial system of long-term value creation.

Within this logic, LVC becomes the central operational mechanism of JOSHUA. The increase in land and property values generated by planning decisions, infrastructure investment and industrial clustering must be partially internalised by the public sector through instruments such as zoning uplift contributions, development rights, planning agreements and tax increment-style mechanisms. Without this layer, public actors remain structurally under-financed while private actors capture disproportionate shares of urban value creation. LVC therefore transforms urban policy from a subsidy-based logic into a self-reinforcing investment cycle, where future value finances present affordability. The comparative cases also reveal that the effectiveness of LVC depends critically on municipal institutional capacity. Weak governance, fragmented negotiations and limited financial expertise often reduce the public share of value capture. By linking municipal bond issuance to future land value appreciation and fiscal revenues, the JOSHUA framework creates stronger incentives for municipalities to improve implementation capacity and align financial responsibility with project delivery.

However, value capture alone is insufficient without an appropriate institutional architecture. The development of large-scale urban regeneration projects requires actors with strong financial and operational capacity, as well as the ability to coordinate complex, long-term territorial transformations. This points towards the need for capitalised public companies operating between the State and the market, capable of managing the SPV, aggregating land, structuring investment platforms and enabling district-scale development.

At the same time, the nature of real estate development itself must be redefined. Urban transformation is no longer a question of housing units, but of integrated districts combining housing, production, services and innovation ecosystems. Cities

function as centripetal economic systems where productivity, creativity and employment concentrate. In this context, urban concentration remains a key driver of economic growth, and housing policy must be embedded within this broader productive logic.

This reconceptualisation also has direct implications for the role of the public sector. The distinction between regulator and operator is no longer sufficient. In complex urban markets, the public sector must act as an active institutional participant, capable not only of regulating but also of selecting operators, structuring concessions and shaping investment platforms. Concessions, when properly designed, can ensure long-term alignment between public objectives and private execution. However, if excessively extended or poorly structured, they risk fragmenting control over territorial assets and undermining coherent urban governance. Their effectiveness depends on embedding them within a clear and stable urban planning framework.

Historically, European systems have tended to separate the public sector from direct economic participation in real estate markets. The current housing crisis suggests that this distinction is no longer functional. Rather than acting solely as a regulator, the public sector must intervene through the direct structuring of investment ecosystems, and this requires a renewed industrial policy for the built environment, where housing is treated as a strategic sector rather than a residual market outcome.

Within this framework, cooperative models regain relevance as potential intermediaries between economic efficiency and social objectives. While their institutional weight has diminished over time, they remain one of the few organisational forms capable of aligning collective ownership, long-term management and affordability within urban development processes.

A key constraint remains the nature of “patient capital”. In practice, long-term capital is never purely patient; it is always conditional on regulatory certainty, risk mitigation and predictable returns. European institutions such as the EIB,

alongside national development banks and pension funds, can play a decisive role, but only within a stable legal and fiscal framework. This implies that affordability in housing cannot rely on financial goodwill alone but must be anchored in credible institutional design and enforceable long-term frameworks, particularly around land and revenue capture.

Ultimately, the availability of capital is not the main constraint. The real limitation lies in the absence of structured mechanisms capable of unlocking the latent value embedded in urban land at scale. When combined, municipal bonds, land value capture instruments and EU-level co-financing mechanisms can enable a new generation of urban projects capable of addressing both industrial competitiveness and housing affordability.

In conclusion, JOSHUA is not simply a financial instrument, but an institutional framework for financing district-scale urban regeneration. Its implementation could be supported by a Pan-European Investment Platform developed in cooperation with the Committee of the Regions and regional authorities, positioning Regions and City-Regions as key coordinators of investment strategies. By integrating EU co-financing, municipal finance, private capital and land value capture within a single governance architecture, JOSHUA provides a scalable model through which affordability, urban competitiveness and territorial transformation can be pursued simultaneously.



## **4. Housing for All in Europe: Enhancing EU-Cities Partnership for Housing**

Eduard Cabré, Maria del Mar Jiménez Carreté

---

### **Understanding the Housing Crisis in Europe Today**

Europe is currently experiencing a complex and evolving housing emergency that has reached a critical tipping point. Over the past decade, a combination of several high-pressure factors – including increasing population in urban centres, slow housing construction, rapid tourism growth and intense financial speculation – has led to a housing crisis with significant social implications. It undermines social mobility and well-being in Europe, weakens our economic competitiveness and threatens the legitimacy of our democratic systems, as well as the European project itself.

In the following sections, we will delve deeper into these dimensions of the housing crisis. Housing unaffordability has become a structural problem for most urban centres in Europe and it is no longer limited to individual cities or regions. It is not only affecting vulnerable groups but also essential workers and middle-class households that struggle to afford rent and are displaced from the very cities they sustain. The foundational ties of our societies and the pillars of the social contract established after World War II beginning to erode, fuelling populist movements throughout Europe.

We must acknowledge that the core issue at hand is a long-standing failure to recognise housing as a vital component of our social infrastructure. For far too long, housing has been treated primarily as a commodity rather than a fundamental pillar of the Welfare State. Since the rise of neoliberalism, the prevailing mindset has been to leave housing to the free market while overlooking the fact that housing is essential to provide social wellbeing and foster economic competitiveness. This neglect has resulted in a significant market failure with serious implications.

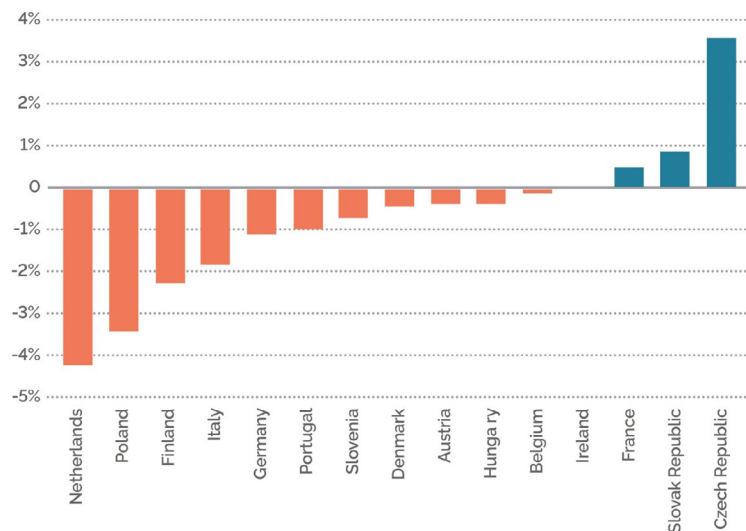
When housing production is left primarily to the free market, construction tends to concentrate on high-end, more profitable developments and fails to provide affordable housing for the middle and working classes. In a context of supply shortage and high demand, existing housing is not made available to lower-income groups, demonstrating the limits of “filtering” dynamics in addressing affordability.<sup>1</sup>

At the same time, the supply of public and genuinely affordable housing has declined in many European countries, with only a few exceptions where sustained public investment has helped maintain it. This trend towards a reduction of public and social housing has weakened the ability of cities to provide affordable housing for a broad range of residents, particularly those looking for their first home.

---

<sup>1</sup> Filtering: Effect by which units in the lower price segment become available as higher-income households move into the newly built properties. European Parliament, *Construction and Renovation in the EU Housing Markets: Challenges and Opportunities to Ensure Affordability*, European Parliamentary Research Service, PE 759.348, 2025.

FIG. 4.1 - VARIATION IN SOCIAL RENTAL HOUSING  
AS A SHARE OF TOTAL HOUSING STOCK, 2010-2022



Source:

Authors' visualisation based on OECD, OECD Affordable Housing Database - indicator PH4.2. Social rental housing stock, 2024.

In recent decades, many Member States have progressively deregulated rental markets, contributing to increased instability and insecurity for tenants, whereas some are now reinstating rent regulation frameworks to try to address current market tensions.<sup>2</sup> Concurrently, the expansion of seasonal and short-term rentals has significantly diminished the availability of long-term housing for residents.<sup>3</sup> According to Eurostat, the total number of guest nights booked via online short-term rental platforms in the European Union in the third quarter

<sup>2</sup> H. Kettunen and H. Ruonavaara, "Rent regulation in 21st century Europe", *Comparative perspectives, Housing Studies*, vol. 36, no. 9, pp. 1446-68, 2021, DOI: 10.1080/02673037.2020.1769564.

<sup>3</sup> European Parliament, *The regulatory aspects of short-term rentals in the EU*, European Parliamentary Research Service, PE 759.356, 2025.

of 2025 increased by 8.7% compared with the same quarter of 2024, and by 28.2% compared with the third quarter of 2023.<sup>4</sup> This dynamic intensifies competition in the housing market and leads to a struggle over the remaining crumbs of affordable supply.

This article examines these trends from a European perspective, focusing on their macroeconomic and social impacts across the continent.

## Why Should the EU Care about housing?

While housing policy does not fall directly under the European Union's authority, the current crisis is resulting in wide-reaching consequences across the Union, making it an issue that requires action at every level of government. The current housing crisis spans multiple policy domains, intersecting with several of the most pressing challenges confronting European leaders today, as acknowledged by EU institutions.<sup>5</sup>

### Competitiveness

As highlighted in the Letta Report,<sup>6</sup> the shortage of affordable housing threatens the proper functioning of the Single Market by acting as a significant constraint on economic growth, particularly in the most developed urban areas and regions. Rising housing costs reduce households' disposable income, limiting their ability to spend on other goods and services, which in turn weakens local consumption and can dampen overall economic growth.

---

<sup>4</sup> Online data code: `tour_ce_omr`.

<sup>5</sup> Council of the European Union, *One roof, many realities: Europe's complex housing crisis*, 2025.

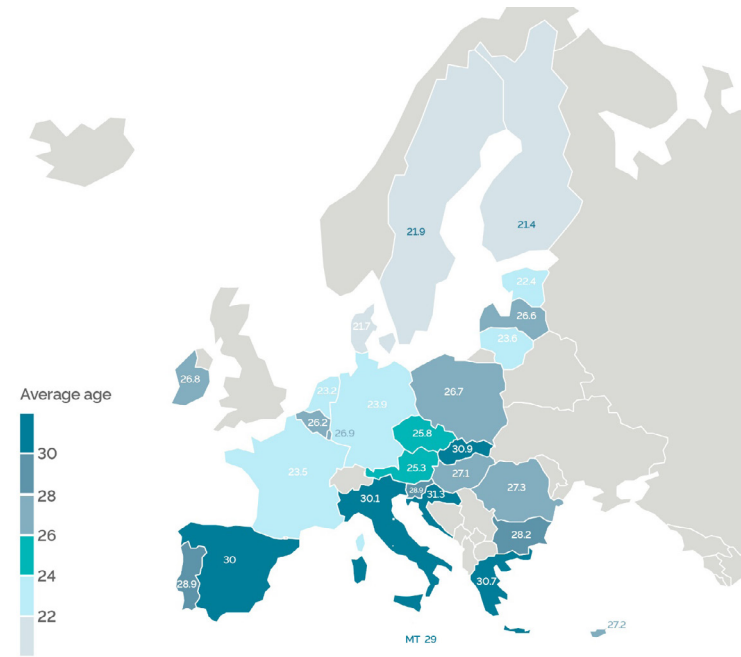
<sup>6</sup> E. Letta, *Much more than a market: Speed, security, solidarity - Empowering the Single Market to deliver a sustainable future and prosperity for all EU citizens*, European Commission, 2024.

Housing affordability plays a critical role in shaping labour market outcomes as high housing costs lead to inefficient labour allocation: skilled workers are discouraged from moving to expensive areas, while lower-income individuals are effectively excluded from regions with strong employment opportunities. At the same time, firms increasingly factor housing conditions into their decisions on where to locate or expand. In high-cost areas, difficulties in attracting and retaining employees can constrain business growth and innovation, reducing the attractiveness of these regions for investment and weakening their long-term economic outlook.

The effects are particularly pronounced for younger generations, who are already delaying their transition to independent living and family formation, contributing to declining fertility rates. Limited access to affordable housing can also restrict their education and career opportunities, reinforcing pre-existing inequalities tied to their socioeconomic background. The stress linked to housing insecurity can also harm mental health, reducing the productivity of both students and workers.

Finally, persistently high housing prices – including rising construction costs and exorbitant land prices – can distort the allocation of capital within the economy. Investment may be directed toward speculative real estate instead of increasing the supply of affordable housing or supporting the renovation of the existing housing stock.

FIG. 4.2 - AVERAGE AGE WHEN YOUNG PEOPLE LEAVE THEIR PARENTAL HOME, 2024



Source:  
Council of the European Union (2025). One roof, many realities:  
Europe's complex housing crisis.

### Social mobility and well-being

The housing crisis is not merely an abstract economic issue. It is a human crisis with real-world consequences. We are facing a situation that would be unacceptable in other areas of public provision. If education, healthcare or transport systems were not treated as essential public services, there would be widespread public outcry; yet housing has too often been neglected.

At the core of the European project is a commitment to progress and social cohesion, a principle that has guided the continent since the aftermath of the Second World War. By

failing to uphold this commitment through adequate public intervention in housing, we have let down key workers, students in need of stable living conditions and middle-income households facing increasing housing insecurity.

The European Pillar of Social Rights includes the principles of equal opportunities and access to housing as key to support fair and well-functioning labour markets and welfare systems. Despite its non-binding nature, the European Pillar serves as a high-level policy framework that guides EU social policy, influences legislation and is implemented through coordination mechanisms like the European Semester.

Housing unaffordability and deprivation have a significant constrain on social mobility as housing costs absorb household income that could otherwise be invested in education, health and job training, while also displacing lower-income households from their neighbourhoods – where they have established social ties – into more disadvantaged areas with fewer opportunities. This process reinforces residential segregation and limits access to well-paying jobs. At the same time, housing instability – frequent moves, overcrowding, or poor conditions – disrupts education and employment, and harms physical and mental health. These dynamics create a self-reinforcing cycle that limits people's ability to move up the social ladder.

From a rights perspective, these conditions weaken the effective enjoyment of core social rights, including the right to adequate housing, healthcare, education and social protection, as recognised in the European Pillar of Social Rights. When people cannot access adequate housing, it becomes harder to participate fully in society, deepening exclusion and inequality. In this way, housing is not just a material issue but a foundation for dignity, inclusion and equal opportunity.

## Democracy

As Commissioner of Housing Dan Jørgensen has pointed out, the housing crisis drives both inequality and polarisation,

which divide European societies and pose a risk for democracy.<sup>7</sup> Indeed, rising prices and cost of living were the main reasons conditioning people's vote in the last European elections.<sup>8</sup> Housing has become a highly political topic.

Wealth inequality is greatly affected by housing disparities. As home-ownership accounts for a significant amount of net wealth, the recent rise in house prices has rendered many homeowners virtually wealthier, which has further widened the wealth gap between homeowners and renters, who are disproportionately younger and lower-income. This phenomenon also has generational implications. As the more affluent baby boomer generation transfers its real estate wealth onto the younger generation, the wealth gap will only widen.

Rising inter- and intra-generational inequalities will deepen social alienation and increase distrust in the current housing system. With societies across Member States increasingly divided, the housing crisis is exacerbating these divisions and putting the European economic and social model under strain. This context is being used by populist far-right parties to connect the housing crisis with migration, tapping into real existing public concerns about housing scarcity and affordability but twisting them to reinforce narratives that assign blame to immigrants. This dynamic has been observed in political communication research on welfare and housing "scapegoating" and the broader literature on issue linkage in populist and radical-right discourse, which shows how complex structural problems are often simplified into identity-based explanations to mobilise electoral support.<sup>9</sup> Over time, this can intensify perceptions of competition over housing and deepen social divisions, even where empirical evidence does not support a direct causal link between migration and housing shortages.

---

<sup>7</sup> A. Hernández-Morales, "EU housing plan to tackle speculation, short-term rentals", *POLITICO Europe*, 29 September 2025.

<sup>8</sup> Eurobarometer, *EU Post-electoral survey 2024*, October 2024.

<sup>9</sup> T. Abou-Chadi, D. Cohen, and T. Kurer, "Rental market risk and radical right support", *Comparative Political Studies*, vol. 58, no. 13, 2025, pp. 2866-2901.

## The Impact of the Housing Crisis in Cities

The impact of the current housing crisis is felt most acutely in urban centres and tourist destinations, which are experiencing first-hand the impact of these growing social tensions. According to Eurostat,<sup>10</sup> the housing cost overburden rate – that is, the share of the population living in a household where total housing costs represents more than 40% of disposable income – was 9.6% in urban cities *vis-à-vis* 5.6% in rural areas in 2025.

Rental prices have surged beyond the reach of average earners, and investors are acquiring an increasing amount of the housing stock in central neighbourhoods, treating homes as financial assets rather than places to live. Furthermore, the uncontrolled proliferation of short-term and seasonal rentals has drastically reduced the availability of long-term housing options for permanent residents and is impacting housing prices. In the case of Barcelona, recent studies have shown that short-term rental activity has had a noticeable impact on housing markets. On average, it raised long-term rental prices by about 1.9%, a moderate effect compared to the overall rapid increase in rents. However, in central neighbourhoods with the highest concentration of short-term rental listings, rents rose much more sharply – by around 7%. A similar pattern appears in housing sale prices: across an average neighbourhood, short-term rental presence increased transaction prices by 4.6%, but in the most affected areas (top 10% of activity), prices surged by as much as 17%, highlighting a much stronger localised impact.<sup>11</sup> Evidence from Madrid points in the same direction: an increase of 100 entire-home short-term rental listings raises house prices by about 2%, and reduces residential inflows by 50 individuals per year.<sup>12</sup>

---

<sup>10</sup> Online data code: ilc\_lvho07d

<sup>11</sup> M.-À. Garcia-López, J.J. Monseny, R. Martínez-Mazza, and M. Segú, “Do short-term rental platforms affect housing markets? Evidence from Airbnb in Barcelona”, *Journal of Urban Economics*, vol. 119, Article 103278, 2020.

<sup>12</sup> C. Chaves-Fonseca, *The effect of short-term rentals on house prices and residential*

Along with the impact on long-term rental and housing prices, short-term rentals also affect community living. In the case of Barcelona, data from the Tourism Perception Survey shows more than half of the population believes that tourist apartments are a source of disturbances among neighbours. Similar trends are taking place across Europe, with major cities and tourist areas at the forefront.

The housing crisis has had a significant impact on homelessness, as increasing rents, housing shortages and stagnant wages make it harder for people to afford stable accommodation. According to FEANTSA, in 2024, over 1,285,000 people were homeless in the EU.<sup>13</sup> This is happening in a context of reduced public funding for tackling homelessness, often justified by a aporophobic rhetoric that criminalises homeless people. But housing deprivation is also affecting large segments of the population – including workers, young adults and families – not just traditionally vulnerable groups. The share of people in the EU living in households with overdue mortgage, rent or utility bills reached 9.2% in 2025, up from a historic low of 8.2% in 2019.<sup>14</sup> Evictions – which caused widespread hardship in many countries following the Global Financial Crisis – are again becoming a significant issue in many cities, especially in the rental sector.

Cities are struggling to cope with the housing crisis due to limited financial resources and insufficient institutional competences. Despite being among the most affected regions, their relatively higher level of development often makes them ineligible for cohesion funds and other European or national support programmes. As a result, although cities face the greatest pressure from the crisis, they currently lack the means to effectively address it.

---

*mobility: evidence from Madrid*, SERIES, 2026.

<sup>13</sup> FEANTSA and Fondation pour le Logement, *Tenth overview of housing exclusion in Europe*, 2025.

<sup>14</sup> Eurostat Online data code: ilc\_lvho07d

## **The Case of Barcelona**

Mayors have been the first to witness the weakening of the social contract and have responded with bold, urgent and structural actions. In Barcelona, the city government has taken a proactive role, implementing regulations to regain control over the housing market.

### **Expansion of the public and social housing stock**

Barcelona is significantly growing its public and social housing stock through the construction of new rental public housing and long-term municipal land leasing to non-profit and cooperative providers. Additional instruments such as inclusionary zoning and the acquisition and renovation of the existing housing stock are helping to scale supply and stabilise access to housing for lower- and middle-income households.

Through its strategic housing plan – Pla Viure – the city has committed to delivering 1,000 affordable housing units each year, with the first 3,000 expected to be completed by May 2027. By 2027, a further 5,000 units will be under construction, and an additional 10,000 will be unlocked through the activation of existing urban development plans.

### **Market regulation**

Barcelona has led the way in the introduction of anti-speculation measures aimed at returning housing to the residential market. These include licensing systems, enforcement against illegal tourist or short-term rentals and rent caps. These policies have been made possible by regulatory tools introduced by both the Spanish and Catalan governments, which have strengthened the powers of local authorities.<sup>15</sup>

Barcelona was the first major Spanish city to be designated as a Stressed Housing Market Area and to introduce rent regulation. The system requires small landlords to set rents for

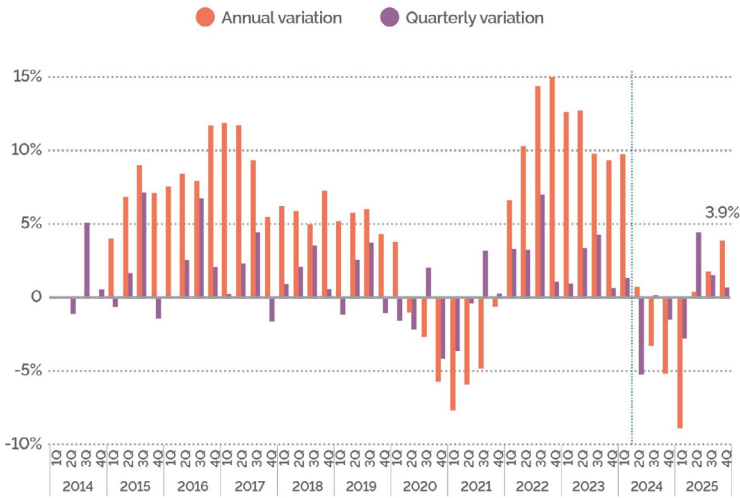
---

<sup>15</sup> Spanish Law 12/2023 on the right to housing.

new contracts in line with the previous contract price, therefore stabilising rents between contracts. Large landlords – those owning five or more properties – must instead set the rent at the lower value between the previous contract rent and a reference index reflecting average rents in the local census tract. As a result, the rent regulation system has helped stabilise long-term rental prices and improve security for tenants, who make up around 45% of households in the city

The City has also committed to expiring all short-term touristic licences, representing around 10,000 units, by 2028, with the goal of returning housing units to the long-term residential market and improving overall affordability.

FIG. 4.3 - VARIATION IN THE AVERAGE PRICE OF NEW RENTAL CONTRACTS IN BARCELONA (€/MONTH) BEFORE AND AFTER THE DESIGNATION OF STRESSED HOUSING MARKET AREAS



Source:  
O-HB based on data from Secretaria d’Habitatge - Generalitat de Catalunya

## Urban Regeneration

Barcelona is undergoing holistic interventions and regeneration of the existing housing stock. The City has combined its own resources with Next Generation EU funding for energy retrofitting to renovate 11,600 homes by June 2026. It is also advancing the regeneration of particularly vulnerable neighbourhoods, covering buildings as well as public spaces and community facilities.

Despite these efforts, Barcelona continues to face significant hurdles. The city's public housing stock remains below 2%, well under the European average, and the government faces constant legal pushback from private developers and landlords who oppose public intervention. Gentrification of working-class neighbourhoods continues, driven by speculative investment and foreign demand. These challenges underscore the fact that even the most proactive cities cannot solve this crisis in isolation. European cities must unite to demand systemic change.

## Mayors for Housing

### What it is and what it demands

The Mayors for Housing Alliance was born from a series of conversations between the mayors of Barcelona, Rome, Paris and Bologna. Given the political alignment surrounding the housing issue across political families and across Europe at the local level, the initiative was endorsed by Eurocities and C40, and has brought together a wide range of cities.

FIG. 4.4 - MAYORS FOR HOUSING ALLIANCE NETWORK



The Alliance was formed to convey a strong, unified message to the European Commission: cities must be recognised as key actors in tackling the housing crisis. To address long-term structural challenges and strengthen multi-level cooperation, the Alliance is pushing for several key demands:

- **Increased and direct investment:** Cities need greater access to EU funds specifically designated for affordable housing and urban regeneration. This includes the establishment of direct funding mechanisms for cities primarily through the next Multiannual Financial Framework (MFF).
- **Prioritising stressed areas:** The Alliance proposes Stressed Housing Market Areas as the primary criteria to prioritise and direct fast, targeted and agile investments where the right to housing is most threatened.
- **Rights-based policy:** Strengthening tenants' rights and anti-eviction measures at a European scale. The social dimension of housing – the principle that housing should be treated primarily as a right rather than a financial asset – should take precedence over its role as a means of wealth generation.

- **Inclusive transition:** A commitment to a housing transition that combines energy efficiency retrofitting with affordability goals to ensure the green transition does not exclude the most vulnerable.

These demands were articulated through a European Housing Action Plan (EHAP), which was submitted to the European Commission in May 2025 prior to the drafting of the European Affordable Housing Plan. Once the Plan was unveiled, the Alliance has continued to put forward proposals to strengthen it and ensure its swift implementation.

### Mayors for housing's footprint in the European Affordable Housing Plan

The initial proposals made by the Mayors for Housing Alliance are deeply embedded in the European Affordable Housing Plan, which already reflects many of the Alliance's diagnosis and proposed policy reforms.

The Alliance considers EHAP to be a positive step forward, as it provides a clear diagnosis of housing financialisation, speculation and the shortage of affordable housing. It recognises the role of local authorities, which are mentioned several times in the Plan; and it includes concrete measures to address stressed housing market areas and short-term rentals.

However, the Alliance remains concerned about the absence of a new dedicated public funding stream and the risk that administrative simplification could result in the deregulation of sustainable building standards or speculative practices. Furthermore, the plan is relatively weak on fiscal rules, as it does not include a general exemption of housing investment from national deficit rules.

Nevertheless, the Alliance has been successful in securing several key financial and investment milestones. €3.3 billion in EU funding have already been mobilised under the mid-term

review of cohesion policy.<sup>16</sup> Affordable housing has been established as a priority for the next Multiannual Financial Framework (MFF), and a revision of State Aid Rules will allow Member States to support affordable housing in a faster and simpler way. The launch of a Pan-European Investment Platform for affordable and sustainable housing, including a digital portal and national hubs, is planned for the second half of 2026. In addition, €10 billion under InvestEU will be deployed in 2026-27 as financial guarantees to reduce risk and mobilise private investment into affordable housing projects.

The footprint of Mayors for Housing is most visible in the legislative and governance pillars of the plan. The Affordable Housing Act, expected by summer of 2026, aims to support Member States, regions and local authorities by providing practical tools to help alleviate housing pressures in their respective local contexts. This legislative initiative is expected to empower local authorities to take legal action against short-term rentals and to accelerate planning and permitting procedures. The Mayors for Housing Alliance is working closely with the European Commission and key stakeholders to ensure that several of its proposals are incorporated into this new legislative framework. In parallel, a comprehensive study on housing price dynamics and speculation patterns is planned for the end of 2026, which will serve as a basis for proposing necessary follow-up actions. At the same time, enhanced monitoring of housing markets will be integrated into the European Semester, supported by a new EU-level access point for housing data. In 2026, the European Alliance for Housing will be established as a hub for cooperation and the exchange of best practices, closely linked to the EU Agenda for Cities. Finally, the European Housing Summit, expected in the second half of 2026 under the Irish Presidency, is envisioned as a high-level EU political event bringing together EU institutions, Member States, cities,

---

<sup>16</sup> European Union, Results of the Mid-Term Review of cohesion policy, 25 March 2026.

regions and key housing stakeholders to coordinate action on housing policy implementation and strengthen multi-level governance.

### Mayors for Housing's contribution to the Affordable Housing Act and the next Multiannual Financial Framework

For the new MFF, Mayors for Housing is determined to ensure that substantial housing funding is systematically embedded within National and Regional Partnership Plans (NRPP), inside a suggested urban chapter, alongside the establishment of a dedicated EU facility for students and social housing. The Alliance is closely monitoring the ongoing negotiations to ensure that it plays a key role in the design and implementation of these plans. This includes advocating for clearer earmarking of housing allocations within NRPP, the EU Facility and the European Competitiveness Fund, stronger performance-based targets linked to affordability outcomes and improved coordination between EU funding instruments and national, regional and local housing strategies to ensure effective delivery on the ground. In the field of homelessness, Mayors call for dedicated budgetary commitments covering infrastructure, including accommodation and housing, as well as related support services.

With regard to the forthcoming Affordable Housing Act, Mayors for Housing believes that new EU legislation should respect and strengthen local regulatory competences. Mayors consider that the designation of areas under housing stress can play a constructive role, provided it reflects the full complexity of the impact of short-term rentals in local contexts, which extends beyond housing and also affects the liveability of cities, while leaving the definition of policy measures to the competent authorities. They further call for an amendment to the EU Services Directive to exclude its application to short-term rental policy in areas designated as being under housing stress.

On speculation, they welcome the European Commission's willingness to initiate a study on the impact of speculative activity in cities and metropolitan areas. They note that the pursuit of high-yield uses has diverted a significant share of housing stock away from the long-term rental market. Against this backdrop, they call for the recognition of housing as a social good in the forthcoming Affordable Housing Act, as well as the establishment of a European initiative against real estate speculation that would include anti-speculation safeguards, strengthen competition policy to address abusive practices and improve access to housing market data.

Overall, the Alliance expects the Affordable Housing Act to serve as a comprehensive and transformative instrument that captures the full complexity of the housing crisis across the European Union, particularly in cities and metropolitan areas. Mayors also call on the MFF negotiations to acknowledge the critical importance of housing funding delivered through rapid, agile and targeted mechanisms capable of reaching cities effectively, as part of the necessary urban dimension of the next EU budget.

## **The Key Role of Cities in Defending Europeanism**

The housing crisis has far-reaching consequences for Europe.

First, the crisis is eroding Europe's competitiveness. High and rising housing costs make cities less attractive for companies, workers and professionals, limiting their ability to attract and retain talent. This, in turn, weakens urban productivity and reduces Europe's overall competitiveness in a global economy that is increasingly driven by human capital.

Moreover, it contributes to the weakening of the social contract. When governments are unable to guarantee basic housing adequacy, public trust in institutions is undermined. This erosion of confidence extends to both liberal democracy and the European project itself, as citizens increasingly question the system's capacity to ensure fundamental social rights.

As a result, the housing crisis is deepening social fragmentation. Limited access to affordable housing restricts social mobility and reinforces structural inequalities. The impact is felt most acutely by young people, migrants and low-income households, who face growing barriers to stability and inclusion.

The rise of populism in Europe cannot be fully understood by looking only at declining regions. While European cities are engines of growth, they also concentrate highly visible gaps between social groups. Populism in the urban context does not stem from broad underdevelopment, but from the everyday visibility of disparities between those who benefit and those who are left behind within the same city space. Proximity intensifies the mechanisms of social comparison, transforming individual dissatisfaction into a powerful perception of political injustice.<sup>17</sup>

When citizens see inequality manifest in their daily lives – through delayed and precarious access to housing and decaying public services – it acts as a catalyst for Euroscepticism and democratic alienation. While the EU has helped drive convergence between less and more developed regions, growing exclusion and polarisation in cities are now putting Europe's cohesion at risk. In this context, cities act as the first line of defence, given their central role in mitigating inequality and strengthening social integration. By reinforcing the Welfare State, protecting residents from speculators, and ensuring the quality of public services, they are actively restoring hope in their communities and preserving the European dream.

Paradoxically, the European project needs cities to act effectively in order to resolve a problem that is calling its very existence into question. Reducing intra-urban inequality is not just a matter of social welfare or housing policy, it is a preventive strategy against the rise of the far-right and a vital tool for democratic resilience. In an era of global disorder, the local

---

<sup>17</sup> C.J. González-Cuatlanquis, A. Faggian, and P. Veneri, "Unequal cities, unhappy lives? The role of interpersonal and territorial inequalities in shaping life satisfaction in European cities", *Urban Studies*, 2025.

sphere has emerged as a fundamental space for human empathy, resistance and the protection of democratic values. While traditional power structures may seem distant or unresponsive, cities provide the human scale where the European project must be defended.

Because the housing crisis is fundamentally an urban problem, cities will play a central role in addressing it effectively. However, they cannot respond to this emergency without adequate support and recognition at the European level. For this reason, the Mayors for Housing Alliance has proposed the designation of Stressed Housing Market Areas as a key tool to better direct EU funding and support to cities. Adopting agile, targeted and impactful approaches will be key to address the housing crisis while consolidating the European project along the way.

## **5. Towards a Global Housing Coalition: UN-Habitat's Housing Ecosystem and its Partnership with Europe**

Anacláudia Rossbach

---

### **Why a Global Housing Coalition Now**

The global housing crisis has become one of the defining policy challenges of the XXI century, cutting across regions, income levels and governance systems. While its manifestations differ, from informal settlements in rapidly urbanising regions to affordability crises in high-income economies, the underlying dynamics are increasingly shared and interconnected. Globally, an estimated 3.4 billion people experience some form of housing inadequacy, 1.2 billion live in informal settlements and more than 300 million experience homelessness, underscoring the scale and urgency of the challenge.

In Europe, the scale of the crisis is stark. According to Eurostat, between 2010 and 2024, house prices increased by 55.4% and rents by 26.7% across the European Union, with some Member States recording price increases above 200%. These increases have significantly outpaced wage growth, leaving many households, particularly those on low-incomes, spending up to 40% of their income on housing costs, well above commonly accepted affordability thresholds.

Structural imbalances persist. Housing supply is failing to meet demand, while vacancy, under-occupation and speculative

holding, further constrain the effective use of existing stock. At the same time, the increasing treatment of housing as a speculative investment asset can come into tension with its fundamental social function. The expansion of real estate investment trusts, mortgage securitisation and global capital flows has helped channel capital towards housing, but in some contexts it has also weakened local incomes and housing prices, contributing to inequality, social exclusion and market volatility.

These pressures interact with profound changes in housing demand. Population ageing, smaller and more diverse household structures, later household formation, internal and international migration and increasingly mobile labour markets, including the growth of temporary, part-time and platform-based employment, are changing both the volume and type of housing needed. The growth of temporary, part-time, self-employed and platform-based work is also weakening traditional links between stable employment and access to mortgage and rental markets. Housing systems designed around stable long-term full-time employment and standard family household structures are increasingly misaligned with the way people now live and work.

Housing is also central to the climate challenge. The building and construction sector accounts for roughly one third of global CO<sub>2</sub> emissions, while climate-related disasters and extreme weather increasingly affect access to adequate housing, particularly among vulnerable urban communities. In rapidly urbanising regions, these risks are compounded by informality, limited access to infrastructure and basic services. Across 128 Nationally Determined Contributions (NDCs) analysed, around 34% identify housing and informal settlements as vulnerable systems.

Seen as a system rather than a sector, housing is therefore a foundational component of the global development agenda. Where people live, and on what terms, shapes exposure to poverty, health, children's education, access to employment

and productivity, social cohesion and resilience to climate and economic shocks. Housing also represents a major component of national capital stock and household wealth, with direct implications for macroeconomic stability. Progress on Sustainable Development Goal 11 is consequently closely linked to poverty reduction, health, education, decent work, reduced inequalities and climate action. Adequate housing is not merely a sectoral output but an enabling condition for progress across the 2030 Agenda; conversely, housing failures generate wider social, economic and environmental costs.

The consequences are far-reaching:

- Rising intergenerational inequality, as younger households are increasingly excluded from homeownership and, in many contexts, face broader barriers to adequate, affordable and secure housing.
- Growing urban-rural divides, with acute shortages in many cities alongside rural areas experiencing depopulation and vacancy, except in high-demand tourist areas where second homes can further restrict affordable housing for residents and seasonal workers.
- Increased risks of displacement, homelessness and social exclusion.
- Persistent overcrowding, affecting over half the population in some EU countries and illustrating continuing forms of severe housing deprivation.
- Growing pressures on housing rights and tenant protections in some contexts, including debates around rent regulation, eviction safeguards, social obligations attached to housing and fiscal and regulatory measures designed to preserve affordability and security of tenure.

Despite the scale of these challenges, policy responses remain fragmented. Housing is still frequently treated as a discrete sectoral issue rather than a system connecting land, planning, infrastructure, finance, social policy, climate policy and economic development. There is no consistent, globally comparable

framework for tracking housing outcomes, countries' ability to compare experience, assess progress and coordinate responses.

This foundational role is not yet matched by the place housing occupies in the global agenda. Housing has become one of the most salient political issues at city and national level. In the 2026 Eurocities Pulse Mayors Survey, covering 88 mayors across 27 European countries, affordable and social housing together with homelessness prevention emerged as the leading priority for tackling urban inequality, while affordability ranked first among the pressure residents experience most directly. Mayors increasingly describe housing in systemic terms, as a foundation for household stability, health and education rather than shelter alone. Yet, housing remains comparatively marginal in international development cooperation and financing frameworks. This gap strengthens the case for normative leadership, convening, knowledge exchange and advocacy at global level.

Responses are already emerging across several international processes. Housing has risen on the global development agenda. The Pact for the Future commits States to advancing universal access to adequate, safe and affordable housing and recognises housing and localisation of the Sustainable Development Goals (SDGs) as important drivers of sustainable development, while calling for stronger engagement with local and regional authorities. The Doha Political Declaration of the Second World Summit for Social Development reinforced this recognition.

Within UN-Habitat, resolution 2/7 translated this renewed attention into a standing intergovernmental mechanism: the Open-Ended Intergovernmental Expert Working Group on Adequate Housing for All (OEWG-H), the first UN-mandated intergovernmental platform dedicated specifically to adequate housing.

This renewed attention has highlighted the need for better evidence and a global space in which governments, cities and practitioners can exchange experience and learn from one another. UN-Habitat mandated initiatives such as the Housing

Knowledge Platform, together with global convening spaces such as the thirteenth session of the World Urban Forum, held in Baku in May 2026 under the theme “Housing the world”, provide concrete responses to these needs. Around them, a broader institutional ecosystem is emerging under UN-Habitat’s Strategic Plan 2026-2029, at a pivotal moment marked by the mid-term review of the New Urban Agenda and preparations of the post-2030 development agenda.

This chapter argues that addressing the global housing crisis requires a coherent global approach, a coordinated, multi-level alignment of intergovernmental mandates, policy and normative initiatives; knowledge and capacity building platforms; technical assistance systems and local delivery and implementation capacity. The foundations of such an architecture do not need to be built from scratch: they are already being assembled through existing mandates, partnerships and initiatives, anchored in UN-Habitat’s Strategic Plan, the New Urban Agenda and the SDGs. Better connecting these elements would enable more coherent, scalable and impactful responses to the housing crisis.

## **UN-Habitat's Strategic Role in Housing**

As the United Nations programme for sustainable urbanisation and human settlements, UN-Habitat is mandated by the UN General Assembly to promote socially and environmentally sustainable towns and cities, with a central focus on ensuring access to adequate housing for all. Through its normative, operational and convening roles, UN-Habitat serves as the United Nations focal point for housing and urban development, supporting Member States in advancing the New Urban Agenda and SDG 11.

This role is embedded in UN-Habitat’s institutional and strategic framework for housing. The Strategic Plan 2026-29, adopted by the United Nations Habitat Assembly in May 2025, places adequate housing, land and basic services

at the core of the Programme's work. It organises delivery around three impact areas: equitable and inclusive prosperity for poverty eradication; preparedness, response, recovery and reconstruction; and environment and climate action. It also gives effect to key resolutions of the UN-Habitat Assembly: resolution 2/7 on Adequate Housing for All, which established the OEWG-H and called for the development of the Housing Knowledge Platform; and resolution 2/2 on Accelerating the Transformation of Informal Settlements and Slums by 2030. Delivering on these mandates is therefore a whole-of-organisation endeavour, bringing together intergovernmental and normative leadership; technical cooperation and delivery; and knowledge, data and monitoring.

### Intergovernmental and normative leadership

UN-Habitat advances global frameworks that recognise housing as both a human right and essential social, economic and environmental infrastructure. This perspective places climate considerations at its core, positioning housing systems as critical to both mitigation and adaptation, through alignment with NDCs, the decarbonisation of the built environment and the integration of resilience measures. It also promotes nature-based solutions and biodiversity-inclusive urban planning as part of sustainable and climate-resilient housing systems. By promoting integrated approaches, UN-Habitat supports governments in aligning housing policies with broader goals related to climate resilience, social inclusion and sustainable development.

This includes promoting a comprehensive understanding of housing adequacy, across all its dimensions. Affordability should consider not only housing costs in relation to household income but also associated costs and access to essential services. Adequate housing should also provide sufficient space, physical safety and protection from environmental and health risks; be accessible to all, including persons with disabilities and groups facing disadvantages; and be located to enable access to employment, education, health care, transport and other essential

opportunities. The right to adequate housing also encompasses cultural adequacy, and housing policies and strategies should therefore be responsive to the cultural identities and ways of life of the communities they serve, including through participatory approaches to their design and implementation and calls for policies responsive to communities' identities and ways of life, including through participatory design and implementation.

This normative role is further reinforced through intergovernmental processes such as the OEWG-H, which provides a platform for Member States to exchange experiences, develop policy recommendations and advance dialogue on adequate housing. It thereby helps strengthening coherence in the global housing policy landscape.

### Technical cooperation and delivery

UN-Habitat's technical cooperation function is central to translating global norms and policy frameworks into context-specific solutions at national and subnational levels.

This offer is consolidated in the Catalogue of Solutions 2026-2029, which sets out more than eighty tested tools, methodologies and advisory services, ranging from housing and land management and the transformation of informal settlements to urban basic services, municipal finance, participatory governance and data systems.

At the national level, UN-Habitat supports governments in the formulation and implementation of rights-based housing strategies that are aligned with international commitments, including the New Urban Agenda and relevant climate frameworks. This includes advisory services on legal and regulatory reforms, national housing policy design, financing frameworks and the integration of housing into broader national land and urban policies.

At the subnational and city levels, where much of housing delivery takes place, UN-Habitat provides targeted technical assistance on land management tools such as land value capture and inclusionary zoning; affordable housing delivery models;

the integration of housing into urban planning systems; and municipal finance systems, enabling cities to mobilise and manage resources through improved fiscal frameworks.

UN-Habitat approaches capacity development as a continuous, embedded process, building institutional capabilities through training programmes, peer-to-peer learning, communities of practice and the co-production of knowledge. Evidence from Europe and other regions shows that weak institutional capacity, especially at the municipal level, can constrain delivery and contribute to underutilisation of funds and delayed project execution.

In fragile and rapidly urbanising contexts, UN-Habitat's technical cooperation also supports inclusive housing solutions for vulnerable populations, including those in informal settlements, displaced communities and underserved urban areas.

UN-Habitat also plays a catalytic by testing and demonstrating approaches that can inform national policy and be scaled across contexts, bridging the gap between policy ambition and practical implementation.

### Knowledge, data and monitoring

A major challenge in global and European contexts is the lack of consistent, comparable housing data. No unified system tracks housing needs, supply, affordability, quality and outcomes across countries and cities, limiting the ability of governments to design targeted interventions, benchmark performance and assess policies over time.

UN-Habitat plays a central role in addressing this gap by supporting the development of robust housing data systems and global monitoring frameworks. It contributes to the tracking of key global indicators, particularly under SDG 11, and to the development and application of the Global Urban Monitoring Framework, providing a common basis for measuring and comparing urban conditions.

A critical dimension is improving the spatial comparability of data across urban and rural contexts. Working with institutions

such as the European Commission Joint Research Centre, UN-Habitat has advanced harmonised definitions of cities and settlements, notably the Degree of Urbanisation (DEGURBA) classification. Applied across the European Union and increasingly on a global scale, it provides a consistent geospatial basis for comparing housing conditions, access to services and broader urban development patterns.

These monitoring frameworks are complemented by a broader knowledge and data ecosystem. The Global Urban Data Coalition brings together statistical offices, cities, academia and other partners to strengthen coordination, harmonisation and knowledge exchange. UNITAC supports the application of digital technologies, spatial analysis and data innovation to urban challenges, while the Housing Knowledge Platform will provide a dedicated housing entry point for connecting data, policy frameworks, documented practices and other knowledge resources to policy and implementation. Together, these initiatives help connect data production and innovation with policy knowledge and practical use.

These three functions are not intended to operate as separate tracks. Their value lies in how they connect intergovernmental dialogue, knowledge and evidence, technical cooperation and implementation. Together, they form UN-Habitat's broader housing ecosystem.

## **UN-Habitat's Housing Ecosystem in Practice**

At the centre of this ecosystem stands the OEWG-H, established by UN-Habitat Assembly resolution 2/7 at the request of Member States as the first and only intergovernmental platform dedicated to adequate housing. Around this intergovernmental track, a set of mutually reinforcing components is already in place or being developed: the Housing Knowledge Platform as a global resource connecting housing knowledge, capacity building tools, policy frameworks and documented practices; the Global Housing Hub, established in Paris as a policy and

technical assistance facility translating normative guidance into demand-driven support and capacity development, Housing Studios launched through initial sessions with Spanish cities as on-demand peer-to-peer technical assistance; and the Global Urban Data Coalition, which brings together partners to strengthen and harmonise urban and housing data in support of SDG monitoring and New Urban Agenda reporting.

These components function as a cycle rather than as separate initiatives: intergovernmental recommendations orient knowledge production; knowledge informs practice through the Global Housing Hub and the Housing Studios; and practice feeds back into deliberations, strengthening their relevance and effectiveness. The World Urban Forum provides the recurring global convening anchor, WUF13, held under the theme “Housing the world”, concluded with the Baku Call to Action, while regional frameworks such as the Africa Affordable Housing Compact (AAHC) anchor the same logic at the continental level.

The convening extends well beyond Member States. The World Urban Forum brings academia, the private sector, local and regional governments, grassroots organisations, parliamentarians, women and youth into a common global platform. At WUF13, the Business Assembly positioned the private sector, academia and diversity as core partners in addressing the housing challenge, while research institutions and university networks contributed through the academic constituency and specialised sessions.

The OEWG-H carries the intergovernmental policy track; the Global Housing Hub, Housing Studios and on-demand technical assistance support the operational track; and the Global Urban Data Coalition and Housing Knowledge Platform strengthen the knowledge and data track, in connection with broader monitoring frameworks such as the Global Urban Monitoring Framework. Engagement with national and local governments, regional institutions, development partners and other stakeholders extends the reach of this ecosystem. Within

this architecture, three themes structure the remainder of this section: integrated national housing policies, city-level housing delivery and housing finance.

### Integrated housing policies and systems strengthening

National frameworks are critical in shaping housing outcomes. However, many systems face structural challenges such as fragmented governance, misaligned incentives and inadequate regulatory frameworks. In federal or multi-level systems, delivery is further shaped by sub-national and regional governments, which often hold primary authority over land use and social housing requiring coordination across national, regional and local levels.

The OEWG-H work programme for the current cycle places particular emphasis on integrated housing policies. Recommendations currently under deliberation emphasise a systems approach to housing, recognising housing as part of a wider ecosystem of institutions, markets, communities, land, infrastructure, finance and construction systems. Because there is no single pathway to integration, approaches must reflect national and local contexts, institutional arrangements, capacities and priority housing challenges. This requires coherence across policy sectors and levels of government, between housing and the location of infrastructure, services and opportunities and over time as needs change, while linking housing to wider social, economic and environmental objectives.

Effective housing systems must also respond to the full spectrum of housing needs and encompass diverse tenure systems and delivery models, including public, private, rental, ownership, cooperative, community-led, formal and informal housing. No single model can meet this diversity of needs.

In many lower- and middle-income countries, a substantial share of the housing stock is built incrementally by households, supported by community organisations, savings groups and local associations, so that in-situ upgrading, incremental construction and community finance remain central to delivery

and to neighbourhood improvement. Cooperative, community-led and assisted self-build models also have a long record in many European countries and cities, from housing cooperatives and community land trusts to collective self-development and tenant-led renovation. Recognising these pathways alongside public and market provision better reflects how housing is produced in practice and broadens the policy toolkit.

Policy reform alone is insufficient without implementation mechanisms, institutional capacity and aligned financing systems. The recommendations under discussion stress the importance of adequate institutional, technical and staff capacities, and of meaningful participation by local and regional governments and non-governmental stakeholders throughout the housing policy cycle.

Delivery, moreover, is rarely purely state-led or purely market-led. Governments set the regulatory, fiscal, land-use and planning frameworks that determine whether private investment and housing production align with public objectives of affordability, inclusion, sustainability and resilience. Responsible private-sector engagement extends well beyond finance, to construction, building technologies, innovation, housing delivery, property management and green retrofitting. The key distinction is therefore not public versus private, but whether private engagement expands access to adequate housing or contributes to speculation, an outcome shaped substantially by the quality of public frameworks.

Canada's National Housing Strategy and Housing Accelerator Fund illustrate one possible approach, combining national policy direction with targeted financial incentives for municipal implementation and housing supply. The Fund incentivises municipalities to reform zoning, streamline approvals and increase supply.

In Chile, a long-standing state subsidy model illustrates another pathway, combining public support with private-sector delivery: public subsidies to households are combined with regulatory frameworks enabling developers to build market-rate

and subsidised units. Under programmes led by the Ministry of Housing and Urbanism (MINVU), subsidies are calibrated to different income groups, enabling low- and middle-income households to access privately produced units.

Yet, national policy integration ultimately depends on the ability to translate these frameworks into land, infrastructure, services and housing delivery at the local level.

### City-level housing delivery and innovation

Cities are central to housing delivery but face multiple pressures that constrain their ability to respond at scale. Rapid urban population growth, demographic shifts and changing household structures are driving sustained increases in housing demand, while well-located and serviced land remains limited. At the same time, rising land and construction costs, coupled with excessive financialisation, are intensifying affordability challenges across both high- and low-income contexts. These are further compounded by gentrification and displacement, where market-led development can exclude lower-income households from central and opportunity-rich areas.

Cities often operate within constrained institutional and fiscal environments. While they frequently hold important responsibilities for land use planning, permitting and service delivery, their ability to influence housing outcomes is limited by fragmented governance frameworks, insufficient fiscal autonomy and dependence on higher levels of government for financing and regulatory authority. Integrated housing approaches therefore require stronger vertical coordination and local and regional authorities equipped with the capacities and resources needed to fulfil their responsibilities. They also require spatial integration, connecting housing with infrastructure, services, mobility and access to opportunities.

Urban regeneration can improve housing and urban conditions but also generate social displacement and exclusion if not carefully designed, particularly when rising land values and speculative pressures are not adequately managed. One

approach can be found in Brazil, where municipalities have used land value capture instruments to redistribute gains from urban development. In cities such as São Paulo, tools like the *Outorga Onerosa do Direito de Construir* (charges for additional building rights) and urban operations capture increases in land value generated by public investments and regulatory changes, with revenues invested in affordable housing, infrastructure and social services. Such instruments show how land management and financing tools can be combined to channel part of the value created by urban development towards wider public objectives.

Comparable approaches are being advanced across African cities, where rapid urbanisation is generating acute housing pressures. In Nairobi and other cities across sub-Saharan Africa, UN-Habitat supports integrated upgrading programmes that combine tenure security, incremental housing and basic service provision. Such approaches respond to informality through in-situ upgrading, incremental housing and finance, tenure regularisation and progressive improvements in housing adequacy and living conditions.

Across both national policy frameworks and city-level delivery, however, implementation ultimately depends on the ability to mobilise and direct sufficient long-term finance.

### Housing finance and investment enablement

Financing remains one of the most critical constraints to achieving adequate housing at scale. Despite the central role of housing in social and economic development, it is marginal in international development finance: less than 0.1% of Official Development Assistance (ODA) is allocated to housing. Climate finance shows a similar gap: a review of 22 global climate funds found that only 3.5% of funding, \$1.2 billion out of \$33.4 billion over two decades, targeted informal settlements and the urban poor.

The second session of the OEWG-H advanced concrete policy recommendations on housing finance, recognising the need to diversify financing sources, strengthen public and

non-profit housing sectors and better align investment flows with affordability objectives. As part of the broader policy framework being developed through the Working Group, they provide a shared normative foundation that can inform national financing frameworks.

The European context is shaped by challenges of both scale and alignment: mobilising sufficient long-term investment while ensuring it advances affordability, sustainability and social objectives. Fiscal and regulatory frameworks, together with limited institutional capacity at municipal level, can constrain investment and the effective use of available resources.

At the global level, a more diversified financing landscape is emerging, including blended finance, affordable housing bonds, cost-rental models and other mechanisms combining public resources with long-term private and institutional capital. Regional platforms can help connect these instruments with the actors needed to deploy them at scale. In Africa, the UN-Habitat Africa Affordable Housing Compact (AAHC) provides a convening platform for governments, development finance institutions, private-sector actors and other housing stakeholders to align policy, finance and delivery, facilitate partnerships and mobilise investment in affordable housing.

Experience across countries illustrates different instruments. In the United States, the Low-Income Housing Tax Credit (LIHTC), uses fiscal incentives to mobilise private equity for affordable housing. In Japan, the Housing Finance Agency combines targeted lending, green finance and capital-market instruments to support inclusive and energy-efficient housing. These examples show how financing instruments can be adapted to different housing systems and policy objectives.

UN-Habitat is well positioned to facilitate the exchange of housing finance innovations across contexts. By connecting policy, finance and implementation, supporting cross-regional exchange and helping governments and cities adapt relevant financing approaches to their own institutional and market contexts, it can strengthen the link between housing and wider

development and climate finance. Additionally, it can help ensure that international financing reaches populations and places underserved by existing investment flows.

## **2026 and Beyond: Connecting Global and European Housing Agendas**

2026 represents a pivotal year for the global housing agenda. It is the first year of implementation of UN-Habitat's Strategic Plan 2026-29, which places housing, land and basic services at the centre of the Programme's work and marks the ten-year midpoint of the New Urban Agenda. Following WUF13 in Baku, held under the theme "Housing the world", the OEWG-H is entering the next stage of its 2025-29 work programme, with its third session in November 2026 and continuing thematic work towards comprehensive recommendations to be considered by the UN-Habitat Assembly in 2029. At the same time, preparations are beginning for WUF14 in Mexico City in 2028, the final World Urban Forum before 2030, providing an important bridge between implementation of the current global agendas and debates beyond 2030.

These global developments coincide with growing housing cooperation at the European level. Alongside implementation of the European Affordable Housing Plan, the European Commission launched the European Housing Alliance in May 2026 and is developing the Pan-European Investment Platform for Affordable and Sustainable Housing. In June 2026, it also launched an EU-level Working Group on financing social, affordable and sustainable housing as a joint initiative of the Investment Platform and the European Energy Efficiency Financing Coalition.

The convergence of these European and global processes creates a timely moment for stronger two-way cooperation. The European Housing Alliance convenes EU-level stakeholders around a shared agenda; the OEWG-H convenes Member States globally around adequate housing. European positions and evidence

can feed into OEWG-H deliberations and the comprehensive recommendations to be considered by the UN-Habitat Assembly in 2029, while the OEWG-H's thematic work on integrated housing policies, housing finance, homelessness definition and measurement and enabling land management tools offers a wider comparative base. Similarly, the Pan-European Investment Platform and UN-Habitat's work on housing finance both address the challenge of aligning long-term capital with affordability and can be connected through shared analysis, instrument design and exchange with development finance institutions.

UN-Habitat's role in such a partnership is one of facilitation rather than direction. European initiatives can use the OEWG-H as a ready-made venue for normative dialogue: an intergovernmental space where European experience and positions can engage with those of other regions and contribute to shaping global recommendations. The Global Housing Hub and the Housing Studios can complement this dialogue by enabling European cities, cooperatives, public housing providers, ministries and research institutions to exchange practices with counterparts elsewhere on specific challenges (retrofitting ageing stock, assembling land, controlling construction costs, supporting community-led delivery and measuring homelessness) rather than through general policy exchange alone. Such exchanges can reduce duplication, accelerate learning and make relevant experience more accessible across different institutional and resource contexts.

European institutions, Member States and cities can benefit from UN-Habitat's global policy, knowledge and technical networks while contributing European experience in areas such as social and affordable housing, long-term financing, renovation and energy efficiency, territorial planning and multi-level governance. Conversely, experience from other regions, including on homelessness, incremental housing, informal settlement upgrading, community-led delivery and innovative financing, can broaden the evidence and solutions available to European policymakers and practitioners.

Rather than requiring a new institutional architecture, UN-Habitat's existing and emerging platforms provide complementary entry points through which European institutions, Member States and cities can engage according to their mandates and priorities connecting European initiatives with wider global policy, knowledge and implementation processes.

### European Union: Connecting European and global housing agendas

As housing rises to the forefront of the European policy agenda, there is an important opportunity to strengthen exchanges between European institutions, Member States and cities and the wider global housing agenda. Closer engagement with UN-Habitat can provide a two-way interface between European experience and global policy, knowledge and implementation processes, while fully respecting Member States' competences and the principles of subsidiarity and proportionality.

Emerging European mechanisms for multi-level housing cooperation could connect with UN-Habitat's intergovernmental, knowledge and operational platforms. This would allow European policy and implementation experience to contribute to global processes while providing access to approaches developed across other regions and institutional contexts.

Europe also brings an established network of public, cooperative and community-led housing actors, several of which already engage with global partners and UN-Habitat processes. Existing exchanges, including at WUF13, demonstrate that this interface already operates in practice; the opportunity is to make such cooperation more systematic.

Housing finance offers a practical area for such exchange. Europe's experience with long-term affordable housing finance, public and non-profit models and emerging investment mechanisms can inform wider discussions, while European actors can draw on approaches developed elsewhere to combine public, private, development and climate finance. This dialogue

also offers an opportunity to expand the range and scale of capital available for housing, from ODA and development finance to institutional and private-sector investment, including mortgage lending, while strengthening the policy and regulatory frameworks needed to align these flows with affordability and inclusion. New European financing initiatives therefore provide a timely interface with UN-Habitat's global work and networks, including development finance institutions and private financial actors and a platform for exploring how different sources of capital can complement one another across housing market segments and country contexts.

The growing prominence of housing in Europe also creates opportunities for stronger links with EU external cooperation. Housing-related development programmes can benefit from UN-Habitat's country presence, technical expertise and global policy frameworks, while providing a channel for European resources and to support locally defined housing priorities in partner countries. This could also help connect housing more systematically with wider urban development, climate, social and infrastructure investments.

Established EU external instruments offer the most practical entry point here. The Global Gateway strategy already channels European investment towards infrastructure, connectivity and sustainable development in partner countries, and the Global Europe instrument under the next Multiannual Financial Framework will shape how those resources are programmed. Positioning adequate and affordable housing more explicitly within these frameworks as social, economic and climate infrastructure would allow European leadership on housing at home to translate into support for its global achievement, through existing mechanisms.

Taken together, these connections would not require a new parallel structure. European institutions, Member States and cities could engage through existing UN-Habitat mechanisms according to their respective mandates, needs and interests, while contributing policy experience, data, financing approaches

and implementation lessons to wider global processes. Within this broader European-global interface, the forms of engagement will necessarily differ across levels of governance. National governments and cities provide two complementary entry points for translating these connections into policy and implementation.

National governments: Connecting policy, knowledge and implementation

National governments play a central role in shaping housing systems through policy, regulatory, institutional and financing frameworks.

The OEWG-H workstreams provide several entry points for governments, including integrated housing policies, housing sustainability and resilience, the definition and measurement of homelessness and enabling land management tools for housing. Together, these workstreams support greater coherence across housing, land, infrastructure, finance, social policy and climate action. The emerging work on integrated housing policies recognises that there is no single pathway: countries can progressively strengthen horizontal, vertical, spatial and temporal integration according to their institutional arrangements and housing challenges.

Closer engagement with UN-Habitat's intergovernmental, knowledge and technical cooperation mechanisms can support this process while also enabling countries to shape the global housing agenda. Through the Housing Knowledge Platform, governments can document and showcase policies, programmes and practices, compare approaches across countries and access evidence relevant to their own reforms. The Global Urban Data Coalition provides a complementary space to strengthen data systems, share methodologies and improve the comparability of housing and urban evidence.

The Global Housing Hub, Housing Studios, Housing Implementation Labs and UN-Habitat's technical cooperation offer can help move from knowledge to application. Countries

can use these mechanisms to adapt policy approaches and tools to their institutional, market and territorial contexts, develop or demonstrate solutions and to bring lessons from implementation back into international exchange. This enables governments to both learn from experience elsewhere and to make successful approaches more visible and transferable.

Institutional capacity remains central throughout. UN-Habitat's capacity-development and technical cooperation offer can support governments and implementing institutions in translating policy frameworks and available financing into delivery, while its knowledge and intergovernmental platforms help capture and disseminate lessons from implementation. While national governments establish the policy, regulatory and financing frameworks within which housing systems operate, many outcomes ultimately depend on implementation at the local level.

### Cities: Connecting delivery, innovation and global learning

Cities are where many of the pressures on housing systems become most visible and where policy, land, infrastructure, finance and service delivery come together in practice. Their experience is therefore central in both the implementation and the understanding of what works in different urban contexts.

Closer engagement with UN-Habitat can give cities the opportunity to access technical expertise, exchange implementation experience and connect local housing challenges with national and international policy and financing discussions. Housing Implementation Labs, Housing Studios, the Global Housing Hub and demand-driven technical cooperation can provide practical mechanisms to develop, test and disseminate context-specific approaches, while the Housing Knowledge Platform can help document and disseminate lessons from implementation.

Integrated urban planning and land management are particularly rich areas for this exchange. Experiences range from

connecting housing with transport, infrastructure and social services to reactivating vacant stock, managing metropolitan growth and strengthening cooperation between metropolitan areas and medium-sized and smaller cities. Comparison across these experiences can support adaptation without assuming a single model.

UN-Habitat's work on enabling land management tools for housing provides a further interface through which cities can share and assess instruments such as inclusionary approaches, public land management, development contributions and land value capture. Similarly, the OEWG-H work on housing sustainability and resilience can bring city experience on renovation, energy performance, climate adaptation, low-carbon construction and resilient neighbourhood development with global policy discussions.

Cities can therefore contribute not only as implementers but also as sources of evidence, innovation and policy learning. Global platforms such as WUF, the Housing Knowledge Platform and UN-Habitat's city-level technical cooperation can help bring these experiences into wider discussions. They can also help address the specific constraints faced by smaller and more remote municipalities, including limited data, financing and technical capacity, through peer learning and tailored forms of support.

## **From Fragmentation to a Connected Global Coalition**

UN-Habitat's housing ecosystem connects intergovernmental dialogue, knowledge and data, technical cooperation, implementation and global convening. The value of this architecture lies less in creating a new institutional layer than in connecting initiatives that already operate at different levels. Stronger cooperation can help:

- Connect housing with macroeconomic, climate and social policy frameworks;

- Expand exchange on financing approaches and broaden the range of instruments, from ODA and development finance to institutional, private and mortgage finance;
- Support long-term affordability and sustainability;
- Support institutional capacity across all levels of governance;
- Provide mechanisms for continuous learning, data sharing, policy and implementation experience.

UN-Habitat's housing ecosystem is taking shape through existing mandates, partnerships and initiatives in support of the Strategic Plan 2026-2029, the New Urban Agenda and the SDGs. For European institutions, national governments and cities, it offers practical channels to contribute to intergovernmental dialogue, exchange knowledge and data, develop partnerships and test and adapt approaches across contexts.

This is what a housing coalition means here: not a new institution, secretariat or obligations, but a deliberate decision by European institutions, Member States and cities to work through the network that UN-Habitat already convenes, and to bring their own platforms, networks and financing instruments into contact with them. The European Housing Alliance and the OEWG-H, the Pan-European Investment Platform and UN-Habitat's housing finance work, as well as European collaborative housing networks, the Global Housing Hub and Housing Studios, already offer complementary points of connection. The task is to make these links systematic and operational.

The period ahead offers a timely opportunity to deepen these connections. The advancement of the European housing agenda, the implementation of UN-Habitat's Strategic Plan, the OEWG-H cycle and the pathway towards WUF14 and the post-2030 agenda can reinforce links across global, regional, national and city-level action. In doing so, knowledge, policy experience, finance and practical solutions can circulate more effectively across contexts, strengthening both European housing action and the wider global effort to achieve adequate housing for all.



## **6. Building a Global Strategic Alliance for Housing: The Role of Plural Public-private Partnership**

Luigi Borré, Paola Delmonte

---

This chapter of the Report intends to analyse the governance elements of what, in the current economic and geopolitical context, is emerging as the most effective strategic approach to address the “housing issue” at the European level: the plural public-private partnership.

### **A Historical Retrospective**

To fully illustrate this claim, it is worth recalling at the outset that decent housing represents – together with health, education and work – one of the fundamental universal rights within civil society and, as such, should be a pillar of public welfare, albeit reserved for vulnerable individuals and for those who are unable to meet their housing needs through the market.

Indeed, a historical retrospective of approaches to the housing issue highlights a traditionally strong role for the public sector in building up the stock of social housing. This role differs across countries depending on their historical characteristics and relative public-budget capacity, whose scale and priorities have always shaped the intensity of public intervention in housing.

| Country        | #of dwellings | % of total stock | Prevailing model                                                 |
|----------------|---------------|------------------|------------------------------------------------------------------|
| Netherlands    | 2,300,000     | ~30%             | Non-profit Housing Associations under strong national regulation |
| Austria        | 1,000,000     | ~24%             | Municipal housing + limited-profit cooperatives (GBV)            |
| Denmark        | 600,000       | ~20%             | Non-profit housing associations with strong local governance     |
| France         | 5,300,000     | ~18%             | Public and para-public HLM bodies                                |
| United Kingdom | 4,400,000     | ~16-17%          | Housing Associations and Local Councils                          |
| Finland        | 900,000       | ~14%             | Cost-based rental system (ARA)                                   |
| Ireland        | 140,000       | ~10-11%          | Local Authorities and Approved Housing Bodies                    |
| Germany        | 1,100,000     | ~3%              | Time-limited affordability covenants (Sozialbindung)             |
| Belgium        | 300,000       | ~ 6%             | Regional public housing companies                                |
| Italy          | 750,000       | ~4%              | Public Residential Housing (ERP)                                 |
| Spain          | 290,000       | <2%              | Residual public housing stock                                    |
| Portugal       | 120,000       | <2%              | Legacy municipal housing stock                                   |

Source:  
OECD and Housing Europe

However, a careful review of European data and a qualitative analysis of the types of public intervention immediately show how approaches to the housing issue have been progressively – and positively – “contaminated” with the private sector from the very beginning. Alongside traditional public-welfare schemes, this has also produced “social market economy” interventions, i.e., sets of tools and measures aimed at correcting a market failure represented by the market’s inability to meet the housing needs of all social classes.

## Different European Models

A first type of mixed public-private intervention can be observed in the Scandinavian countries, which have traditionally been

very active in housing assistance, supported by per-capita public spending that is, on average, higher than in other European countries. The Scandinavian model is mainly based on subsidies and highly favourable loans that supplement household income, aimed at financing either rent only (Finland) or home purchase as well (Norway), as well as – in its most advanced version – “umbrella” lease agreements that local municipalities sign with market operators to secure, over the medium to long term, housing stock to be allocated to lower-income households based on predetermined net worth and income requirements (Sweden).

The Scandinavian model – also adopted by Germany to complement post-reunification housing policies alongside the former DDR system, which was based exclusively on public intervention – is typical of mature economies that, depending on demographics and state-budget capacity, can afford effective measures that are more assistance-based than structural. As such, they may be at risk in terms of medium- to long-term sustainability should external events lead to a reprioritisation of public spending. This is particularly topical in the current economic and geopolitical context, in which the pandemic first, and conflicts at Europe’s borders later, have significantly altered public resource allocations. In particular, the limitation of this type of intervention is the side effect of sustaining land and real-estate rents and, consequently, failing to incentivise the structural creation of housing stock with costs compatible with the network and income capacity of less affluent groups.

Very different is the public-private approach adopted in continental Europe by countries such as the Netherlands and Austria, which is entirely based on partnership schemes with specialised operators. In these schemes, the public sector provides incentives – through guarantees and/or grants and/or subsidised financing – for the delivery of housing dedicated to the “grey area” of the population that does not qualify for public housing but struggles to find decent housing solutions on the market.

Among the most significant best-practice examples in this field is the Dutch guarantee fund, WSW, created after the 1995 reform with the aim of keeping the cost of bank financing for affordable-housing investments at around 3% on average. This is achieved through a modular guarantee scheme with a low fee (3 basis points) that insures the system against the risk of bank-loan default. The fund is used by 98% of operators and covers a stock of bank debt of approximately €95 billion, with very limited actual defaults (about €40 million, less than 0.5%), helping to maintain its AAA rating.

But the model considered the public-private partnership for excellence is universally regarded as the Austrian model – Vienna's in particular –, which, from an exclusively public model that realised icons such as the Karl-Marx-Hof residential complex, evolved from the early decades of the last century into a mixed system. In this system, the State finances – also via grants or long-term subsidised loans – dedicated enterprises so as to enable them to apply regulated rents on their owned assets. These rents are calculated based on actual construction costs incurred, plus a fair and reasonable (albeit limited) profit to be reinvested in the system.

Variants of the Austrian model include the French model and, in some respects, the Italian model, which developed through the Integrated System of Social Housing Funds (SIF), established following the 2009 National Housing Plan (PNEA). Here, the anchor role is played not by the State, but by the relevant sovereign institution: the Caisse des Dépôts in France and Cassa Depositi e Prestiti (CDP) in Italy, which respectively finance and invest at low rates and returns in affordable-housing initiatives.

## **Why a Plural Public-Private Partnership?**

Europe's response to the housing issue thus has deep historical roots in public-private partnerships, which today are being relaunched by the European Commission and the European

Parliament as an enabling governance scheme – one that can virtuously accelerate action and multiply the efforts made by individual States and sectors.

It is evident that the public sector is no longer able – if it ever was – to tackle the housing emergency on its own, both because of tightening public budgets, which are set to come under further pressure amid major current and prospective trends (demographic and climatic, social and geopolitical), and because of a declining implementation capacity stemming from organisations that are now obsolete and therefore inadequate for new needs. It is equally evident that the housing issue cannot be entirely delegated to the private sector in the absence of rules and incentives, given operators' natural and legitimate tendency to remain within their comfort zone, prioritising mid- and upper-mid-market segments that ensure higher margins and larger buffers to absorb risks and unforeseen events.

The governance scheme of a public-private partnership is the architecture that, if properly activated and correctly managed, can combine the capacity for planning, direction-setting and results oversight – typically the remit of the public sector – with the private sector's implementation capacity and ability to mobilise production factors, including financial ones.

The new frontier of public-private partnerships is the plural dimension that governance must be able to activate to ensure maximum capacity for action and effective results. The plural dimension is essential within the public sector, where coordination among the many institutional levels – European, national, regional, provincial and municipal – is fundamental to ensuring a bipartisan approach, free of political ideology, that must characterise efforts to address a cross-cutting phenomenon such as the housing emergency. The plural dimension is equally essential in the private sector, where the entire real-estate value chain – including designers, developers, real-estate companies and funds, investors and builders – plays a key role. This ecosystem is complemented by the housing cooperative sector, which is deeply rooted in several continental European

countries and is experiencing renewed growth in others. Equally important is the Third Sector, which often pioneers and sustains best practices in collaborative living and community welfare. Together, these actors distinguish affordable housing from more traditional, market-driven rental housing.

The housing cooperative system is a mutualistic model that – first and still today as the only scheme of its kind – is able to offer permanent rental/use of housing to those who cannot access ownership. It is a historical model with roots far back in time, and today it is being reconsidered also for its ability to disintermediate the value chain and connect directly with communities.

The Third Sector is instrumental in activating and nurturing the collaborative and community side of social housing – that is, the dimension that, through a more balanced relation with privacy, uses shared and public spaces (an integrated part of residential complex) to create social value and improve the wellbeing of active communities without incremental costs.

Finally, there is the private sector: from traditional companies, i.e. developers/builders to real-estate funds that raise capital from investors to the most innovative and sophisticated corporate structures (such as SICAFs and securitisation schemes). Here, the pivotal point is to establish clear rules of engagement under which private actors commit – usually on a non-exclusive basis and within a clear, transparent and measurable synallagmatic relation – to deliver a social service in exchange for various forms of concessions that contribute to leverage and de-risking, enabling even market players to help correct a distortion of the market itself.

## **A Renewed System of Rules**

The essence of a plural public–private partnership lies in its ability to combine the contributions – whether in kind or in cash – of public and private actors through a process that respects the specific roles of each participant. By integrating

these complementary contributions, the partnership seeks to maximise the social value of expanding the supply of affordable housing for the most vulnerable segments of the population. In this context, the public sector's provision of concessions of various kinds – from low-cost or free public land/properties to planning premium, from tax incentives to forms of public co-financing (guarantees, grants, or loans/capital on favourable terms) – is not only allowed, in line with the tradition of the most virtuous continental countries such as the Netherlands and Austria, but it is also encouraged and regulated as a set of necessary – though not necessarily sufficient – factors to moderate the production costs of dedicated housing stock and enable its rental and/or sale under the conditions required by demand. In this regard, amid the renewed centrality of European housing policies in the current term, the European Commission has introduced two highly significant taxonomic updates.

The first is the definition of affordable housing, which – while left to the specific interpretations of individual countries – falls within a common framework: housing supply whose rents and/or mortgage payments linked to purchase, to which energy costs must be added, do not exceed 30-40% of household income for low- to middle-income groups or, more generally, for those unable to meet their housing needs through the market. This is a type of supply that meets a cross-cutting demand linked almost exclusively to income conditions, although it is often represented through user categories (migrants, mobile workers, students living away from home, public employees, public-service providers such as teachers and nurses, senior people living alone, etc.). However, while such clustering is relevant on the demand side, it shall not condition supply, which remains universal – also in line with the broadly shared principle that social mix is an important antidote to segregation and a success factor in community building.

The second is the classification of medium- to long-term affordable housing (at least 20 years of supply, barring justified

derogations) as a Service of General Economic Interest (SGEI) and, as such, eligible for public concessions exempt from State-aid rules, provided that beneficiaries – when accepting them in exchange for the social service delivered – achieve a fair and sustainable return on invested capital, free from any speculative posture and capped at the relevant period's swap rate + 100 basis points in the absence of risk (compensatory concessions granted *ex post*), or at the relevant period's risk-free rate plus the sector risk premium in the presence of risk (compensatory concessions granted *ex ante*, the more frequent case).

This framework aligns with the so-called “Genovesian principles”<sup>1</sup>, which call for renewed institutional responsibility in promoting a stable alliance between the public and private sectors oriented toward the creation of social value, long-term sustainability and a fair distribution of risks and benefits. From this perspective, capital is called upon to perform not merely a financial function, but also a civic one, contributing to the achievement of objectives of general interest.

## **A Global Strategic Alliance for Housing**

Housing, even as social infrastructure, is often considered secondary or ancillary compared to education, work and health; it is a right perceived either as acquired or as “a problem someone else should always deal with”. In reality, housing is central to people's lives and a prerequisite for everything: without a home, it is not possible to build a life plan; it is harder to take care of one's health; there can be no continuity in education; and work, if available at all, is more likely to be precarious. The housing problem is far from being an individual issue: it is a demographic, social and economic matter, and, therefore, a political one in the oldest sense of the term – something that concerns the conditions and rules of living together in the polis.

---

<sup>1</sup> Antonio Genovesi (1713-1769), Italian economist and philosopher, considered one of the founder of the civil economy.

The housing crisis that hit Europe in the post-Covid years has brought housing back to the forefront, exposing the consequences of a shortage of affordable homes, pressure on the rental market and – above all – the social marginalisation that follows from the related phenomena of gentrification.

Addressing a problem that has shifted from emergency to structural – and that has strategic connotations due to its pervasiveness and cross-cutting nature with respect to other economic and social dimensions – requires a strategic approach grounded in an intersectoral and interdisciplinary social pact. Such a pact must involve all institutional levels and all system actors, each with their prerogatives but also with the ability to partially renounce them by turning them into additionality, bound by the shared objective of providing a broad and structured response to the housing issue. Drawing inspiration from the past – by enhancing positive experiences and international best practices – and looking to the future, in order to evolve and improve.

The strategic alliance, grounded in the centrality of housing and in a plural public-private partnership, should also act as a powerful catalyst for policy guidance and for stimulating the enabling factors of investment, consistent with the principles that identify the mobilisation of savings toward productive and socially relevant uses as a key lever for balanced territorial development and for strengthening social cohesion.

- **Strategic focus.** Promote the widest possible economic and social mix, avoiding clustering both in terms of targets (e.g., only senior people, only workers, only affordable housing) and contractual structures (e.g., only rent, only sale, only rent-to-buy, etc.), based on the assumption that the housing emergency is cross-cutting and that addressing it also requires social regeneration of communities in terms of pluralism and cohesion. The hallmark of the strategy should be the so-called blending: i) blending of functions, to place housing within multi-service contexts at the urban and

neighborhood scale; ii) blending of residential supply, which ideally should meet “all needs (young people, older people, workers, etc.) and all budgets”, while maximising the affordable component and, within it, the rental share; iii) blending of financial resources, activating debt and equity resources of different nature and cost and working on structuring and tranching to achieve full funding of entire operations.

- **Availability of land and/or properties to be reused, provided free of charge or at very low entry costs.** An essential factor for compressing construction costs – also considering remediation costs, which often have a high incidence –, this should lead to preferring publicly sourced land/properties where there is a vision for asset enhancement also in social terms and not merely for maximising value, and/or, in any case, institutionally sourced assets (formerly public assets, assets of religious bodies, former industrial assets, etc.).
- **Permitting.** In addition to traditional planning and tax incentives, priority should be granted in the urban-planning/administrative authorisation process (fast track) to projects that include – preferably through mandatory quotas – affordable-housing components, to shorten time-to-market and reduce congestion *vis-à-vis* ordinary planning.
- **Product and process innovations.** In the development of affordable housing, continuous innovations in both products and processes are enabling factors of great significance, as they generally help contain production costs, and thus improve social performance. In this area, new technologies for offsite production of housing modules – assembled on site – could be particularly relevant. These are still in an experimental research phase, but, through suitable industrialisation processes encouraged by ad hoc industrial policies, they could contribute substantially to reducing production costs.

- **Availability of debt financing and risk capital, respectively, at moderated costs and returns.**

### Debt financing

Among the main enabling factors for affordable housing is the availability of low-cost financing.

In this regard, to be noted is the renewed activity of specialised financial institutions that provide funding – either directly or through commercial banks – at their cost of funds, such as the European Investment Bank (EIB), the Council of Europe Development Bank (CEB), and the European Bank for Reconstruction and Development (EBRD), as well as national institutions, including commercial banks through impact-financing and/or green-financing credit lines. Particularly significant is the EIB's decision to make a €10 billion platform available to finance affordable housing across Europe. Another important factor in moderating financing costs is the activation of public guarantee funds, following the Dutch model.

### Risk capital

The availability of risk capital at moderated returns – returns typical of services of general economic interest (SGEI), currently around 7-8% per year – is undoubtedly the main enabling factor for the development of affordable housing, distinguishing it from the traditional residential segment and from free-market housing.

Historically provided by the cooperative system and/or mission-driven institutional investors – such as national promotional institutions, local banking foundations, banks, insurance companies and pension funds –, risk capital at moderated returns has declined significantly in recent years. This is due to the consequences of structural shifts that occurred during the pandemic years and the subsequent conflicts (not yet absorbed), as well as the presence of other investment priorities on political and institutional agendas.

In the context outlined above, strengthening (or relaunching) affordable housing should be promoted as a priority by the public sector. Beyond sharing the objectives to the greatest extent, the public sector is uniquely positioned to activate all the necessary levers simultaneously, including the fundamental one of co-financing, which is now more essential than ever both as a signal of renewed commitment to housing policies and as a financial instrument to help reduce costs.

Within co-financing, it should be clarified that this would be investment support, with a logic opposite to that of bonuses or rent vouchers. While such measures have the great merit of providing emergency responses, they are short-lived and favour the persistence of real-estate rents and positional rents that, conversely, should be challenged within an approach based on social performance.

It therefore appears essential to equip the public sector's promotional activity with a financial capacity commensurate with its objectives, i.e., to attract and stimulate private capital while simultaneously containing investment costs.

In this area, it seems appropriate to promote instruments aimed also at mobilising widespread private savings, in line with the aforementioned Genovesian principles, through mechanisms that provide forms of risk protection (even partial) in exchange for moderated expected returns. This would make it possible to direct patient capital toward high social-impact investments, strengthening the private sector's contribution to public objectives.

From this perspective, a principle of reciprocity between public intervention and private-operator behaviour also emerges. Where the public actor contributes significantly to reducing investment risk – through instruments such as guarantees, certainty and simplification of authorisation processes, or other forms of de-risking –, it is legitimate to expect and, through appropriate mechanisms, require a corresponding moderation of return expectations by private operators. This rebalancing makes it possible to pass the benefits of risk reduction along

the value chain, producing a moderating effect on final access prices, consistent with the social purpose of the interventions and with the equity and sustainability principles typical of public–private partnerships.

Public financing could take the form of i) grants; and/or ii) non-interest-bearing or low-cost loans; and/or iii) risk capital, possibly subordinated and with low or zero return; and/or iv) asset-backed guarantees on debt and/or risk capital.

In return for such public promotion, it is believed that private risk capital – necessarily the majority share – could be channelled through:

- the housing cooperative system;
- national promotional institutions, supported by the InvestEU guarantee programme; the EIF (European Investment Fund), which is the equity-investment arm of the European Investment Bank (EIB);
- mission-driven institutional investors, such as local banking foundations, pension funds (including public ones) and impact-investing arms of banks and insurance companies....
- ...to which could be added:
  - a contribution promoted jointly by employer intermediary bodies and workers' unions, funded from future, more substantial wage increases, to ensure that national housing plans pay attention and give priority to mobile workers. For them, the phenomenon of giving up a job far from one's place of residence due to high rents is becoming significant;
  - participation by national and international market investors specialising in residential assets, to the extent that they are led to believe that increasing the supply of affordable housing and greater system-wide attention to accessible housing can significantly reduce the risk of their urban investments.

Over time, these instruments could also be complemented by investment vehicles accessible to an even broader range of investors, ultimately involving retail savings. In these vehicles, the balance between risk mitigation and contained returns would be a qualifying element fully aligned with a vision of economic policy oriented toward stability, inclusion and sustainability at all levels.

## About the Authors

---

**Luigi Borré**, Associate Professor of Business Economics at Università del Piemonte Orientale and longtime Bocconi lecturer, is a Milan-based business advisor, Founding partner of Pro.&Co. Professional Partnership, Chairman of Near S.p.A., he also serves on several corporate boards and audit committees.

**Alberto Bortolotti** is Adjunct Professor and postdoctoral researcher at Politecnico di Milano. He explores the interactions between finance and space. He served as Vice-President of the Order of Architects of Milan and as advisor on urban and housing policies for Italian and European institutions.

**Eduard Cabré** is a housing policy consultant at Barcelona City Council and local governments across Catalonia. He holds degrees in political science from UPF and urban planning from UPC and NYU.

**Maria del Mar Jiménez Carreté** is the Commissioner for European Affairs at Barcelona City Council. She leads the city's engagement with EU institutions and drives key initiatives such as the Mayors for Housing coalition. She is also an Op-Ed contributor for La Vanguardia. With more than twenty years of experience across government, European networks and media, Mar holds degrees in Economics (University of Barcelona) and Communication (Universitat Ramon Llull), pursued doctoral studies in Economics, and completed executive programs at ESADE and INSEAD.

**Paola Delmonte**, Master's degree in Economics and Social Sciences at Bocconi University, has an extensive experience in the real estate sector with a specific focus on social housing and urban regeneration projects at environmental and social impact. Former Director at Cassa Depositi e Prestiti as manager of the fund of funds Investimenti per l'abitare (FIA), specialized in social housing, Paola is currently Senior Advisor at Near Sgr Benefit, part of Near Group.

**Anna Iafisco** is a Policy Advisor for Housing at Eurocities, where she has worked since 2020 on housing policy, economic development, and the just transition. She has also served as an Expert for the European Committee of the Regions, contributing to policy work including an opinion on the European Affordable Housing Plan. Anna holds a Master's degree in International Economic Policy and Analysis and is strongly engaged in EU advocacy for sustainable urban development.

**Julie Lawson** is Adjunct Professor with RMIT AHURI Research Centre and Centre for Urban Research. She is the lead author of the United Nations *#Housing2030* report. She is co-editor of the journal *Housing Theory and Society*. She has a long time association with RMIT's Centre for Urban Research and collaborated with institutes and universities (AHURI, RMIT, UNSW, University of Sydney, TU Delft, Institute of Housing Studies, Erasmus and University of Amsterdam), the United Nations (UN Habitat, UN ECE), as well as Housing Europe, Australian governments, the Norwegian Housing Bank and many city governments and community organizations.

**Pietro Reviglio** is a Policy and Research Advisor in Urban Governance at Eurocities. He leads advocacy campaigns promoting the role of cities in EU decision-making and coordinates research initiatives, with a focusing on integrating urban evidence into European governance. Among others, he coordinates Eurocities flagship annual publication, the

Eurocities Pulse Mayors Survey, gathering insights on major urban trends from 100+ city leaders. Previously, Pietro worked at the European Commission and UNESCO. He holds a Master in Public Policy from Sciences Po Paris.

**Anacláudia Rossbach** is the Executive Director of UN-Habitat and an economist with over 20 years of experience in housing, informal settlements, and urban policies. She was appointed Executive Director of UN-Habitat at the Under-Secretary-General level by the General Assembly, following nomination by the UN Secretary-General on 7 June 2024. Prior to this role, she was the Director for Latin America and the Caribbean at the Lincoln Institute of Land Policy and served as Regional Manager for Cities Alliance, where she founded the Urban Housing Practitioners Hub. Prior to that, with the World Bank, she oversaw the development and implementation of Brazilian housing and slum-upgrading policies. Ms. Rossbach has actively contributed to global urban policy discussions and has a strong academic presence in the field. She took office on 12 August 2024.

**André Sobczak** works to empower cities in EU decisionmaking through Eurocities, the leading network of European large cities. He spent 20 years as a manager and impact-oriented academic, as well as serving two terms as Vice-President of the Nantes Metropolitan Area for European Affairs, Corporate Social Responsibility, and Employment. In his role as Secretary General at Eurocities, he is forging new connections with academia, where he has a history of driving social and ecological change, spearheading initiatives on issues like gender equality and precarious employment. He leads with an approach of multi-level cooperation between the public sector, businesses and civil society for tangible positive impact.

**Tobia Zevi** (Ph.D.) is an Senior Associate Research Fellow in charge of the Global Cities Programme at ISPI. Since November 2021 he is Deputy Mayor for Housing – city of Rome. Global Fellow Eisenhower in 2019, he was also Fellow in the US Government's "International Visitors Leadership Program" (IVLP) in 2017. Between 2015 and 2018 he was political adviser to the Italian Prime Minister and Minister of Foreign Affairs.