Housing crisis in the European Union with the aim of proposing solutions for decent, sustainable and affordable housing

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The European Parliament adopted by 367 votes to 166, with 84 abstentions, a resolution on the housing crisis in the European Union with the aim of proposing solutions for decent, sustainable and affordable housing.

Parliament expressed its concern about the housing crisis affecting the EU and its Member States, which is eroding dignity, equality, and social cohesion. **Affordability** is at the heart of the housing crisis, particularly for young people, low- and middle-income families, and vulnerable groups who face greater barriers to accessing adequate housing. The housing crisis also hinders access to employment and labour mobility for jobs in metropolitan areas, creating, *inter alia*, labour shortages.

Role of the European Union

Members welcomed the Commission's commitment to deliver and implement an **ambitious European Affordable Housing Plan** that respects the principle of subsidiarity, taking into account the specific needs of each Member State. This plan should prioritise actions to increase genuine affordability, and support Member States in delivering decent, sustainable and affordable homes for millions of Europeans. While housing is a Member State competence, sectoral EU legislation may have an impact on the overall viability and costliness of building and on the renovation and repurposing of houses.

Parliament called on the EU and its Member States to **respect the competences of local and regional authorities** and to highlight their essential role in identifying housing needs and contributing to national strategies for developing targeted measures for local populations. It called for incentivising municipalities and regions to promote the construction, renovation, and repurposing of residential housing within their territories. The resolution underlines the importance of developing **integrated urban strategies** that encompass education, healthcare, infrastructure, public transport, and leisure. Furthermore, local and regional authorities should have **direct and targeted access to EU housing funds** and be empowered to manage them, given their close connection to local needs.

Increase the supply of affordable private and public housing

Parliament called on governments to take urgent measures to **boost the supply of affordable housing**. It urged the Commission to propose a package of measures aimed at simplifying and streamlining the complex set of rules currently hindering housing construction and renovation across Europe, by reducing administrative burdens, harmonising overlapping regulations, and shortening permitting procedures. Member States are encouraged to aim for **a 60-day building permit deadline** to deliver decent, sustainable and affordable housing.

Members stressed the need for **renovation and repurposing activities** to address fragmented housing policies and lengthy permitting procedures. They called on Member States to provide further incentives to renovate derelict housing and advocated for renovated housing to be made available to those on housing waiting lists or first-time buyers, recognising their needs.

Parliament called on the Member States to adopt an efficient and **incentive-based tax system** for housing policies as well as for housing renovation and new construction. It called for a healthy tax mix in the Member States, strengthening efforts to remove tax obstacles for new entrants to the housing market, such as high registration taxes in certain countries.

Raw materials and products for construction and renovation

The resolution stressed the importance for the EU to strengthen its **industrial sovereignty** in the construction sector. Member States are called upon to encourage the use of construction materials produced within the EU and the Commission and to include minimum origin clauses for EU co-financed projects in the sustainable construction sector to promote '**Made in EU**' components.

Moreover, Members encouraged the relevant public authorities to invest in productivity and innovation in the housing sector and called for new housing to meet reasonable **standards of quality and habitability** in terms of insulation, energy efficiency, indoor air quality, and fire safety. National and European funds should strengthen support for innovation and research in the construction sector.

Granting legal certainty and protection to property owners and tenants

Members strongly condemned the phenomenon **of illegal occupation (squatting)** of private and public property across Europe, which undermines the fundamental right to private property. They called on Member States to protect this fundamental right and to adopt stricter measures to safeguard owners, ensuring swift and effective legal mechanisms for the recovery of property. The resolution also encouraged owners to offer stable, long-term leases to enhance security of tenure and provide tenants with greater predictability. Member States are urged to **strengthen the protection of tenants' rights** to guarantee fair conditions and prevent disproportionate rent increases.

To meet specific workforce needs

Parliament stressed the importance of improving working conditions in the construction sector to **address labour shortages** and attract skilled workers. It therefore emphasised the need to guarantee fair wages, stable employment, and safe working conditions, as well as to improve contracts and health and safety standards. The Commission and Member States are urged to boost labour mobility in the construction sector as one way to address skills shortages.

Securing funding and easing investments

Parliament urged the mobilisation of private investment and called for more effective public-private cooperation mechanisms to accelerate the development of quality, affordable housing. It advocated for a **strategic deployment of investments in the housing sector**, through the use of **dedicated EU funds**, enabling greater housing investment by consolidating and earmarking currently dispersed funding across multiple programmes, such as the cohesion policy funds, InvestEU or NextGenerationEU, including the Recovery and Resilience Facility. Member States are encouraged to reallocate unused resources from their national Recovery and Resilience Plans to financial instruments in order to allow social, public, cooperative and affordable housing units to be built and renovated.