

Strategies for Affordable Housing and Thriving Communities

Habitat for Humanity's Manifesto on Priorities of the European Union for 2024-2029

August 2024

The housing crisis in EU Member States is no longer confined to the most vulnerable; it now affects middle-income households as well. **Over the last decade, house prices have surged by 47% and rents by 18%**, pushing even more people into precarious living situations. Vulnerable populations, especially in urban areas, face **heightened energy poverty and social exclusion**.

With approximately 95 million Europeans at risk of poverty and over 4 million people facing homelessness each year, the housing crisis demands immediate action. Astonishingly, Europe has over **30 million unoccupied homes, with 34% of total buildings being under-occupied**, all while 17% of households live in overcrowded conditions. The disparity between available housing and those in need highlights the **systemic inefficiencies** that must be urgently addressed.

Quality of housing is equally critical. **Over 9% of the EU population cannot keep their homes adequately warm, and 15% live with issues such as leaking roofs, damp walls, or rot**, which deteriorate living conditions and health.

House & Rent Prices in Europe



Source: Eurostat, 2024

Housing plays a vital role in protecting individuals from poverty and social exclusion. This importance is emphasized in the Liège Declaration by EU housing ministers. Recognizing this, President von der Leyen's commitment to prioritizing housing in her address to the European Parliament on July 18 and in her political guidelines for 2024-2029 is a promising step forward. The European Parliament's report from 2021 on 'access to decent and affordable housing for all,' which called on the European Commission to propose an integrated strategy on affordable and social housing and for an end to homelessness by 2030, sets a strong foundation for action.

Habitat for Humanity, a leading global nonprofit housing organization operating in over 70 countries, including seven in the EU, has been at the forefront of addressing these challenges. Since 1976, the organization has helped more than 59 million people improve their living conditions. To tackle the growing housing crisis and ensure that solutions efficiently reach vulnerable and low-income households, Habitat for Humanity, with its extensive expertise and non-partisan approach, strongly supports the following initiatives to increase the affordable housing stock, combat energy poverty, and empower vulnerable populations:

Encourage affordable rental options

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Direct policy attention and support towards alternative methods of increasing the affordable rental sector. Encourage solutions such as the Social Rental Agency model, which mobilizes privately owned flats into affordable rental housing provision, particularly crucial in Central and Eastern Europe where a well-functioning social housing system is missing. Effective governance of the housing stock is essential to ensure the retention of decent, affordable housing in the long-term, targeting a variety of low-income and vulnerable groups, in particular refugees, female-headed households and care leavers.

Leverage vacant spaces for affordable homes

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- Establish a common definition of 'vacant real estate' (residential, commercial, private and public) to ensure consistent data collection and resource allocation across the EU Member States. Vacant real estate represents a significant and underutilized opportunity to address the housing crisis in Europe, with clear social, economic and climate change mitigation benefits.
- Lead an EU-wide research project to map vacant and underutilized properties and monitor housing affordability across Europe.
- Launch awareness-raising campaigns around the benefits of circular re-using of vacant real estate to support the decarbonization of the buildings sector.
- Earmark dedicated funds in existing programs, such as the European Regional Development Fund, to develop these tools.

Combat energy poverty

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Strengthen the impact of the Social Climate Fund through housing

- Ensure that Member States prepare ambitious Social Climate Plans, allocating robust funding for renovation of worst performing buildings to address energy poverty.
- Encourage Member States to allocate additional funding for direct assistance for low-income households to prevent failure of implementation.

- Ensure that Member States adhere to Article 5 of the Social Climate Fund regulation by consulting local administrations and civil society organizations when developing their National Social Climate Plans, due by July 2025.
- Guarantee that the Social Climate Plans align with other EU instruments and programs for a cohesive approach.
- Integrate social safeguards into the guidance on compliance of measures and investments supported by the Social Climate Fund, which is being elaborated by the European Commission to prevent and mitigate any potential negative impacts during implementation.
- Integrate solid biomass (firewood) in the eligibility criteria for support, which is important for Central and Eastern Europe, where it is commonly used among low-income households and in low-performing buildings.

Promote inclusivity in renovation

- Provide special policy attention and financial support to owner occupiers in multi-apartment buildings in Central and Eastern Europe, who often belong to the same social group as those in social housing in Western Europe, as recognized by the 2023 recommendations from the European Commission on energy poverty. Use energy renovation as leverage to reduce inequalities, integrating energy, social and housing policies.
- Increase the availability of funds for the energy transition through a new Climate and Just Transformation Fund in the post-NextGenerationEU period.
- Earmark a proportional share of the next Multiannual Financial Framework for retrofitting of buildings for low-income households living in the worst-performing stock.

Leverage housing as a vehicle for ensuring Roma inclusion

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- Ensure the monitoring of the housing component of the 2020 EU Roma Strategic Framework.
- Encourage housing programs which foster integration within city centers, providing access to social services and job opportunities, in alignment with the 2021 Council Recommendation on Roma equality, inclusion and participation, the European Parliament's 2022 resolution on the situation of Roma people living in settlements and with the 2023 Council Conclusions on measures to ensure equal access for Roma to adequate and desegregated housing.
- In segregated and remote Roma communities, prioritize collaborative efforts with right bearers and stakeholders to improve living conditions and ensure closer access to essential services. Focus on effective settlement upgrades where there is consensus that it is the appropriate course of action.

Commit to affordable housing in Ukraine

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- Prioritize funding for scaling up renovation of multi-apartment buildings, drawing on successful models like the previous EU-funded Energy Efficiency Fund in Ukraine.
- Prioritize funding for technical assistance and capacity building for local governments and NGOs to address challenges of social and affordable housing, including models such as the Social Rental Agency and the revitalization of vacant real estate.

Housing and EU development assistance

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While the EU plays a leading role as a provider of public development assistance and a firm advocate of the Sustainable Development Goals (SDGs), we recognize that 1.1 billion people around the world still live in informal settlements and 2.8 billion live in inadequate housing.

With urbanization rates rapidly increasing in many countries receiving EU development aid, we reiterate our call to:

- Assess existing EU aid and investment in urban programs, informal settlements, and adequate and affordable housing. Analyze the value of accelerating the upgrading of informal settlements and its impact on achieving the SDGs.
- Increase assistance to ensure equitable access to adequate housing for people in informal settlements through Official Development Assistance. Improved housing conditions lead to safer communities, better health (2.4 additional years of life expectancy), and significant economic growth (up to 10.5%), fostering social stability.
- Set as a priority for EU delegations to integrate the issue of housing into their national development strategies, plans and policies. This should begin with comprehensive data collection on the housing deficit in-country, and the expansion of urban settlements, involving all concerned stakeholders from the outset.

GENERAL RECOMMENDATIONS

Strengthen housing governance and collaboration

- Ensure that the first-ever Commissioner for Housing within the European Commission directly engages with civil society and affordable housing providers, ensuring all stakeholders are met in the development of the functions of that office.
- Establish a dedicated EU Housing Platform that includes key actors from the sector as well as local and regional government representatives. This platform will serve as a forum to share best practices and innovative solutions for improving access to affordable housing. It will work in complementarity with the existing European Platform on Combatting Homelessness, ensuring a coordinated approach to tackling housing issues across the EU.
- Broaden the scope of country specific recommendations related to housing market matters under the European Semester mechanism. These should be expanded to include strategies for addressing social inclusion, with a focus on providing affordable housing for low-income and vulnerable groups. Specific housing-related targets should be introduced in the revised Action Plan on the European Pillar of Social Rights.
- Integrate strong and independent monitoring and evaluation processes within EU instruments that support directly or indirectly the housing sector, ensuring they achieve their objectives without negative side-effects.

Enhance access to housing resources

- Integrate and simplify access to various funding and financing streams currently available. Create a 'one-stop shop' or liaison office at the local level to assist authorities, associations, and citizens in accessing various funding and financing streams, similarly to those established by the Energy Performance of Buildings Directive.
- Introduce a social conditionality criterion across all housing-related instruments and ambitious earmarking for socially responsible renovation of housing stock across all tenures, including social housing, owner-occupied multi-apartment buildings, and rural single houses.
- More broadly, invest in initiatives for skills and capacity development within social service providers, home-owners associations, local authorities, and actors of the social and affordable housing sector.

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