INREV response to EC consultation on European Affordable Housing Plan

15 October 2025

Affordable and social housing

3. **Do you consider that a common definition of affordable housing is needed in the EU?**

Some degree of convergence is needed in particular when there is public support involved.

4. **What would be the most important solution to significantly increase the supply of affordable housing over the short- and medium-term perspective?**

- Speed up permitting and reduce regulation in construction
- Repurpose vacant buildings (e.g. from commercial use)
- Expand affordable housing stock and improve its functioning

5. **The EU building stock accounts for about 35% of energy-related greenhouse gas emissions also due to insufficient insulation. The use of materials for buildings can have a strong environmental impact. The choice of buildings can also severely affect soil health or water status, as well as the use of land in general. There are concerns that making such buildings more sustainable will make them less affordable.**

   Can you share good practices on solutions that combine sustainability and affordability?

INREV promotes models that align sustainability with affordability by mobilising long-term institutional capital for energy-efficient, cost-rental and adaptive reuse projects. Public-private partnerships, fair tax treatment, and stable standards enable large-scale retrofitting and new construction without raising housing costs.

6. **What are the best ways to increase availability social housing*?**

*Social housing is aimed at disadvantaged groups and allocated based on specific criteria, such as income, household size or health-related restrictions. Social housing systems and allocation criteria vary across Member States.

- Promote renting mechanisms for social purposes with private owners such as social rental agencies
- Other: Develop partnerships with private sector

7. **Do you know of any good or innovative practices that you would like to share on promoting affordable and social housing?**

   Please provide evidence if available.

INREV showcases innovative public-private models that expand affordable and social housing while ensuring long-term sustainability and investment viability. Case studies are available on the dedicated INREV webpage, illustrating effective partnerships and scalable delivery solutions.

8. **What is the potential of cooperative or other alternative housing forms (e. g. community land trust) to increase affordable housing?**

   Can these approaches be scaled up? Please provide evidence if available.

Cooperatives and community land trusts can deliver affordability and community stability, but scale is limited by finance and governance. They complement, not replace, large-scale solutions. Scaling requires neutral aid access and safeguards to ensure competition is not distorted.

9. **How can the different challenges facing urban and rural housing needs be addressed to improve access to affordable, sustainable and decent housing for all Europeans, including through spatial planning and financial support?**

Urban areas need land release, streamlined permits and public-private partnerships; rural areas require targeted finance and infrastructure to retain population. EU support should embed spatial planning tools and ensure aid is open to all providers, maintaining competition neutrality.

Financing

10. **What are the biggest financial challenges in getting new affordable housing projects off the ground?**

- Unprofitable market segment / low returns in comparison to more profitable construction projects
- High upfront costs of construction, scarcity of materials
- High upfront costs of land

11. **What solutions would be most useful in overcoming these challenges for affordable housing projects?**

- Combination of financial instruments with grants (blended finance)
- Public-private partnership models
- Other: Facilitating public land release and faster permitting to lower costs and accelerate delivery

Please provide details and evidence if you have experience with any of the solutions selected above.

INREV case studies illustrate how public-private models, targeted grants, rent guarantees, and land-use incentives successfully combine financial viability with affordability. Examples are available on the dedicated INREV webpage.

12. **How can affordable housing investments be scaled up more effectively and funding and financial schemes improved?**

Scaling requires long-term policy certainty, streamlined permitting and neutral access to support. Public-private models, targeted grants and rent guarantees can de-risk investment, while safeguards ensure aid remains proportionate and does not distort competition.

13. **How can financial incentives be best targeted and calibrated to help young people get access to housing?**

Incentives should lower entry barriers via reduced deposits, rental guarantees or tax reliefs. Targeting by income-to-rent ratios ensures fairness and avoids market distortion, while neutrality across providers maximises delivery capacity and safeguards competition.

14. **How can the use of EU funds for affordable housing be improved in practice and be made more user-friendly?**

EU funds should be simpler, faster and predictable. User-friendly access, harmonised rules and clear guidance reduce administrative burden. Equal access for all actors ensures neutrality, while aligning affordability with sustainability strengthens long-term impact.

State aid

Current State aid rules allow public support for social housing without the Commission's prior authorisation. However, Member States wishing to support affordable housing schemes generally need to notify their plans to the Commission in advance and obtain its authorisation.

15. **Have you experienced any difficulties related to State aid when financing social housing projects?**

Yes

***Please specify and provide evidence, if available**

Rules lack clarity on eligibility and scope, causing legal uncertainty for municipalities and investors. Fragmented national practice and uneven enforcement risk unfair competition and discourage efficient State aid use.

16. **Have you experienced any difficulties related to State aid rules when financing affordable housing projects with public resources?**

Yes

***Please specify and provide evidence, if available**

Current rules are unclear on affordable housing and limit equal access for private actors. Notifications are burdensome, creating delays and asymmetries. This undermines investment certainty and risks distorting competition between providers.

17. **Have you experienced any difficulties related to State aid rules when financing renovation projects?**

    Yes

***Please specify and provide evidence, if available**

Lack of clarity on permissible aid categories and thresholds hampers renovation support. Complex procedures deter investment in energy upgrades, despite urgent need. Equal, neutral access for all providers is essential to avoid distortions.

18. **The Commission will revise the State aid rules to allow support for affordable housing without the Commission's prior authorisation. Some conditions may be attached to these new rules.**

    Which issues do you think that the Commission should bear in mind when designing State aid rules to establish affordable housing schemes?

- The price of the affordable housing
- The income of the occupants (in relation to the costs for occupying/buying the housing)
- Other: Ensure equal access for all providers to prevent distortion and safeguard competition

Construction

The EU construction sector faces several major structural challenges: low productivity, labour shortages, high construction costs and a significant environmental footprint.

19. **Which factors do you consider most important to reduce costs and scale up building activity?**

- Less red tape and reporting, faster planning and permitting
- Enhance the availability and reduce the cost of land designated for housing

Please provide links or studies on good practices on any of the above

INREV case studies show that reducing red tape, accelerating permitting and improving land availability are key to scaling affordable housing. Examples of good practices are available on the INREV dedicated webpage.

20. **In the context of its work on affordable housing, the Commission is developing a European Strategy on Housing Construction focusing on the supply side of the housing crisis.**

    What type of EU intervention do you consider necessary to help bring innovative building and renovation techniques and construction products to the market to increase housing affordability?

- Develop the necessary standards under the new Construction Products Regulation to make it easier to sell novel construction products across the EU Single Market
- Work with financial institutions and industry to de-risk investments in innovative construction products and methods
- Work with public authorities to generate demand for transforming empty dwellings or office buildings

Please provide links or studies on good practices on any of the above

INREV case studies highlight innovative construction, renovation and adaptive reuse projects enabled through public-private cooperation and risk-sharing tools. Good practices are available on the dedicated INREV webpage.

Zoning and permitting

Land use, spatial planning and permitting for building and renovation are primarily a local and regional competence. A number of authorities across the EU are taking initiatives to make these steps less complex and lengthy.

21. **What are the main challenges to obtaining a permit during the zoning and spatial planning phase?**

Long and unpredictable procedures, fragmented local rules and overlapping assessments raise costs and delay projects. Lack of administrative capacity and regulatory certainty deters institutional capital and undermines delivery of affordable housing.

22. **What is the average time to receive a building permit in your city/region/country?**

Often 2–5 years for major projects in many EU cities, creating a major barrier to timely supply.

23. **When it comes to land use, spatial planning and permitting, what type of measures should public authorities prioritise to increase the supply of affordable housing?**

- Implement efficient land use policies, for example identifying areas suitable for housing projects not expected to have a significant environmental impact
- Simplify zoning and permitting requirements
- Accelerate permitting procedures (e.g. with streamlined procedures for prefabricated housing, district-level renovations, or repurposing of buildings)

24. **How could the EU support Member States in simplifying and accelerating land use, spatial planning and permitting?**

- Facilitate exchange of best practice among public authorities
- Provide recommendations and technical assistance on efficient land use and spatial planning policies for housing affordability

Please provide links or studies on good practices on any of the above

INREV research and case studies showcase how exchanging best practices among authorities and providing technical guidance on land use and planning can improve delivery efficiency. Illustrative examples are available on the dedicated INREV webpage.

Repurposing, densification and vacant properties

There are many vacant industrial, commercial, residential, institutional, or historical buildings which could be repurposed or renovated to better meet affordable housing needs. Converting existing buildings reduces the need for new construction and related carbon emissions, land use and infrastructure costs, and negative impact on climate change resilience and biodiversity through new land take. It can also help revitalise neighbourhoods and generate demand for new services.

25. **Do you see obstacles in repurposing and renovating vacant buildings?**

- High costs
- Complexity in changing the designation of an area from commercial or industrial use to residential use
- Length of time to receive a permit to repurpose/renovate vacant building

26. **How should public authorities best support the repurposing of vacant buildings?**

- Adjust zoning policies, reform building standards and streamline the permitting process for reconversions or repurposing of buildings, reducing bureaucratic hurdles and delays
- Offer funding, subsidies or tax incentives to facilitate renovation and repurposing of unused buildings

27. **How could the EU support Member States' efforts to repurpose vacant buildings?**

- Facilitate exchange of best practice
- Provide recommendations and technical assistance on repurposing and renovation of unused buildings
- Devote specific funding streams (e.g. New European Bauhaus, Affordable Housing Initiative) to repurposing and densification

28. **How should illegal occupation and squatting be best addressed by the responsible public authorities?**

Authorities should enforce property rights while addressing social needs through legal housing solutions. Clear, predictable rules and swift legal processes protect investment certainty, while targeted support ensures vulnerable groups access affordable housing.

Simplification

The Commission has identified speed, coherence and simplification as key political priorities, and is focusing on reducing administrative burdens and simplifying implementation: less red tape and reporting, more trust, better enforcement, faster permitting.

29. **Have you identified any overlapping, unnecessary or disproportionate EU rules that create barriers to the supply of affordable housing?**

    Yes

***Please specify and provide evidence, if available**

Complex and lengthy State aid notifications for affordable housing create legal uncertainty and delays. Divergent permitting and land-use rules across Member States also slow delivery. Simplification and proportionality would accelerate supply.

30. **Have you identified any national, regional or local rules that create unnecessary barriers to the supply of affordable housing? If yes, which ones?**

    Yes

***Please specify and provide evidence, if available**

Lengthy and unpredictable local permitting processes, restrictive zoning changes and inconsistent rent regulation frameworks delay or block viable projects. Streamlined, transparent rules are needed to unlock institutional capital for affordable housing.

Labour shortages, skills and working conditions

Construction trades (e.g. plumbers, electricians, bricklayers) are among the occupations which face the most widespread shortages in Europe. Delivering affordable housing also means addressing labour shortages and developing the skills for new building techniques – from construction workers to architects and engineers, from real estate developers to urban planners and local administrations.

31. **What measures do you think that public authorities in the Member States should prioritise to address labour shortages in construction trades?**

-

32. **Can you share good practices on solutions that address labour shortages in construction trades?**

***Please provide evidence if available.**

-

33. **Do you think that the EU should take additional measures to address labour shortages in construction trades?**

-

Rental market, short-term accommodation rentals and tourism, secondary homes

Short-term rentals via online platforms have experienced fast growth and now represent around one quarter of the total EU supply of tourist accommodation.

34. **Do you see an impact of short-term rentals in your country, region or city?**

If yes, please describe the impact and the context (e.g. capital city, rural area, touristic region). Please provide quantified evidence if available.

Short-term rentals can, in some areas, limit housing available for long-term residents, adding pressure to affordability in high-demand urban and tourist markets. Balanced regulation can help reconcile tourism with sustainable housing supply.In major cities and tourist regions, short-term rentals can reduce housing supply for long-term residents, driving up rents and worsening affordability. This adds pressure to already tight housing markets, esp. in capitals and high-demand areas.

A new EU Regulation applicable from May 2026 ('Short Term Accommodation Rentals Regulation') will increase transparency requirements for hosts, giving more information on the location and duration of short-term rentals, allowing public authorities to take proportionate measures when necessary. And new EU tax rules will also require digital platforms to report income earned by hosts and to charge and collect VAT on behalf of the hosts. Meanwhile, a number of public authorities in the Member States are restricting short-term rentals.

35. **In your view, what else should be done at EU level to address the issue of short-term accommodation rentals?**

- There is no need for any further policy intervention

36. **Do you have good practice examples and ideas of policies that balance short-term rentals better with needs for long-term housing?**

-

37. **A secondary home is a property where people spend time away from their primary home. Secondary homes may be rented out for certain periods (short-term rentals) or may be primarily used by the owners. There are concerns that secondary homes can make housing less affordable for local residents, and/or can contribute to vacant housing stock.**

Do you see an impact of secondary homes in your country or region?

If yes, please describe the impact and the context (e.g. capital city, rural area, touristic region).
No

38. What policy intervention do you consider most effective in encouraging more efficient use of properties owned as secondary homes that are underused?

Provide incentives to renting secondary homes for certain periods of the year

Ensure equal treatment for second homeowners (including across borders, e.g. buyers of secondary home in a country different from a country of first residence vs buyers of secondary home in the same country as the first residence)

m

39. **What additional aspects should be considered to ensure the proper functioning of the rental market?**

- Promote transparent and enforceable rental agreements, notably through standardised documentation and appropriate registration mechanisms
- Design fiscal or regulatory incentives that favour long-term rental contracts over short-term or tourist rentals, helping stabilise supply for residents
- Support rent guarantee schemes

Financialisation* and speculation

** Financialisation: Treating housing as a financial asset for investment and profit, rather than primarily as a place to live.*

40. **Do you think that buying homes primarily for resale at a higher price contributes to rising housing costs?**

Yes

***Please specify and provide evidence (link or file), if available**

The main cause of rising housing costs is structural undersupply, not speculative resale. Institutional investors provide long-term rental housing and capital for new supply. Addressing undersupply and planning barriers is key to improving affordability.

41. **Should commercial ownership of housing in a defined geographical area be limited or discouraged?**

Strongly disagree

42. **Which measures should be implemented to limit the commercial ownership of housing units?**

- Other measures: Focus on scaling supply and ensuring neutral rules, not ownership caps or distortive limits.

43. **What would be the impact of measures to limit the ownership of housing units by financial firms, for instance on rental supply and rental prices or on the returns for small investors in investment portfolios?**

Please provide evidence, if available.

It would cut rental supply, raise tenant costs and deter long-term institutional capital. It would also harm small savers, as pension funds and insurers invest in housing to secure stable returns for beneficiaries. Focus on scaling supply and ensuring neutral rules, not ownership caps or limits

44. **Do you think vacant properties should be taxed or regulated to encourage owners to put them on the market?**

No

Inclusiveness

45. **Should any target group(s) be prioritised by the European affordable housing plan?**

If yes, please explain which one(s) and why.

The Plan should not prioritise specific occupational groups. Support must be targeted by objective need and income criteria, addressing systemic affordability and supply challenges across broad low- and middle-income households.

46. **How can young people be most effectively supported both as renters and as first-time owners?**

Young people should be supported through rental guarantees, reduced deposits, and targeted savings or tax incentives for first-time buyers. The focus should be on lowering entry barriers while maintaining neutrality and avoiding market distortions.

47. **What actions could be taken to improve the accessibility of housing for persons with disabilities and older persons?**

- Earmark funding for accessibility

- Improve legal certainty on the requirements for accessible housing

48. **What could be done to ensure equal access to quality housing and independent living for groups at risk of discrimination (based on racial or ethnic origin, religion or belief, sexual orientation, gender identity, sex characteristics etc.)?**

- Strengthen national anti-discrimination laws in housing and ensuring effective enforcement of existing legislation
- Support access to credit and housing loans for groups at risk of discrimination
- Foster the exchange of best practices among Member States on inclusive practices

49. **How could housing policies and investments contribute to the fight against homelessness, both in terms of prevention and of ensuring sustainable housing solutions for homeless people?**

- Provide more efficient and timely support services (debt counselling, mediation services, financial support and other) to people at risk of eviction
- Ensure housing assistance for the most vulnerable in the form of adequate housing benefits/allowances
- Create a favourable environment to attract social impact investments by the private sector in the area on housing, which could benefit homeless people

Governance

50. **Housing is impacted by a very wide range of policies which can be set at local, regional, national or even EU level.**

What would be the best way to work together across all these levels to improve the affordability of housing and disseminate good practices?

A coordinated, multi-level approach is needed. The EU should focus on facilitating best practice exchange, providing guidance and technical support, and ensuring that national and local rules are transparent, proportionate and neutral to mobilise private investment.

Closing questions

51. **Do you wish to remain available for further questions via the email address you provided?**

Yes

52. **Do you wish to upload a file to provide additional information or a more comprehensive explanation (e.g. position papers)?**

For more information visit: https://www.inrev.org/affordable-housing