

A LIVEABLE EUROPE: AN EPP APPROACH TO HOUSING IN EUROPE



Housing and construction fall under the competence of Member States, with housing markets deeply anchored in national economies. However, EU policies indirectly influence housing through regulations on energy efficiency requirements, environmental sustainability, fiscal matters, competition, or state aid, and EU laws and financing affect the costs and speed of construction. The housing shortage will mainly be resolved through increasing supply and incentivising market forces. The internal market, which has an impact on housing, is heavily regulated, such as construction products, public procurement, state aid rules revision, or environment and spatial planning requirements. A comprehensive and ambitious EPP approach to housing that respects the principle of subsidiarity is both urgent and crucial to supporting policies that reflect each of our national specificities, opposing a “one-size-fits-all” principle and safeguarding against any over-regulation at the EU level that could undermine flexibility and efficiency at the national, regional and local levels. Europeans are entitled to the right to property as laid out in the Charter of Fundamental Rights of the European Union and deserve a liveable Europe.

Where can Europe and the EPP take action? Our Vision

Our EPP policies shall be grounded in our core values: less regulatory burden, strategic investments and a Social Market Economy.

- > The EPP Group is committed to improving the market for affordable and accessible housing for all, in particular for low- and middle-income households, with a particular focus on ensuring that families with children and youth have

access to affordable, energy-efficient and high-quality housing. The EPP Group agrees with the EU's initiatives, in support of national, regional and local authorities, whilst respecting the principle of subsidiarity, which maintains housing as a national competence.

- > The EPP Group calls on Member States to stimulate public-private partnerships (PPPs) in the field of housing construction, with a focus on infrastructure projects to facilitate the development of viable land for housing construction.
- > The EPP Group will organise a high-level meeting of EPP European leaders on housing in order to commit our capitals and regional leaders to work together to solve housing challenges.
- > The EPP Group calls on the European Commission to provide for a comprehensive and immediate review of the EU regulatory framework that affects the housing sector with the intention to eliminate obstacles and red tape to quicker and more affordable, high-quality and durable housing construction that upholds the highest safety standards, and to include pathways to support private- and public-sector involvement. It is crucial to conduct a thorough impact assessment of existing planning rules to highlight arrangements or legal blockages that unnecessarily delay housing developments.
- > The EPP Group calls for the identification of common challenges and sharing of know-how and best practices amongst Member States, with coordination from the European Commission.
- > The EPP Group is committed to tackling energy poverty and increasing efforts to

address energy-efficient renovations.

- > The EPP Group advocates for enhanced cooperation and synergies between public and private investments, particularly in future European housing initiatives such as housing associations and cooperatives.
- > The EPP Group calls for less bureaucracy for local and regional authorities that are working to address the housing crisis.
- > The EPP Group calls to make use of current financial means at Member States disposal by prioritising existing funds, particularly those with low absorption rates, to focus on the alleviation of housing constraints.

Youth, demography and rural areas

Young people face significant challenges in achieving housing affordability and are therefore postponing important decisions in their lives, including those that might have an impact on households' well-being, economic stability, and overall health. Additionally, demography and the liveability of rural, insular and outermost regions are key for the EPP Group.

- > The EPP Group calls on the European Commission to facilitate EU Ministerial Council meetings on housing.
- > The EPP Group invites the European Commission and Member States to assess simplified administrative procedures and enhance opportunities in the rental market, notably for young people in high-demand housing markets and in specific situations such as Erasmus or student exchanges, or short-term traineeships.
- > The EPP Group invites the Member States to explore opportunities in the rental market for professionals in high-demand housing markets, such as teachers, doctors, nurses and civil protection officers.
- > The EPP Group calls for investments to facilitate compliance with accessibility measures for our elderly and people with disabilities without putting disproportionate and unnecessary burdens on housing construction and renovation.
- > The EPP Group calls for an equitable distribution of housing investment, with particular attention to rural areas

with living demand and which are at risk of depopulation or of the so-called "talent development trap"¹, as well as insular and outermost regions of the EU, respecting the freedom of choice and the right to remain in one's home country. In addition, the EPP Group supports incentives for the renovation of dwellings in densely populated areas and promotes solutions that positively incentivise owners to put empty houses back on the market.

- > The EPP Group calls on the Commission to make an evaluation of short-term rentals on the housing prices in the Member States.
- > The EPP Group calls for utility service providers to be included in all housing strategies and to be given targets in order to ensure that new developments are connected to plumbing, electricity, and water services as soon as possible.
- > The EPP Group calls for a broader urban strategy that includes education, health, infrastructure and recreation.
- > The EPP Group calls for the promotion of targeted housing and connectivity projects in rural, insular and outermost regions in order to enhance the connection to capitals, major cities and urban centres, prioritising investments in affordable housing in rural areas with a multi-generational policy approach of specific measures to retain young families and provide elderly-friendly housing solutions.
- > The EPP Group calls for a specific housing plan of the European Commission for rural, insular and outermost regions as well as cross-border cooperation, supported by a study on living conditions in those regions in Europe.
- > The EPP Group calls on the European Commission to introduce an impact assessment for depopulated areas to prevent future housing policies from having the side effect of depopulation, in the same vein as the Demographic Toolbox. The EPP Group also calls for policies to promote multi-generational living arrangements, which can provide economic and social benefits for elderly citizens and their families.

¹ https://ec.europa.eu/regional_policy/whats-new/newsroom/14-12-2023-eu-addresses-talent-development-trap-in-new-call-for-regions-to-harness-existing-talent_en

- > The EPP Group urges the Member States to undertake comprehensive and systematic assessments to determine the number of persons with disabilities who meet the eligibility criteria for supported housing.
- > The EPP Group calls on Member States to set up national housing strategies to include provisions for student housing and to remove student demand from the general housing market, improving the stock and availability of both public and private student accommodation, and for dedicated housing provision that best meets the needs of the elderly population, including retirement housing schemes.
- > The EPP Group calls for the consideration of tax incentives for property owners who lease housing to families or young people on long-term contracts, particularly in areas with escalating housing costs that are driven by market forces.
- > The EPP Group advocates for incentive support policy and enhanced cooperation and synergies between public and/or private investments, particularly in future European housing initiatives like housing associations and cooperatives.
- > The EPP Group calls for the exemption of social housing associations in the Anti-Tax Avoidance Directive (Council Directive (EU) 2016/1164), while safeguards against abuse must be put in place.
- > In this context, the EPP Group calls for a data-driven approach in future policies addressing the complex housing deficiencies, such as in-depth data on demand, including size of units, social and affordable housing availability and needs, construction material and workforce gaps per region and Member State, the mismatch of energy- and water-efficiency requirements with geographical circumstances and sustainability objectives, or construction barriers for constructors, and therefore to unblock the Regulation on European statistics related to population and housing, and by inviting the European Commission to share best practices with the sector.

Economic and Internal Market Framework

Our economic regulatory framework can be improved and simplified to foster investments, a better functioning market and less regulatory burden. Evidence suggests that price controls and stringent interventions are ineffective, often worsening the situation. The EPP Group wants to reform our economic framework to improve the housing market:

- > The EPP Group calls for the completion of the Capital Markets Union and a targeted review of the Capital Requirements Regulation in order to lower the capital requirements for mortgage exposures. The EPP Group supports the Commission's intention to revive the use of securitisation with due attention to safeguarding financial stability to incentivise private investment.
- > The EPP Group calls for the revision of the target group for social housing in the Services of General Economic Interest Decision (2012/21/EU) to enable housing associations, also private, to build homes for the lower- and middle-class segments who face difficulties accessing housing under market conditions, while maintaining a level playing field and while making efficient use of public resources.
- > The EPP Group wants to accelerate the construction process and reduce bureaucracy in the internal market.
- > The EPP Group calls for the swift implementation of the Construction Products Regulation and the standardisation of Building Information Modelling (BIM).
- > The EPP Group proposes revising the European Public Procurement Directive (2004/18/EC) in a way that will allow the simplification of administrative procedures, standardisation of procurement criteria, better use of digital tools and AI, ensuring that vital housing and infrastructure projects can proceed at the pace to meet demand. It is therefore essential to raise the thresholds in European public procurement law to streamline and accelerate procedures, while also accounting for the rising costs of materials, energy, and construction.
- > The EPP Group calls for simplifying and making the Environmental Impact Assessment (EIA) Directive (2014/52/EU) more flexible to speed up the construction and renovation of homes with the aim of reducing delays in the permitting and licenses process and accelerating the building and transformation of houses

without compromising on the high level of environmental protection. The EPP Group also calls for the establishment of fast-track approval procedures for housing projects deemed critical for addressing urgent shortages, particularly in urban centres.

- > The EPP Group calls on reinforcing the European Construction Sector Observatory (OCSO).
- > The EPP Group requests the European Commission to prepare a study on the impact of import tariffs on the security of supply and prices of essential building materials needed for the construction sector.
- > The EPP calls for a standard for a new inflation measure that includes owner-occupied housing (OOH) in the Harmonised Index of Consumer Prices (HICP).

Environmental and spatial planning restrictions on housing

Ultimately, whilst the European Green Deal is key to our climate goals and to improving quality, energy- and water-efficient construction, it is critical that a balance is found between environmental regulations, energy- and water-efficiency regulations and the urgent need to build and renovate more houses.

- > The EPP Group calls for a horizontal less-regulatory-burden check, including upcoming delegated acts, on what EU legislation is superfluous and not contributing to affordable, high-quality and energy-efficient housing but only contributing to inflationary effects on the housing market, with a focus on having less regulatory burden on permitting and licenses procedures – quicker and more efficient.
- > The EPP Group calls for Member States and regions to have flexibility in achieving objectives of European legislation based on their specific context, such as construction and housing.
- > The EPP Group calls for the adoption of new green building technologies and practices, contributing to the more sustainable, inclusive and resilient development of territories in the long term.
- > The EPP Group calls on Member States and regional governments to ensure

the focus on supporting measures to facilitate the fulfilment of the renovation wave, while focusing on funding and deployment of effective one-stop shops as advisory and assistance tools in line with the Commission's Smart Finance for Smart Buildings Initiative.

- > The EPP Group underlines the importance of urban regeneration, and calls for a broader urban strategy that includes education, health, infrastructure and recreation, taking into account historical city centres to preserve the European historic and cultural heritage and European way of life.
- > The EPP Group calls for the encouragement of urban regeneration financial support for projects to rehabilitate public buildings for housing and convert unused public building stock into social housing, where relevant.
- > The EPP Group urges that the Nature Restoration Law be revisited in negotiations to deliver a text that considers national specificities, and provides Member States with greater flexibility in their spatial planning decisions.
- > The EPP Group calls on the European Commission, Council and Parliament to make sure that the Soil Monitoring Law shall not obstruct the permitting and licenses procedures for the construction of extra-urban housing.
- > The EPP Group would welcome a possible revision and simplification of the Ambient Air Quality Directive to ensure it no longer imposes unnecessary and disproportional restrictions on the construction of new housing.
- > The EPP Group calls on the revision of the Water Framework Directive to replace the “one-out-all-out principle” in the way of measuring the quality of water without unnecessarily obstructing the construction process.
- > The EPP Group calls for a comprehensive impact assessment to evaluate the social and economic effects of ETS2, in the context of the revision of Directive 2023/959, on households and its potential contribution to the reduction of their purchasing power.
- > The EPP Group calls for clear guidelines to support the Member States and to provide clarification in the implementation of the Energy Performance of Buildings Directive, thereby avoiding overly strict interpretation of this Directive, resulting in longer, more expensive and complicated approval

procedures unnecessarily.

- > The EPP supports integrated district approaches to local planning in regard to building renovation projects that will allow for increased cost-effectiveness of needed works, enhanced connections between transport modes and taking account of existing infrastructure and system optimisation as well as the preservation of cultural heritage.
- > The EPP Group regrets the paperwork bureaucracy for energy companies and, therefore, the burden on households in legislation like the Energy Efficiency Directive.
- > The EPP Group calls on the European Commission to take the initiative on the introduction of “Housing-Valleys”²: competent authorities will be able to carry out a single environmental assessment and the necessary administrative and procedural steps of a given geographic area prior to development.
- > The EPP Group calls for special attention to construction and rehabilitation projects in areas affected by natural disasters and catastrophes, emphasising the importance of climate adaptation and spatial planning. This includes the effective use of the ERDF and ESF+ financing - combined - to alleviate consequences and ensure resilient and sustainable development.
- > The EPP Group acknowledges the consideration of wood as a renewable material that can play an important role in the green transition, particularly in building more climate-smart housing with a lower environmental impact, and calls for the relevant legislation affecting forestry and construction to reflect this.

Funding and financing

- > The EPP Group advocates for a strategic deployment of investments in the housing sector through existing European funds like Cohesion, NGEU and the role of the EIB, where feasible and without intervening in EU Member State policies while avoiding inflationary pressure and targeted deployment of investments.
- > The EPP Group calls for enhanced investments in innovation within the housing sector for the development of new technologies that will improve housing stock that is energy efficient, of high quality, equipped with acoustic

and thermal insulation, solid, qualitative and low-cost. In addition, the EPP calls to incentivise the technologies produced in Europe that can tackle energy poverty.

- > The EPP Group supports the EIB’s role in increasing financing for the housing sector by proposing the creation of a dedicated housing line and considers urban development as a key area for the future of the cohesion policy.
- > The EPP Group calls on the ECB to make an annual report on the European Housing Market.
- > The EPP Group calls for the development of a digital platform for real-time housing data collection and analysis, complemented by periodic reports on the allocation and utilisation of EU housing funds to ensure transparency, accountability, and efficiency in addressing housing challenges.
- > The EPP Group calls on the European Commission to collaborate with the EIB to tackle the shared challenges in accessing housing finance and to explore the establishment of a European funding platform, while maintaining its status as an investment bank and safeguarding the triple-A status.
- > The EPP Group encourages national policies that make housing finance more accessible to young adults, including targeted incentives – such as existing reduced VAT rates for renovation and reconstruction, as well as lowering transaction tax rates or the exemption of transaction taxes for first-time buyers occupying the property themselves for a certain time – or low-interest credits, to support first-time buyers struggling to secure affordable housing or the granting of guarantees of up to 100% of the investment to encourage the provision of loans to young adults for the purchase of their first home while avoiding inflationary effect.
- > The EPP Group, in order to enhance and facilitate mobility, calls for amending the relevant legislation to allow Member States to deduct VAT or transaction

² With these valleys, Member States can designate new “future regions”, where permit processes for companies are accelerated, and environmental impact assessments in these future regions are conducted by the Member States themselves prior to the development of houses. These measures will reduce bureaucracy and will introduce new, clearer criteria for construction companies and area developers to develop new districts for housing and infrastructure.

taxes associated with the purchase of a new home for reasons of professional or residential mobility when individuals and families have recently made an acquisition in a previous territory and are currently selling the previous real estate.

- > The EPP Group advocates for simplified and efficient cohesion policy instruments that reduce disparities in affordable housing between European regions.
- > The EPP Group calls for more capacity building, including administrative and digital, through cohesion policy instruments such as the European Regional Development Fund (ERDF) and ESF+ to develop sustainable and affordable housing projects, including assisted living projects for people with disabilities.
- > The EPP Group calls for the continuation, strengthening and better streamlining of cohesion policy investments in social housing, energy efficiency and renovation following the successful 2014-2020 programming period and the investments foreseen in the 2021-2027 period.
- > The EPP Group recognises the existence of private home savings funds as a practical and effective tool for individuals and families to invest in housing and to encourage greater accessibility to mortgage funding. It calls on Member States and the EU to facilitate the implementation and promotion of these measures as part of broader efforts to address the housing crisis.
- > The EPP Group calls to support private cooperative housing initiatives, including for people with disabilities, where communities collaboratively develop, own, and manage housing projects, which foster social cohesion and ensure long-term affordability.

Defence of private property: stricter rules against squatting

Squatting contradicts our European values and Article 17 of the EU Charter. Coordinated policies are essential for preventing and addressing all types of squatting, including cross-border cases often associated with organised crime. Penalties for squatting must be strengthened, and the

responsibility of safeguarding vulnerable families should not rest on private owners. The EPP Group considers home ownership as key to economic stability and personal investment and takes a strong stance in defending property and legal certainty, and against squatting:

- > The EPP Group supports national efforts on social home ownership, which could enable families to build assets that can be passed on, reducing the burden on Member States.
- > The EPP Group is committed to the defence of private property and believes squatting is a breach of EU fundamental values as stated in the EU Charter.
- > The EPP Group calls for the establishment of a European registry of squatters, which involves a sector-by-sector analysis of illegal occupation and squatting in Europe.
- > The EPP Group believes that it is necessary to promote a European Action Plan for the support of families, large families, single-parent families and families in vulnerable situations.
- > The EPP Group regrets that the challenges and legal uncertainty faced by small property owners exacerbate housing shortages and undermine confidence in the rental market.
- > The EPP Group recognises the role of individuals and families who have invested their savings in real estate, acknowledging their contribution to the housing market in those territories and places where the culture of ownership prevails.
- > The EPP Group calls on the Member States to promote private-public social housing measures and grant private individuals simplified procedures.

Lack of skilled workforce

The construction workforce is amongst the five main occupational groups facing shortages in Europe. It is crucial that qualifications and national labour legislation in the construction sector do not hinder efforts to address long-term workforce shortages amongst Member States.

- > The EPP Group urges EU Member States and the European Commission to effectively utilise existing tools for matching skills in the construction sector in the spirit of the Construction

Industry Skill Card within the European Centre for Development of Vocational Training (CEDEFOP), helping regions with severe workforce shortages.

- > The EPP Group calls for better support for the creation of jobs in the construction sector by reducing red tape, especially for SMEs.
- > The EPP Group calls for better working conditions and full implementation of EU rules, including the Safety and Health at Work Directive, especially in the construction sector. Additionally, the EPP Group is committed to efforts by the Member States and the EU to attract the most skilled workforce in the construction sector. The EPP Group calls for better synergies as well as public and private partnerships, always ensuring the rights of workers and equal treatment throughout the whole chain of contractors.
- > The EPP Group welcomes the European Commission's proposal for a single digital declaration portal to reduce the administrative burden for the posting of workers; calls for its fast negotiation with the Council and European Commission and, ultimately, its implementation; and urges Member States to make use of the voluntary common electronic form for declarations for the posting of workers.
- > The EPP Group calls for examining the need for a revision of the Professional Qualifications Directive (2005/36/EC) to improve the mutual recognition of qualifications in the building and construction sector.
- > The EPP Group advocates for the inclusion of construction sector experts in the EU Talent Pool, specifically targeting workforce needs.
- > The EPP Group calls for increased investment in reskilling and upskilling professionals in the construction sector through EU educational programmes. This should also include working with professional bodies in order to increase qualifications and apprenticeships in key areas where there are shortages of workers, including electricians, engineers, plumbers and others.
- > The EPP Group calls on the European Labour Authority to produce an in-depth study to have relevant data concerning situations of homelessness among labour migrants where labour contracts include provision of housing, and situations after the labour relationship has ended.

Homelessness

A balanced approach is needed to address homelessness, focusing on practical solutions that improve the lives of European citizens and housing access whilst maintaining public safety and order:

- > The EPP Group calls on the strengthening of the work of the European Platform on Combating Homelessness and of the fast establishment of an EU Homelessness Strategy to support Member States in developing national action plans with clear targets.
- > The EPP Group calls for the accelerated implementation of the European Child Guarantee to prevent and tackle child homelessness.
- > The EPP Group calls on the EU to work together with Member States to ensure that immigration policies are effective, and that the Migration Pact is fully implemented in order to reduce the pressure of migration on the housing market.