



# Bringing a European Response to the Housing Crisis



Clovis de BRYAS, Treasurer of the Young Democrats for Europe (YDE), coordinated the preparation of this paper between March and July 2025, drawing on input from young people across Europe through a dedicated survey. The proposals it contains have been shaped and informed by the insights gathered during this consultation.

## Foreword

Housing is a fundamental human need and a cornerstone of social stability and wellbeing. **Yet, many young people across Europe are increasingly unable to access decent, affordable, and sustainable homes.** The average age at which young people leave the parental home has risen by two years over the past decade [1], and in some Member States, more than one-third of young tenants spend over 40% of their disposable income on rent [2]. These trends reflect not only growing economic hardship but also a deeper structural failure in Europe's housing systems.

Our aim is to respond to these urgent challenges with a **comprehensive vision that places the needs of (young) people at its heart.** Beyond the economic and social dimensions, there is also a democratic imperative: when an entire generation is priced out of secure housing, it is excluded from the stability needed to fully participate in civic life, start families, and invest in their communities. Housing policy, therefore, is not only about bricks and mortar, it is about safeguarding equality, opportunity, and democratic resilience.

Housing policy is primarily a national competence, **but the EU holds powerful tools that can influence housing markets across our Union.** Current policies, however, often fall short of addressing the complex factors behind the housing crisis. This paper calls for a coordinated and ambitious European approach that combines social, environmental, and financial measures to increase affordable housing, improve living conditions, and promote social inclusion.

Addressing the housing crisis is not only a matter of economic policy but also **a question of fundamental rights and social justice.** By implementing a robust, coherent European strategy, we can ensure that every young person has the freedom and security to build their life with dignity. This paper is a call to action for policymakers, stakeholders, and citizens alike to commit to this vital cause.

We are grateful for the contributions of all the young Europeans who participated in our consultation. We also wish to thank MEP Ciarán Mullooly for his insights and commitment to this cause. Together, we strive to build a future where housing is a right, not a privilege.

**The YDE Board**

[1] Unaffordable and inadequate housing in Europe, Eurofound

[2] Youth Survey 2024, Eurobarometer

# From Youth Voices to Policy Action: Survey Insights and Dialogue with MEP Ciarán Mullooly

## Survey Findings and Policy Dialogue

To understand the housing crisis from a youth perspective, we surveyed young Europeans from several countries, gathering diverse insights. Key barriers included high rents, strict mortgage criteria, housing shortages worsened by platforms like Airbnb, discrimination, energy inefficiency, and overcrowding. Social housing is seen as vital but highly insufficient in some Member States, forcing many to stay with family or move abroad for affordable options.

## Respondents' Priorities

Top priorities are increased funding for affordable housing, support for social and cooperative models, and regulation of short-term rentals. Other calls include stronger tenants' rights, improved mortgage access for young buyers, and energy-poverty reduction via renovation. Proposed measures include rent control, social housing quotas, energy-efficiency subsidies, and a European Housing Fund, combined with efforts to increase supply and improve transport. Balancing tenant protections with investment incentives was also emphasised to maintain a healthy rental market.

## Exchange with Ciarán Mullooly

On 28 May 2025, we had the opportunity to discuss our findings with Ciarán Mullooly, Irish MEP and vice-chair of the European Parliament's housing committee. This exchange connected our survey insights with practical EU legislative proposals. Mullooly's focus on quick, actionable measures aligns with calls for both short-term relief and long-term reform, stressing coordinated efforts between EU institutions, Member States, and civil society. The discussion also highlighted the importance of embedding youth perspectives in the Parliament's upcoming housing report, which will guide Commissioner Dan Jørgensen's forthcoming Housing Plan.

## Remarks by Ciaran Mullooly & open discussion



**Irish Member of the European Parliament**, elected in 2019 (Independent Ireland, Midlands – North-West). Former RDS journalist.

**Vice-chair of the European Parliament's Special Committee on the Housing Crisis**, created in December 2024. Member of the Committee on Regional Development (REGI).

Member of the **European Democrats** and sits with the **Europe group** in the European Parliament.



## Summary of our proposals

### Pillar 1: Strengthening the EU Regulatory Framework for Affordable Housing

- **Proposal 1:** Broaden the EU's definition of "social housing" to enable more public housing initiatives.
- **Proposal 2:** Establish a Social Taxonomy recognising affordable housing as a key social objective and introduce Social Bonds combining social and green standards to finance sustainable affordable housing projects.
- **Proposal 3:** Revise State Aid rules to allow greater flexibility for affordable and energy-efficient housing projects.
- **Proposal 4:** Introduce VAT rebates for homes sold to first-time buyers.
- **Proposal 5:** Propose measures to limit speculative and large-scale investor purchases as well as short-term rental platforms like Airbnb through EU legislation to protect long-term rental availability and curb housing price inflation.

### Pillar 2: Targeted Investment and Monitoring at EU Level

- **Proposal 6:** Allocate part of the Social Climate Fund to support public-private investments in social housing through grants and guarantees.
- **Proposal 7:** Create a European Affordable Housing Observatory to monitor private investments, affordability, and progress on social and environmental goals.
- **Proposal 8:** Integrate affordable housing investment targets into the European Semester process, encouraging Member States to prioritise public investment.
- **Proposal 9:** Require that at least 50% of EU-funded housing project budgets be dedicated to social and affordable housing for low- and middle-income households.
- **Proposal 10:** Fund youth-focused homelessness programs and establish a harmonised EU-wide definition of homelessness.

### Pillar 3: Ambitious Social Targets and Housing Rights

- **Proposal 11:** Increase social housing stock to at least 15% of total housing by 2030 with binding EU targets.
- **Proposal 12:** Align national housing strategies with EU targets and enforce monitoring mechanisms through EU processes.
- **Proposal 13:** Aim to end homelessness by 2030 using the Housing First approach and strengthen EU-wide data collection disaggregated by age and gender.

## **Pillar 1: Establishing Clear EU Policy Frameworks**

### **Proposal 1: Broaden the EU's definition of “social housing” to enable more public housing initiatives**

The EU's Services of General Economic Interest Decision defines “social housing” too narrowly, limiting it mainly to housing for the poorest or most disadvantaged groups [3]. This restrictive scope means only a small subset of public housing projects qualify for uncapped State aid under the simplified SGEI regime, while broader affordable housing initiatives, such as subsidized rentals for working or middle-income families, are excluded and must follow stricter state aid rules. As a result, public authorities have limited flexibility to expand or innovate their housing policies beyond this narrow category. We echo Enrico Letta's analysis that broadening the definition to include all affordable or publicly-supported housing is essential [4]. This reform would enable more inclusive projects to benefit from streamlined state aid, unlocking greater funding and policy flexibility necessary to address Europe's diverse housing needs.

### **Proposal 2: Establish a Social Taxonomy recognising affordable housing as a key social objective and introduce Social Bonds combining social and green standards to finance sustainable affordable housing projects**

Current sustainable finance frameworks often neglect affordable housing as a core social objective, limiting investment in projects with both social and environmental benefits. The Platform on Sustainable Finance's Social Taxonomy sets clear criteria for activities with positive social impact, including affordable housing [5]. The European Commission should adopt this taxonomy and explicitly recognize affordable housing to guide sustainable investments. Alongside this, introducing Social Bonds that merge social and green standards would further fund sustainable affordable housing. This dual approach would align investor interests with public policy, unlocking capital for developments that address Europe's housing and climate challenges.

### **Proposal 3: Revise State Aid rules to allow greater flexibility for affordable and energy-efficient housing projects**

In line with the European Commission's recent efforts to update State aid rules for greater alignment with current political priorities [6], similar revisions should be made to allow greater flexibility specifically for affordable and energy-efficient housing projects. Updating the framework to better support social housing would empower public authorities to implement more inclusive and sustainable housing policies, aligning with the EU's wider social and climate objectives. Such reforms are essential to unlock funding and foster innovation needed to address Europe's pressing housing challenges.

[3] [Decision 2012/21/EU](#), European Commission

[4] [Much more than a Market](#), Enrico Letta

[5] [Final Report on Social Taxonomy](#), Platform on Sustainable Finance

[6] [Clean Industrial Deal State Aid Framework](#), European Commission

#### **Proposal 4: Introduce VAT rebates for homes sold to first-time buyers**

While fiscal policy remains a national competence, the EU can encourage Member States to implement VAT rebates for first-time homebuyers. Such measures can lower the initial cost of purchasing a home, making homeownership more accessible for individuals and families. This would stimulate demand in the affordable housing market and support social mobility by easing financial barriers. Implementing VAT rebates aligns with broader EU goals to promote inclusive housing policies and help more citizens secure stable, long-term housing.

#### **Proposal 5: Limit investor speculation and short-term rentals like Airbnb to protect long-term housing and control price increases**

Building on Short-Term Rental Regulation [7], which improves transparency by requiring platforms like Airbnb to share data with local authorities, the EU should introduce measures to limit speculative and large-scale investor purchases. Regular monitoring of speculation's impact by European statistics offices and an EU-wide tax on empty properties would help protect long-term rentals and curb price inflation. Effective implementation and increased transparency are essential to keep housing accessible and affordable across the EU.

### **Pillar 2: Targeted Investment and Monitoring at EU Level**

#### **Proposal 6: Allocate part of the Social Climate Fund to support public-private investments in social housing through grants and guarantees**

The Social Climate Fund offers a unique opportunity to tackle the affordable housing crisis while advancing the green transition [8]. Earmarking part of the fund for social housing would foster public-private partnerships, using grants and guarantees to reduce investment risks. Targeted funding could accelerate the construction and renovation of energy-efficient, affordable homes, particularly in high-cost urban areas, combining social inclusion with environmental goals and enabling scalable solutions across Member States.

#### **Proposal 7: Create a European Affordable Housing Observatory to monitor private investments, affordability, and progress on social and environmental goals**

Effective policymaking requires robust data and monitoring. Establishing a European Affordable Housing Observatory would centralize information on private investment flows, housing affordability, and progress toward social and environmental targets. This initiative would contribute to tackle the urgent affordability challenges faced by young and middle-income households in EU cities. The Observatory would provide policymakers, investors, and civil society with reliable, comparable data to assess policy impact, identify gaps, and promote best practices, ensuring investments foster accessible, sustainable housing across Europe.

[7] [Regulation 2024/1028](#), European Parliament and Council of the EU

[8] [Regulation 2023/955](#), European Parliament and Council of the EU



**Proposal 8: Integrate affordable housing investment targets into the European Semester process, encouraging Member States to prioritise public investment**

Affordable housing must be a core priority in EU economic governance. Incorporating binding investment targets into the European Semester process would compel member states to include affordable housing in their national reform programs and budgets. This would enhance policy coherence and focus resources on addressing shortages affecting vulnerable groups, particularly young people. Aligning housing priorities with broader social and climate objectives within the Semester framework will promote sustained public investment, supporting the development of inclusive and resilient housing markets across the EU.

**Proposal 9: Require that at least 50% of EU-funded housing project budgets be dedicated to social and affordable housing for low- and middle-income households**

To ensure EU funding effectively targets housing affordability, at least half of the budget in all EU-funded housing projects should be reserved for social and affordable housing aimed at low- and middle-income families. This safeguard would prevent resources from being diverted to luxury or speculative developments, addressing concerns regarding the exclusion of many young and middle-class Europeans from the housing market. Such a requirement would guarantee that EU funds directly support socially inclusive housing supply, advancing both social equity and climate goals.

**Proposal 10: Fund youth-focused homelessness programs and establish a harmonised EU-wide definition of homelessness**

Youth homelessness remains a critical social issue demanding EU attention. Dedicated funding for youth-specific homelessness programs would improve prevention, support, and access to stable housing for this vulnerable group. Complementing this, creating a harmonised EU-wide definition of homelessness is essential for consistent data collection, policy coordination, and monitoring across Member States. These measures, rooted in the principles of the European Pillar of Social Rights and supported by recent policy initiatives, would strengthen EU efforts to combat homelessness, reduce social exclusion, and promote long-term housing stability for young people.



## **Pillar 3: Ambitious Social Targets and Housing Rights**

### **Proposal 11: Increase social housing stock to at least 15% of total housing by 2030 with binding EU targets**

Setting a binding EU target for social housing to represent at least 15% of total housing stock by 2030 would ensure sustained investment and political commitment. Many Member States currently fall far below this benchmark, exacerbating housing shortages and inequality. An EU-wide goal would drive policy alignment, prioritise funding, and encourage innovative construction models. Clear interim milestones and annual reporting would help track progress and hold governments accountable. By securing a substantial social housing base, this measure would create long-term resilience against affordability crises.

### **Proposal 12: Align national housing strategies with EU targets and enforce monitoring mechanisms through EU processes**

To deliver on EU housing objectives, Member States should be required to align their national strategies with agreed EU targets, such as social housing shares or affordability benchmarks. The European Semester and other governance tools should be used to monitor compliance, assess performance, and recommend corrective measures. This approach would ensure policy coherence, avoid fragmented action, and facilitate the exchange of best practices across countries. Strengthened monitoring mechanisms would also enhance transparency, enabling citizens and stakeholders to track progress and hold decision-makers to account.

### **Proposal 13: Aim to end homelessness by 2030 using the Housing First approach and strengthen EU-wide data collection disaggregated by age and gender**

Ending homelessness by 2030 requires a coordinated EU framework centred on the Housing First model, which prioritises providing stable housing before addressing other social or health needs. Member States should adopt this evidence-based approach and commit adequate resources for its implementation. To measure progress, the EU should develop standardised, disaggregated data collection systems, enabling a clear understanding of homelessness trends across age groups and genders. This would help tailor policies to the most vulnerable populations and ensure targeted, effective interventions. A united effort could make the goal of ending homelessness within reach.

## Concluding remarks

Solving Europe's housing crisis requires ambition, cooperation, and vision. Our Union holds the tools to make housing markets fairer and more resilient. Social inclusion and sustainability must be at the heart of future action. A fairer housing system can strengthen communities and protect the most vulnerable. Now is the moment to turn shared aspirations into lasting change.

*YDE is the youth wing of the European Democratic Party, headquartered in Brussels. YDE comprises 13 full members across 10 European countries, along with partnerships in a dozen other European countries. YDE strives to promote democratic values, foster youth participation in politics, and advocate for a united and sustainable Europe. YDE is governed by a board of 13 members, led by its president, Alice Bernard-Montini. All board members represent parties with membership status within the organization, ensuring cohesive representation and active collaboration among European youth.*

