

Right to Housing! Now and Forever

Legal Proposal

1. RECOGNISE

Recognise the Right to Housing and place it at the centre of EU policy by

- 1.1 Establishing and institutionalising the Right to Housing under Council recommendation on the Right to Housing
- 1.2 Defining housing rights-based criteria for social conditionality for EU housing policies and subsequent housing programmes including all related investments
- 1.3 Proposing a European Pact on Housing

2. RESPOND

Respond to the crisis as the emergency it is, and act now with the existing building stock by

- 2.1 Fully activating the Integrated Political Crisis Response (IPCR) mechanism
- 2.2 Initiating emergency procedures under the Internal Market Emergency and Resilience Act (IMERA)
- 2.3 The Commission calling on the Council to use EU Civil Protection Mechanisms
- 2.4 Protecting tenants from displacement linked to EU-funded renovation

3. REGULATE

Regulate housing markets beyond short-term rentals and address speculation and financialisation by

- 3. Proposing a European Housing Act

4. REFORM

Reform the structural causes through social conditionality, fiscal rules and climate safeguards by

- 4.1 Guaranteeing public funding through an EU fund on housing changing EU fiscal rules and State aid rules
- 4.2 Mainstreaming social conditionality and standards for private investment
- 4.3 Increasing the financial viability of housing delivery through renovation and transformation
- 4.4 Establishing an EU Agency for Housing
- 4.5 Adopting a resilience approach in line with EU climate and environment law

Evidence

Housing has become the central social and ecological question of our time. According to Eurostat, 10.6% of urban EU households spend more than 40% of their disposable income on housing. Rents have risen by 27.8% on average since 2010, with increases exceeding 100% in Estonia, Lithuania, Hungary and Ireland. In Lisbon, average rents have reached 116% of average salaries. The average age of leaving the parental home is 26.2 years across the EU, and over 30 in Italy, Spain, Greece, Slovakia and Croatia.

As widely recognised, the EU faces a demographic crisis characterized by sustained population decline and a rising old-age dependency ratio.¹ This situation is exacerbated by the shortage of affordable housing, which acts as a structural barrier that prevents young people from living independently and moving for work and study. Ultimately, this shortage threatens the generational renewal and economic competitiveness of the entire European Union.²

The current building stock reflects this crisis: an estimated 47,5 million homes stand empty across Europe,³ while 75% of the European building stock is energy inefficient and needs to be renovated to meet the 2050 climate goals. With a renovation rate of 1% per year, the EU is moving three times too slow to meet this climate goal.

Policy Background

In 2024, the European Commission confirmed its intention to address Europe's housing crisis at EU-level, in part by tackling its structural drivers, including but not limited to improving and financing the delivery of housing.^{4,5} The ultimate objective of the subsequent European Affordable Housing Plan (EAHP) is to address *'one of the most pressing needs of European citizens: access to affordable, sustainable and good-quality housing'*⁶. To do so, the EAHP rightly recognises that *'housing is not just a commodity, but a fundamental right and a cornerstone of human dignity'* (p.1).

However, the overriding EU political focus on boosting Europe's competitiveness has led the plan to address Europe's urgent and complex housing crisis by simply focusing on boosting investment and economic activity related to housing. This equates to continuing the same approach in the same market context with some mild policy interventions and expecting transformative results; rather than providing a basis for more radical action that can enable the fundamental right to housing to be fulfilled for all European citizens, and especially for those most in need. This is not just about housing, but the faith of citizens in the EU democratic system to provide the response that they are calling for.

The Right to Housing

A fundamental treaty of the Council of Europe, the European Social Charter, provides the basis for development of EU law to guarantee specific social and economic rights, primarily through a *commitment to develop policies and pursue by all appropriate means, the attainment of conditions to realise numerous rights and principles* for EU citizens. In this context, the Right to Housing and several associated rights guaranteed or benefitting from housing are all strongly supported and should be reflected appropriately in EU law.⁷ While this basis for EU-level action has been widely accepted and cited by both the European Commission and

¹ European Commission (2023). Communication from the Commission: Demographic change in Europe: a toolbox for action. COM(2023) 577 final.

² European Commission (2025), The European Affordable Housing Plan, COM(2025) 1025 final.

³ FEANTSA (2024), Reclaiming Vacant Spaces: Affordable Housing Opportunities in Europe's Empty Buildings.

⁴ Europe's Choice – Political Guidelines for the next European Commission (2024-2029)

⁵ Mission Letter to Dan Jorgensen – European Commissioner for Energy and Housing

⁶ Commission takes action for more affordable housing across Europe – EAHP Press Release

⁷ Articles 15(3), 16, 19(3), 23, 30 and 31 of the revised European Social Charter (accessible [here](#)).

Parliament,⁸ the omission of a similar commitment by the Council of the EU⁹ points to inherent concerns regarding the validity and scope of the EU response, and consequently deference to EU treaties concerning categories and areas of competences¹⁰, subsidiarity and proportionality¹¹ concerning the obligations and responsibilities of EU law. This lack of adherence with housing as a fundamental right to EU citizens is also demonstrated by a wide-reaching set of collective complaints against Member States not complying with the Right to Housing under the European Social Charter.¹²

This contrast between the common commitment for action to address issues related to housing and the strictly defined scope for action highlights the legal tensions that have prevented EU policy action on housing until recently, and that continue to restrict action under the EAHP, to the extent that it risks prolonging or even worsening the housing crisis through an imbalance in priorities and measures focusing on the housing sector rather than the Right to Housing itself. In essence, the European Commission has been given a poison chalice: a mandate to help address Europe's housing crisis, but only within the constrained boundaries of policy areas defined and governed by EU treaties, and permitted by the political negotiations among EU institutions.

All that being true, the scope for EU leadership and action is larger than what has been defined by the political process until now, and the ground lost in political debate should be re-established to support the EAHP to reach its maximum potential and truly respond to the housing needs of EU citizens.

Guided by the legal basis for the EU to legislate on social issues¹³ and the Union's broader obligations to consider as the embodiment of EU fundamental rights in policymaking 1) the promotion of employment; 2) the guarantee adequate social protection; 3) the fight against social exclusion; and 4) a high level of education, training and protection of human health, the European Commission as the executive body of the European Union should propose a stronger legal and financial response under the proposed EAHP and subsequent legislation. Moreover, in the field of social policy the EU also has the ability to develop legislation on the basis of the work related dimensions of EU social policy as an added focal point for EU action on housing.

Beyond social policy, numerous other competency areas and common policy objectives are intrinsically connected with housing. The aim of establishing or ensuring the functioning of the internal market as laid out under TFEU Article 26, commitments to ensuring the free movement of goods, persons, services and capital is also essential to practically delivering on the Right to Housing. From a medium to long term perspective, TFEU Articles concerning climate and environment,¹⁴ as well as energy¹⁵ are essential to ensuring that solutions are resilient to immediate and future challenges for sustaining delivery on the Right to Housing for EU citizens.

Why a European Citizens' Initiative on the Right to Housing! Now and Forever

The resulting approach and political narrative guiding implementation of the EAHP focuses on supplying new housing through construction to correct decades of neglect and extractive practices in the housing sector; rather than seeking the most direct and effective approaches that can enable a swift and immediate response to the crisis that millions of Europeans are suffering from right now. The risk with this approach is twofold: 1) a broad investment and supply focused approach to housing risks proliferating and deepening the housing crisis; and 2) further political backlash against the European Union for taking unilateral action that fails and further worsens the social conditions of millions of citizens by fringing on their fundamental rights.

⁸ European Parliament Report on the housing crisis in the European Union with the aim of proposing solutions for decent, sustainable and affordable housing (2025/2070(INI)) (accessible [here](#)).

⁹ Council of the European Union (2025) Presidency conclusions on the future European Affordable Housing Plan (15709/25) (accessible [here](#)).

¹⁰ TFEU Article 2 concerning the categories and areas of EU competence.

¹¹ TFEU Article 5 concerning the governance of EU competence by the principles of subsidiarity and proportionality.

¹² See collective complaints lodged by FEANTSA against EU Member States via Housing Rights Watch.

¹³ TFEU Article 9 concerning socially oriented principles for the development of EU policies.

¹⁴ TFEU Articles 191 and 192 on environment concerning both nature protection and restoration, as well as climate change.

¹⁵ TFEU Article 194 on energy concerning the aims of EU energy policies concerning commitments to promote energy efficiency and energy saving and the development of new and renewable forms of energy.

Europe's buildings are expensive, empty, and broken. These three key symptoms of Europe's housing crisis are interconnected and require a holistic response, rather than a largely singular course of action, while exploring other opportunities for analysis or exchange on future solutions. Policymakers must come together to take bolder action to deliver to EU citizens their Right to Housing; and with it support their right to security, dignity, equality, residence and social inclusion.

In this context, needs and demands of EU citizens must once again be heard in order to redirect policymakers to take action in guaranteeing the Right to Housing that can address the root causes of Europe's housing crisis, providing those most in need or vulnerable to its effects, and ensuring that housing is no longer seen as a commodity, to the benefit of society as a whole, now and forever.

This European Citizens' Initiative (ECI) legal proposal therefore focuses on actions to develop and amend legislation to

1. **Recognise:** Formally acknowledge and strengthens the legal framework to deliver on the Right to Housing, in part through a European Pact for Housing;
2. **Respond:** Enable an emergency crisis response to the housing crisis;
3. **Regulate:** Harness the full potential of the proposed act on housing; and
4. **Reform:** Propose a range of measures for long-term impact under the European Pact for Housing.

The following sections of this legal proposal further detail the above listed areas for actions and put forward specific recommendations for existing or foreseen policy measures under the European Affordable Housing Plan and connected tools or legislation.

1. RECOGNISE

Challenges:

Across the EU, rents have risen faster than incomes. For young people, low-income households and vulnerable groups, finding or changing a home has become increasingly difficult. Many cannot move out, move closer to work or study, or adapt their housing to changing needs. Overcrowding, insecurity and a growing loss of control over everyday life are becoming part of the housing experience for more and more people.

At the same time, homelessness exists alongside empty buildings. In Brussels, former social housing blocks stood empty for years while people, including children, lived there without basic utilities. This makes visible a deeper failure: the problem is not only a shortage of buildings, but the absence of a rights-based housing policy.

Housing is still too often treated as charity or emergency shelter rather than as a right. The contrast between Vienna's public housing tradition, Brussels' vacant social housing, and rising rents across European cities shows how strongly housing outcomes depend on political choices.

Objectives:

The EU should recognise housing as a right, not only as a market commodity or a form of social assistance. This requires a European Pact on Housing with minimum standards, transparent monitoring, and social criteria for EU funding. It also requires a shift from emergency shelter to secure housing, making Housing First the guiding principle of homelessness policy.

Full substantive recognition and integration of the Right to Housing:

EU and National policymakers must respect and uphold the Right to Housing under all policies as part of the EU's response to the European Housing Crisis. EU Member States therefore must be legally required by housing, social, and other related policies to fulfil their legal obligations to citizens to deliver on the Right to Housing, in full respect of subsidiarity and leaving Member States full discretion regarding the concrete instruments used.

Proposed legal actions:

1.1 Institutionalise the Right to Housing in the EU policy framework through a proposal for a Council recommendation. By leveraging relevant Articles under the Treaties for the Functioning of the European Union (listed below), the European Commission should immediately propose a Council Recommendation on the *Right to Housing for EU Citizens* focused on driving the full recognition of the Right to Housing by Member States, in complement to the proposed Council Recommendation on *Fighting Housing Exclusion* aiming to promote the *design and implementation of policies based on a person-centred, housing-led and integrated policies approach*. The additional recommendation would primarily formalise the principles and importance of the fundamental Right to Housing, and the need to address the housing crisis as a true crisis, using currently available resources, namely vacant buildings and floor space, to rapidly deliver housing where it's needed most at the quickest possible speed, and a commitment to permanent, structural solutions to the housing crisis in Europe. The Council recommendation would provide the required legal clarity concerning interpretation of relevant treaties in the context of EU law that housing is indeed a fundamental right of EU citizens, and most importantly that the EU and Member States have a shared legal obligation to deliver for EU citizens. To support this right, financial provisions should be put in place, including conditions attached to EU funding that protect tenants from displacement caused by EU-funded renovation. This should include dedicated conversion programmes linking vacant public and private buildings directly to permanent housing for homeless people, a requirement for Member States to report annually on the gap between vacancy and homelessness, and support for models that connect vacant public buildings directly to Housing First programmes underpinned by long-term affordability. Legal proposals for these provisions follow in the remaining sections of the document.

1.2 Define a clear set of housing rights-based criteria for social conditionality for EU housing policies and subsequent housing programmes including all related investments. As part of the proposed recommendation on the Right to Housing, the European Commission should ensure that corresponding principles of social conditionality are developed and agreed upon to form a central part of legal guarantees that the EU policy framework will ensure measures supported by public policy and funding effectively implement the Right to Housing across all contexts and through various practices. This conditionality should ensure protection against financialisation and speculative practices across all housing programmes in any way associated with EU-level

initiatives to begin transforming the sector long-term, including those associated with renovation and transformation of existing buildings which hold less visible social risks associated with displacement for physical or financial reasons. Mechanisms to guarantee permanent affordability, tenant protections, and legal obligations of the relevant authority, organisation or individual overseeing the housing unit(s) should be established.

1.3 Operationalise the Right to Housing in EU housing and social policies through a European Pact for Housing: To complement the EAHP and to build upon the proposed Council recommendation, the European Commission should propose concrete policy actions rooted in the Right to Housing through a European Pact for Housing. The pact should be a Communication that puts forward an accelerated and systemic EU response to the housing crisis focused on restructuring Europe's housing system. The communication should put forward legal proposals reflecting the rights-based approach to housing reflected throughout this proposal to empower public authorities to take action to tackle the clear consequences of the housing crisis in Europe now, and to adopt structural reforms to ensure the Right to Housing is sustained long-term, in part through long-term and permanent affordability mechanisms. The Pact should also address the problem of the lack of skilled labor in the construction field, in part by enhancing the Blue Card program and the BUILD UP Skills initiative.

Provisions of the Treaties considered relevant by the group of organisers for this set of proposed actions:

- TFEU Article 9 concerning the guarantee of adequate social protection, the fight against social exclusion, and the obligation of the European Union to consider these elements in the development of all policies.
- TFEU Articles 151 and 153 concerning shared Union and Member State obligations concerning fundamental rights under the European Social Charter, namely improved living conditions, better harmonisation of social systems across the EU, and the role of the European Union in fostering social security and combatting social exclusion through non-binding measures to support and coordinate Member State action.
- TFEU Article 175(3) as the operative basis for housing-related social conditionality attached to EU cohesion funding, providing for the adoption of specific actions outside the Structural Funds to achieve the Union's cohesion objectives. TFEU Articles 9, 151, 153 and 174 inform the social and cohesion objectives of the proposed Council recommendation and Communication but do not, by themselves, constitute an operative basis for binding measures.
- Article 17 of the Charter of Fundamental Rights of the European Union, in particular the statement that *'everyone has the right to own, use, dispose of and bequeath his or her lawfully acquired possessions, [and that]... no one may be deprived of his or her possessions, except in the public interest and in the cases and under the conditions provided for by law, subject to fair compensation being paid in good time for their loss, [and that]... the use of property may be regulated by law in so far as is necessary for the general interest.'*

2. RESPOND

Challenges:

Across Europe, homes, offices and commercial buildings stand empty while housing needs continue to grow. In Austria, an AI-based study identified millions of square metres of vacant commercial space. In Berlin, practical initiatives have shown that empty buildings can be turned into non-speculative housing when legal and financial barriers are removed.

Yet public policy still focuses mainly on new construction, even where existing buildings could be reused more quickly and sustainably. Renovation remains too slow, and investment continues to flow where policy gives it direction. As a result, most of the work still lies ahead: 75% of Europe's building stock has not yet been renovated, and at the current annual rate of 1%, the EU will miss its 2050 target by decades.

Some Member States, including Italy, France and Belgium, already use reduced VAT rates for certain renovation works, showing that fiscal tools can support reuse. At the same time, vacancy remains largely invisible. Across the EU, there are still no common definitions, registers or reporting systems that would allow empty buildings to be identified and brought back into use.

Objectives:

The EU should treat the housing crisis as an emergency and act on the existing building stock now. This requires common rules to identify and measure vacancy, support for converting empty buildings into housing, fiscal incentives such as reduced VAT for renovation and reuse, and an EU Housing Agency to support coordination and implementation.

Enable an emergency crisis response to the housing crisis:

Building on the establishment of the Right to Housing, Member States, housing authorities and the EU as a whole must be empowered and enabled to respond to the EU-wide housing crisis rapidly, appropriately and responsibly. As part of the proposed Council recommendation on the Right to Housing, the European Commission should propose to declare the European Housing Crisis as a Crisis. The EU should then harness EU emergency response competences and crisis management policies to coordinate and pool resources to accelerate delivery on the Right to Housing. The proposal should focus on the use of resources and cooperation procedures to roll out Housing First approaches on a large scale focusing on the use of existing vacant housing units and other vacant floor space as an immediate solution. Primarily, this should involve a combination of accelerated coordination of political and material resources, while ensuring civil protection of those deprived of their Right to Housing is also considered as part of the EU's emergency crisis response on housing, at least in the short-term.

Proposed legal actions:

2.1 Full activation of the Council of the EU's Integrated Political Crisis Response (IPCR) mechanism to enable a rapid response through information sharing, analytical reports, dedicated crisis meetings, and proposals for coordinated EU action to address the housing crisis currently damaging and threatening cities, towns, and communities across the continent.

2.2 Initiate emergency procedures under the Internal Market Emergency and Resilience Act (IMERA) to support rapid implementation of housing programmes through measures to foster rapid movement of goods, services and persons that ensure renovation and construction projects can be implemented as soon as possible. This will enable EU and Member States to focus the collective resources of the construction sector on the emergency response to the housing crisis by concentrating efforts on the renovation and conversion of existing space in-situ for housing; in tandem with moratoriums or other preventative measures that steer sector resources, funding and finance away from redundant and often speculative construction projects, this could for example prevent the oversupply of offices in housing stressed cities. Moreover, this could support rapid attainment of affordable housing stock by providing legal guidance to public authorities for the attainment of additional affordable housing stock through emergency measures such as compulsory purchase orders in line with EU and National fiscal rules, as well as through non-financial means including action for cessation or public management rights for the purpose of providing housing. Further details for medium-long term solutions of a similar nature are detailed under sections 3 and 4 of this legal proposal.

2.3 Initiate use of EU Civil Protection Mechanisms to support vulnerable groups, namely those without a home, as a means to risk prevention, for example by supporting increased protection from more extreme weather events driven by climate change to deliver adequate prevention and preparedness actions. This is limited to genuine civil-protection and disaster-preparedness actions and does not extend to the provision of permanent housing or to restricting the sale of housing.

2.4 Protect tenants from displacement linked to EU-funded renovation through targeted amendments to specific EU funding instruments. In particular, the Commission should propose: to amend Regulation (EU) 2023/955 establishing the Social Climate Fund to clarify that eligible measures include support for tenants to remain in a renovated home; and to ensure that Member States may not award funds under Regulation (EU) 2021/1056 (Just Transition Fund) or Regulation (EU) 2021/1058 (European Regional Development Fund and Cohesion Fund) to projects that disproportionately displace tenants. A general budgetary-conditionality approach modelled on Regulation (EU, Euratom) 2020/2092 may reinforce these instrument-specific conditions.

Provisions of the Treaties considered relevant by the group of organisers for this set of proposed actions:

- TFEU Article 114 regarding the ability to lay down measures in line with achieving objectives of the Internal Market (TFEU Art. 26); supported by TFEU Article 46 concerning free movement of workers for the achievement of corresponding objectives related to the delivery of housing.
- TFEU Article 196 as the basis only for genuine civil-protection and disaster-preparedness measures (2.3), and not for any measure to prevent displacement, to provide permanent housing, or to restrict the sale of housing.
- For the protection of tenants from displacement linked to EU-funded renovation, through targeted amendments to specific EU funding instruments rather than any autonomous Union prohibition:
- TFEU Article 175(3), for amendments to Regulation (EU) 2021/1056 establishing the Just Transition Fund;
- TFEU Articles 177(2) and 178, for amendments to Regulation (EU) 2021/1058 on the European Regional Development Fund and the Cohesion Fund;
- TFEU Article 91(1), point (d), Article 192(1), Article 194(2) and Article 322(1), point (a), for amendments to Regulation (EU) 2023/955 establishing the Social Climate Fund;
- TFEU Article 322(1), point (a), as a general financial-rules basis, as in Regulation (EU, Euratom) 2020/2092 (upheld in Case C-156/21, Hungary v Parliament and Council).

3. REGULATE

Challenges:

In many cities, housing prices have become disconnected from local incomes. In Lisbon, average rents have reached 116% of average salaries. Across Europe, middle-income households increasingly find themselves too poor for the private market, yet excluded from social housing.

Speculation adds further pressure. Spain abolished its Golden Visa programme in April 2025, explicitly citing the housing crisis, while Portugal ended a similar scheme in 2023. Yet eight EU countries still operate active programmes. At the same time, short-term rentals continue to reduce housing supply in many cities. Venice has become a symbol of touristification, with more tourists than residents, while in cities such as Bologna, student housing and small flats are increasingly treated as financial assets rather than homes.

Beyond short-term rentals, misuse and underuse of property remain major problems. Underoccupied dwellings, vacant offices and investment-driven ownership patterns all reduce the amount of housing that is actually available to live in. The result is a market that increasingly rewards extraction rather than use.

Objectives:

The EU should regulate housing markets where speculation and financialisation are driving homes out of reach. This requires affordability standards, restrictions on speculative investment schemes such as Golden Visas, stronger regulation of short-term rentals, and rules that favour renovation, reuse and long-term residential use over extractive demolition, reconstruction and asset accumulation.

Enable and promote effective Right to Housing policies across the EU through a European Housing Act:

Under the proposed EAHP and in line with conclusions of the supporting Staff Working Document¹⁶ the European Commission should propose a broader range of housing interventions to turn vacancy from cause to solution for the housing crisis, either through amendment to the existing proposal for an Affordable Housing Act (AHA) or through a parallel proposal for a European Housing Act (EHA). The European Housing Act (EHA) that we propose should harness the promising ideas of the existing AHA such as the definition of housing stressed areas and support for public authorities to protect and promote affordable housing by taking account of all vacant or underused space, either due to speculative investment, STR use, or for any other reasons. By replicating the process to data collection and sharing relating to short-term accommodation rental services and amending Regulation (EU) 2018/1724¹⁷ the European Commission can foster rapid action to better inform policymakers regarding the role of vacancy in the housing crisis, while using the newly proposed act to legally enable action by public authorities. As with the upcoming AHA, this amended or additional EHA would be in full respect of subsidiarity and leaving Member States full discretion regarding the concrete instruments used thereafter.

As a recommendation, the European Housing Act must include:

- Development of parameters and scenarios defining areas under housing stress to take account of vacant or underused parts of the existing building stock or brownfield sites as a proportionate driver of housing stress that can be addressed by relevant measures alongside STRs.
- Development of tools and enablers that facilitate a simplified administrative and technical processes for safely and sustainably repurposing and renovating unused space for the purpose of conversion into housing, such as guidance on the waiver of relevant permitting procedures and the application of building codes applicable to an existing structure or new structure for housing purposes. These should be developed to support trusted housing providers and social actors to help facilitate these processes in partnership with local authorities and communities to ensure housing reaches those who need it in the location in which it is being delivered.

¹⁶ European Commission (2025), The European Affordable Housing Plan, COM(2025) 1025 final and supporting Staff Working Document (SWD/2025/1053/2), and the proposed Affordable Housing Act.

¹⁷ Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services.

- Legal support for public authorities to both rescind permission or seize land to ensure use for affordable housing as opposed to private market developments; and take action that penalise speculative practices and the underuse of suitable housing space in areas under housing stress, such as taxation or compulsory purchase measures.
- Develop a system of measures preventing unnecessary vacancy, both in terms of tenant protection measures and community empowerment for the use of vacant residential space, including through innovative yet well-established trust-based and cooperative ownership models
- Establish mandatory vacancy registers at local level with standardised EU definitions covering residential, commercial and office buildings, annual reporting obligations to the EU Housing Agency (see under 4.4), open data requirements, and EU support for citizen-led vacancy mapping initiatives.
- Create a European matchmaking platform connecting owners of vacant buildings with housing cooperatives, community land trusts and social housing providers; establish legal frameworks supporting commons-based ownership models with anti-speculation locks preventing resale to the speculative market, with priority access to EU funding for non-speculative actors.
- Establish an EU-wide mandatory registration system for short-term rental platforms with data-sharing obligations to local authorities; empower Member States to set annual day caps in housing-stressed areas; require platforms to disclose property concentration data; and safeguard that tourist accommodation cannot receive affordable housing investment.
- Extend the EU Anti-Money Laundering framework to require enhanced due diligence for residency-by-investment programmes involving real estate; require Member States to report annually on the housing market impact of Golden Visa investments; and ensure that social housing built or renovated with EU funds remains permanently in the affordable system with legally binding anti-speculation locks.

Provisions of the Treaties considered relevant by the group of organisers for this set of proposed actions:

- TFEU Article 114 as the primary operative basis for the European Housing Act, for the approximation of national rules on rent, tenancy protection and social-housing obligations that fragment cross-border investment in residential property and the functioning of EU mortgage and rental-service markets (as, for example, with Directive 2014/17/EU on credit agreements relating to residential immovable property) — covering enforceable affordability standards, the regulation of short-term rentals, and measures against vacancy.
- TFEU Article 64(2) for measures on the movement of capital to or from third countries involving direct investment in real estate, as the basis for capital-control-type measures such as restrictions on residency-by-investment ("Golden Visa") schemes.
- TFEU Articles 9, 14 and 151 as horizontal provisions framing the social objectives of these measures, informing but not by themselves constituting the operative basis.

4. REFORM

Challenges:

The housing crisis is also shaped by structural rules on funding, renovation and planning. While the European Commission foresees a European Affordable Housing Plan mobilising €43 billion, years of underinvestment by Member States mean that EU and national spending will need to increase substantially over the next decade to make up for lost time and lost housing capacity.

Renovation also shows why social safeguards matter. In Sweden, minor upgrades can justify rent increases while deeper problems remain unresolved. In Vienna, strong rent regulation can make refurbishment financially unattractive, sometimes encouraging demolition instead. In Brussels, community land trusts point to another path, combining renovation with permanent affordability and protection from speculation.

Housing policy is also too often disconnected from infrastructure and climate planning. In the Netherlands, housing, spatial planning, transport and energy systems still operate in separate policy silos. Venice illustrates the physical limits of expansion, while flood-risk zones in the Netherlands raise unresolved questions about who bears the risks and costs of climate change.

Objectives:

The EU should reform the structural drivers of the housing crisis through long-term funding, social conditionality, and climate-sensitive planning. This requires a permanent European housing fund, stronger support for socially just renovation, safeguards against displacement caused by climate upgrades, and better integration of housing policy with land use, transport and energy systems.

European Pact for Housing - a vehicle for structural reforms:

The goal is to use the proposed European Housing Pact for a package of legislative measures aimed at guaranteeing the Right to Housing for current and future generations. This should be achieved through a combination of measures to transform funding and financing of housing, coordinate governance and planning through an EU agency for housing and adopt a resilience-based approach to housing in line with EU climate and environmental law.

To make up the housing investment gap is rightly a policy priority but needs to be strengthened and better controlled to ensure an increased level of public money for housing is well spent, existing instruments such as ERDF, ESF+ and InvestEU can contribute, but they do not include a dedicated ring-fenced housing allocation. For the next MFF (2028–2034), the expected ESF+ allocation is described as around €121 billion. A ring-fenced 5% allocation would amount to roughly €6 billion for housing-related measures.

However, these figures fall far short of what is needed. Overall public investment is currently at risk of falling below 5% of GDP. At the same time, public and private housing investment needs to be redirected towards the right solutions, so that it delivers results both immediately and over the long term. Done well, this could be the budget that solves Europe's housing crisis. Several pressures make this urgent including household investment that is falling, the cost of delivering housing which is rising, and the retreat of capital investing in 'the real estate sector' for residential projects. To respond, the EU and Member States should be required to commit to societally focused housing investment of up to 1% of GDP. At least 20% of this should come from EU spending, and the rest from National budgets, so that EU policymakers keep sufficient leverage.

4.1 Guarantee consistent and sustainable public funding for public investment that delivers on the Right to Housing and unlocks related benefits long-term

At EU-level, this should be achieved primarily through dedicated ring-fencing of EU funds under the future MFF (2028-2034) through creation of a permanent EU Fund for the Right to Housing. The permanent fund should be worth at least €220bn or 10% of the total proposed budget for the next MFF period (2028-2034). This should be guaranteed through ringfencing as part of NRPP funding envelopes and policies associated with social cohesion (e.g., ERDF (2021/1058) or the European Social Fund Plus (2021/1057)), less developed regions, and the proposed EU facility, as well as the Competitiveness Fund in relation to facilitating the clean transition. Mobilising the existing iterations of the funds mentioned above, as well as the InvestEU fund (2021/523) for social housing and built-to-rent projects would also help if politically viable to amend in the immediate term. These amendments to

the current and future MFF, as well as corresponding regulation where required, should be proposed on the basis of TFEU Articles 175(3) and 164 concerning support for social cohesion and support via the European Social Fund to housing conditions for workers respectively. This would translate into a clear proposal for a ringfenced and permanent EU fund as part of negotiations on the EU Multi-annual Financial Framework currently underway based on the Commission proposal (2025/570/COM). All housing programmes linked to EU spending have to be underpinned by conditionality imposed by principles of the Right to Housing, with a focus on using what already exists, and the need to deliver resilient, long-lasting solutions to Europe's housing crisis. This could be quantified using a combination of recognised indicators rather than on the basis of affordability estimated by percentage of disposable income on housing which does not reflect the lived experience of affordability or the use of a housing unit to deliver on the Right to Housing.

At National level, for Member States to achieve the proposed increase in spending they should be enabled to increase investment and fund of housing projects but with greater fiscal headroom and stronger conditions on the use of State Aid in the same vein as proposed by the European Commission, but with adjustments as follows:

- **Fiscal rules:** Enable greater public investments in housing through exclusion from the calculation of national deficits under the Stability and Growth Pact. This should also be reflected in declassifying as debt the subsidies for delivering on the Right to Housing. These changes should be introduced in line with Articles 121 and 126 of the Treaty on the Functioning of the European Union (TFEU) justified on the broader social and economic benefits that housing brings.
- **State Aid rules:** On the basis of the revised State Aid rules concerning Services of General Economic Interest (SGEI) regarding housing (2025/2630/EU), amend the recently presented decision revising rules for state aid for support of social housing to introduce a category of investment that demonstrate clear delivery on the basic Right to Housing, reflecting housing first practices, with a much higher cap for notification to unlock public investment for aligned projects, as opposed to support for relatively 'affordable' housing as a complex and subjective metric that lacks clear definition across Europe. In particular, this should aim to help unlock capital for attainment and use of vacant and unused space that can provide an immediate solution to extreme housing stress.

4.2 Mainstream social conditionality and standards for private investment through a Commission proposal to the Council, and using relevant TFEU articles concerning the internal market for the free movement of capital (TFEU Articles 26) and Capital and Payments concerning foreign direct investments in real-estate (TFEU Article 64(2)) to harmonise standards for investment in housing at a much higher level of social conditionality based on legal proposal 1.2 of this document. Given the complexity of the EU capital and markets union, and recent proposals for market integration under the EU Savings and Investments Union, the designation of specific regulatory vehicles requires further analysis by the Commission services.

The same social conditionality should also be integrated into the sustainable finance framework through amendments to the SFDR or Sustainable Finance Disclosure Regulation 2019/2088/EU) and the EU taxonomy for sustainable activities (2020/852/EU). This should also be reflected in Do No Significant Harm Criteria (DNSH) to ensure that incentives are matched with requirements that clearly prevent negative social outcomes such as displacement or homelessness, for example to prevent financialisation and speculative practices.

4.3 Increase the financial viability of housing delivery through the renovation and transformation of existing buildings

- **Expand scope of the EU Strategy for Housing Construction:** The European Commission should expand the scope of this EU strategy (2025/991/COM) to focus more broadly on housing delivery over purely construction to support sector capacity expansion and increase the scale of housing delivery using what already exists. This should involve guidance and technical support to streamline project and risk management procedures by providing guidance and technical support based on existing best practices to overcome permitting, commercial risks, and technical concerns as part of renovation and transformation processes.
- **Incentivise housing delivery using what already exists:** Create a financial framework for housing and development that incentivises the use of existing buildings and vacant properties as residential space to deliver on the Right to Housing. This includes technical guidance and recommendations for tax measures and use of relevant financial instruments developed to support the Renovation Wave under the Energy Performance of Buildings Directive (EU/2024/1275) to support transformation measures that deliver energy-efficiency improvements in tandem with housing delivery.
- **Level the financial playing field for renovation:** In line with Article 113 TFEU, propose an amendment to the VAT Directive to enable Member States to apply a full VAT exemption for sustainable renovation

works, covering both labour costs and materials where materials are from renewable sources or are reused construction products, in order to create a clear cost advantage for renovation over demolition-and-rebuild.

Provisions of the Treaties considered relevant by the group of organisers for this set of legal proposal (4.1-4.3):

- TFEU Article 175(3) as the operative basis for a dedicated EU housing fund and related cohesion action, providing for the adoption of specific actions outside the Structural Funds to achieve the Union's cohesion objectives, acting through the ordinary legislative procedure after consulting the Economic and Social Committee and the Committee of the Regions. TFEU Articles 9, 14, 151, 153 and 174 frame the social and cohesion objectives of these measures but do not by themselves constitute an operative basis.
- TFEU Article 26 on the Internal Market concerning the free movement of goods, persons, services and capital, and the role of the Commission to propose to the Council that they determine guidelines and conditions necessary to ensure balanced progress in all the sectors concerned.
- TFEU Article 64(2) concerning the commitment of the EU to adopt the measures on the movement of capital to or from third countries involving direct investment – including investment in real estate – establishment, the provision of financial services or the admission of securities to capital markets.
- TFEU Article 121 concerning due consideration for the common interest of economic conditions.
- TFEU Article 126 concerning government deficits and the calculation of debt ratios to GDP.
- TFEU Article 113 concerning the harmonisation of indirect taxation (turnover taxes, excise duties and other indirect taxes) necessary for the functioning of the internal market, as the basis for the VAT exemption for sustainable renovation (4.3) and for the tax-related elements of the housing investment package (4.1).
- TFEU Article 115 concerning the approximation, by directive, of national laws that directly affect the establishment or functioning of the internal market, as a supporting basis for the EU housing fund and the reform of fiscal rules (4.1).
- TFEU Article 164 provides the legal basis for the implementation of the European Social Fund, authorising the European Parliament and the Council to adopt implementing regulations through the ordinary legislative procedure to facilitate the transition and mobility of workers.

4.4 Coordinated, participatory governance and planning at EU level through the establishment of an EU Agency for Housing.

The agency would have a focused mandate on delivering the Right to Housing sustainably in Europe. It would provide strategic oversight of public, social, and private housing programmes with a view to ensuring all existing space is used as efficiently as possible for housing purposes, while also developing practical toolkits for local authorities to solutions guaranteeing the Right to Housing. The EU Agency should be established following the model of ENISA¹⁸, and using structural funds to support cohesion under TFEU Articles 174 and 175, as well as other relevant treaty articles supporting the required scope of activities under TFEU Article 114.

Scope of objectives and activities of EU Agency for Housing:

- Improving the comparability and quality of data on rent affordability, housing cost overburden, vacancy rates, displacement, and access to public/social housing. This could involve annual monitoring and reporting of key indicators reflecting whether the Right to Housing for all EU citizens is being delivered upon;
- Supporting the effective design and implementation of housing-related measures that address key governance issues concerning the use, access, and maintenance of residential space by owners and tenants in cooperation with one another;
- Support the effective allocation of EU funding in the context of housing action by providing technical assistance to Member States to ensure that investments comply with social conditionality;
- Strategic oversight of EU funding and campaigning for high-impact investment: the Agency shall work in close cooperation with Member States to ensure that EU and national funds are directed toward long-term structural solutions rather than temporary consumption subsidies;
- Facilitating cooperation and exchange of best practices among Member States and local authorities, as well as development of focused sector capacity and skills for renovation and transformation of space to deliver the Right to Housing, as well as on the planning of housing programmes and related infrastructure; and
- Producing guidance, toolkits, and models that help public administrations deploy housing solutions and for

¹⁸ Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act) (Text with EEA relevance).

- citizens to engage in delivering housing solutions using what already exists.
- Producing an Annual European Housing Affordability Report with comparable indicators, a European Affordability Index for cross-Member-State comparability, model frameworks for social housing allocation systems, and an Affordability Toolkit for local and regional authorities.
- Develop harmonised EU-wide assessment standards for building reuse covering both risk and potential of existing buildings, including fire safety, accessibility, hazardous materials, structural capacities, and HVAC systems; assessments must also account for the potentials of renovation and the risks of new construction including resource limitations and supply chain dependencies; financial institutions must base investment decisions on these harmonised standards.

Provisions of the Treaties considered relevant by the group of organisers for this set of legal proposal (4.4):

- TFEU Article 114 concerning the development of policies to deliver high-levels of health, safety, environmental and consumer protection towards the achievement of objectives of the EU Single Market laid down under Article 26.
- TFEU Article 174, concerning the EU ability to develop cohesion policy to promote the EU's harmonious development. In addition to economic and territorial cohesion, this policy also envisages social cohesion.
- TFEU Article 175(3) concerning the ability of the European Parliament and the Council, under the ordinary legislative procedure (i.e., upon a proposal by the Commission), to adopt the necessary action, as well as for the adoption of specific actions outside the Structural Funds to achieve the Union's cohesion objectives, acting through the ordinary legislative procedure after consulting the Economic and Social Committee and the Committee of the Regions.

4.5 Adopt a resilience approach to the delivery of housing in line with EU climate and environment law

In line with our proposal for the EU response to the housing crisis to take a rights-based approach, it is equally important to ensure that current and future generations are well served by actions taken to deliver on the Right to Housing in the medium to long term. Avoiding short-term actions to this end entails undertaking policy actions that guarantee the Right to Housing now and forever. This means ensuring building performance and quality for climate law alignment and occupant health and wellbeing; while also ensuring that investments in housing deliver long-term benefits rather than being vehicles for the financialisation of buildings as real-estate assets after only a few decades of use. Ensuring long-term, permanent affordability to deliver on the Right to Housing is critical to maintain while pursuing housing programmes routed in holistic resilience as described below.

To achieve this, the European Pact for Housing should bring forward legislative actions that place resilience at the heart of the EU's rights-based strategy to housing. This includes energy, climate, and health resilience, all of which ensure housing means homes that deliver positive social outcomes and wellbeing for citizens now and for the future¹⁹.

Proposed policy actions as part of the European Pact for Housing

- **Foster a just transition:** Ensure the EU Climate Law (EU) (2021/1119/EU) and the EU Strategy on Intergenerational Fairness²⁰ forthcoming Intergenerational Strategy are used as anchors for the development of all policy proposals brought forward under the European Pact for Housing to ensure that housing delivery does not jeopardise current and future generations through accelerated carbon emissions. Housing programmes that integrate community participation, meaning that local communities - i.e. those who will live next to and may potentially benefit from housing projects - have an explicit role in the decision-making and governance processes of these projects. This ensures that homes are fit-for-purpose and adequately serve their target population. This can be achieved by partnering with community organisations and local housing providers who have a track record of embedding community agency and participation in housing development, such as but not limited to community land trusts.
- **Socially anchor the Renovation Wave in the Right to Housing:** Propose targeted amendments focusing on the integration of social conditionality and safeguards where relevant as part of the EPBD to better inform policies and implementation under National Building Renovation Plans (NBRP) currently under development and revised in future as per Article 3 of the Energy Performance of Buildings Directive (EU/2024/1275) in support of a more sustainable renovation-first approach to the delivery of housing under the combined EPBD and EAHP framework.

¹⁹ The beauty of what already exists: The contribution of renovation and repurposing to affordable energy-efficient homes (2025) – Green European Foundation, Heinrich Boll Stiftung, and Building Performance Institute Europe (accessible [here](#)).

²⁰ EU Strategy on Intergenerational Fairness (2026) - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions (accessible [here](#)).

- **Housing in harmony with nature:** Integrate clear requirements laid down under EU nature protection and restoration laws as part of forthcoming housing policies and programmes to prevent construction that threatens environmental damage to the detriment of the ecological resilience of Europe; that could have been prevented through the use of buildings that already exist to deliver housing.
- **Make grey emissions visible** through periodic life cycle assessments: include all life cycle emissions in energy performance certificates; integrate sustainability assessment of renovation investments into the Taxonomy Regulation; establish binding sector-specific emission reduction targets for the building sector under the Effort Sharing Regulation; and elevate climate protection to a substantive assessment standard in construction project approval. Comparative lifecycle carbon assessments for housing projects using existing buildings vs new buildings should be used to prioritise more climate-friendly renovation or conversions that rapidly deliver housing in line with principles of sufficiency applied to the built environment.²¹

Provisions of the Treaties considered relevant by the group of organisers for this set of legal proposal (4.5):

- TFEU Article 191 on Environment concerning (1) the obligation of EU policy to contribute to key environmental objectives, preserving, protecting and improving the quality of the environment, and the prudent and rational utilisation of natural resources, as well as (2) the obligation to based EU policy, where environmental protection is a concern, on to adopt the principle that preventative action is prioritised in their development.
- TFEU Article 192 on Environment concerning the ability of the Council to enact a special legislative procedure to develop policies to achieve the articles of Article 191 when the policies are fiscal in nature or concerning town and country planning, as well as land-use in line with TFEU Article 289(2) on the use of Special Legislative Procedures.
- TFEU Article 194 on Energy, in particular (2c) concerning the need for EU energy policy to aim to promote energy efficiency and energy saving and the development of new and renewable forms of energy.
- TFEU Articles 9, 14, 151, 153 and 174 as horizontal provisions framing the social and cohesion objectives of these measures, read together with the operative environmental and energy bases in Articles 191, 192 and 194 above. These horizontal articles do not by themselves constitute an operative basis.

²¹ European Commission (2026). Supporting life-cycle approaches to decarbonise European buildings. (accessible [here](#)). ‘*Within the context of buildings, this concept means improving the existing stock to create attractive and affordable buildings tailored to the occupants’ needs regarding space, services and accessibility, all while taking ecological limits into account. Such measures can contribute to a comprehensive decarbonisation effort by reducing demand for both materials and operational energy.*’(p.14).

SUMMARY LEGAL BASIS

Relevant articles of the EU Treaties	Corresponding legal proposal(s)
1. RECOGNISE	
TFEU Article 9 concerning the guarantee of adequate social protection, the fight against social exclusion.	1.1 Establishing and institutionalising the Right to Housing under Council recommendation on the Right to Housing.
TFEU Articles 151 and 153 concerning shared Union and Member State obligations concerning fundamental rights under the European Social Charter, namely improved living conditions, better harmonisation of social systems across the EU, and the role of the European Union in fostering social security and combatting social exclusion through non-binding measures to support and coordinate Member State action.	1.2 Definition of housing rights-based criteria for social conditionality for EU housing policies and subsequent housing programmes including all related investments. 1.3 Proposal for a European Pact on Housing. Sections 2-4 covering all remaining demands of the proposal justified by the Right to Housing.
TFEU Articles 174 and 175 concerning EU obligations to reduce disparities between the levels of development between EU regions as part of improvements to EU social cohesion through common EU funding or legislative action, including but not limited to the allocation of funding.	
2. RESPOND	
The IPCR is an existing Council crisis-coordination mechanism and does not require a separate TFEU operative basis.	2.1 Fully activating the Integrated Political Crisis Response (IPCR) mechanism
TFEU Article 114 regarding the ability to lay down measures in line with achieving objectives of the Internal Market (TFEU Art. 26);, supported by TFEU Article 46 concerning free movement of workers for the achievement of corresponding objectives related to the delivery of housing.	2.2 Initiate emergency procedures under the Internal Market Emergency and Resilience Act (IMERA).
TFEU Article 196, as the basis only for genuine civil-protection and disaster-preparedness measures.	2.3 The Commission should call on the Council to use EU Civil Protection Mechanisms.
TFEU Articles 175(3); 177(2) and 178; 91(1)(d), 192(1), 194(2) and 322(1)(a); and 322(1)(a) — being the legal bases of, respectively, Regulations (EU) 2021/1056, 2021/1058, 2023/955 and (EU, Euratom) 2020/2092.	2.4 Protect tenants from displacement linked to EU-funded renovation through targeted amendments to those specific EU funding instruments
3. REGULATE	
TFEU Article 114 as primary operative basis (approximation of national rules fragmenting the internal market in residential property and mortgage/rental-service markets), and Article 64(2) for capital-control measures on third-country investment. Articles 9, 14 and 151 as horizontal context only.	3. Propose a European Housing Act

4. REFORM	
Aforementioned treaty articles supporting the Right to Housing for EU citizens referred to under Section 1, namely TFEU Articles 9, 14, 151, 153, 174, and in particular	4. Justification for Pact proposal
TFEU Article 175(3) that provides for the adoption of specific actions outside the Structural Funds to achieve the Union's cohesion objectives, acting through the ordinary legislative procedure after consulting the Economic and Social Committee and the Committee of the Regions.	4.1 Dedicated EU fund on housing under the next MFF, including ESF and changes to EU fiscal rules
TFEU Article 115 concerning the approximation, by directive, of national laws that directly affect the establishment or functioning of the internal market.	
TFEU Article 164 provides the legal basis for the implementation of the European Social Fund, authorising the European Parliament and the Council to adopt implementing regulations through the ordinary legislative procedure to facilitate the transition and mobility of workers.	
TFEU Article 126 concerning government deficits and the calculation of debt ratios to GDP.	
TFEU Article 121 concerning due consideration for the common interest of economic conditions.	4.1 State aid rules focused on delivering the Right to Housing as a basis for exemption and support.
TFEU Article 26 on the Internal Market concerning the free movement of goods, persons, services and capital, and the role of the Commission to propose to the Council that they determine guidelines and conditions necessary to ensure balanced progress in all the sectors concerned.	
TFEU Article 113 concerning the harmonisation of indirect taxation for the internal market	4.3 Strategy for Housing Construction and VAT exemption for sustainable renovation
TFEU Article 64(2) concerning the commitment of the EU to adopt the measures on the movement of capital to or from third countries involving direct investment – including investment in real estate – establishment, the provision of financial services or the admission of securities to capital markets.	4.2 Mainstream social conditionality and standards for private investment.
Article 114 concerning the development of policies to deliver high-levels of health, safety, environmental and consumer protection towards the achievement of objectives of the EU Single Market laid down under Article 26.	4.4 EU Housing agency and their associated abilities concerning funding and other support activities.
Article 174 of the Treaty on the Functioning of the European Union (TFEU), concerning the EU ability to develop cohesion policy to promote the EU's harmonious development. In addition to economic and territorial cohesion, this policy also envisages social cohesion.	

Article 175(3) TFEU concerning the ability of the European Parliament and the Council, under the ordinary legislative procedure (i.e., upon a proposal by the Commission), to adopt the necessary action, as well as for the adoption of specific actions outside the Structural Funds to achieve the Union's cohesion objectives, acting through the ordinary legislative procedure after consulting the Economic and Social Committee and the Committee of the Regions.	
Article 191 on Environment concerning (1) the obligation of EU policy to contribute to key environmental objectives, preserving, protecting and improving the quality of the environment, and the prudent and rational utilisation of natural resources, as well as (2) the obligation to based EU policy, where environmental protection is a concern, on to adopt the principle that preventative action is prioritised in their development.	4.5 Adopt a resilience approach to the delivery of housing in line with EU climate and environment law
Article 192 on Environment concerning the ability of the Council to enact a special legislative procedure to develop policies to achieve the articles of Article 191 when the policies are fiscal in nature or concerning town and country planning, as well as land-use in line with TFEU Article 289(2) on the use of Special Legislative Procedures.	
Article 194 on Energy, in particular (2c) concerning the need for EU energy policy to aim to promote energy efficiency and energy saving and the development of new and renewable forms of energy.	
TFEU Articles 9, 14, 151, 153 and 174 as horizontal context, read together with the operative bases in Articles 191, 192 and 194 (and 175(3) for cohesion funding).	