

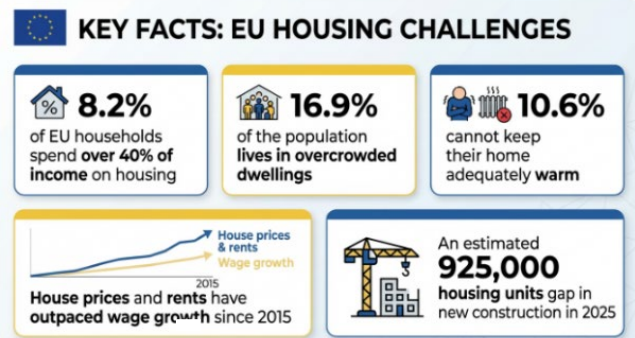
### Mapping the housing needs in the EU, assessing the impacts of scarcity and providing an overview of relevant EU legislation



[See the full study](#)

#### The scope of the housing crisis in the EU

Across the EU, access to decent, sustainable and affordable housing has become increasingly constrained. Since 2015, house prices and rents have increased significantly faster than wages in almost all Member States. This widening gap reflects strong demand pressures combined with persistent supply constraints, leading to declining affordability even in economically dynamic regions. As a result, housing stress now affects a growing share of households across income groups, regions and generations.



#### Key demand and supply factors affecting EU housing markets



Socio-demographic trends are increasing demand pressures: EU household sizes fell from about 2.8 to 2.3 people over the past 40 years, while ageing populations add pressure, as older people stay in family homes longer.

Over the past decade, the EU experienced periods of historically low interest rates, which significantly lowered borrowing costs and stimulated housing demand. At the same time, the housing supply struggles to keep pace due to limited land availability, high construction costs, fragmented regulations, labour and skill shortages in the construction

sector, and low sector productivity. Affecting both demand- and supply-side pressures, the financialisation of housing has become a major driver of affordability challenges.

#### Social housing: a weakening stabiliser

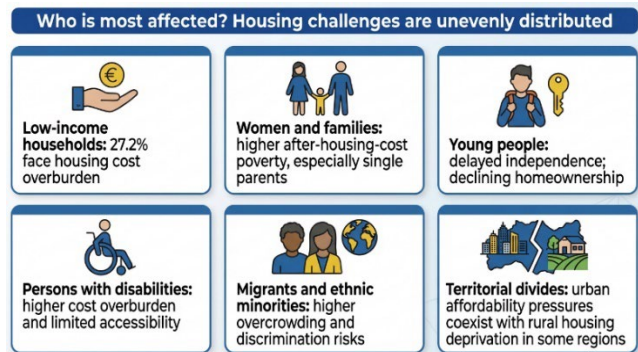


Social housing plays an important role in stabilising housing markets and protecting affordability. However, its capacity has declined across the EU over the past decade. Social housing accounts for around 8% of the total housing stock, down from approximately 11% in 2010. In many Member States, supply has not expanded in line with population growth or changing housing needs. As social housing provision weakens, low-income households are increasingly pushed into private rental markets, intensifying competition, rents and insecurity, with spillover effects on middle-income households.



## Who is the most affected?

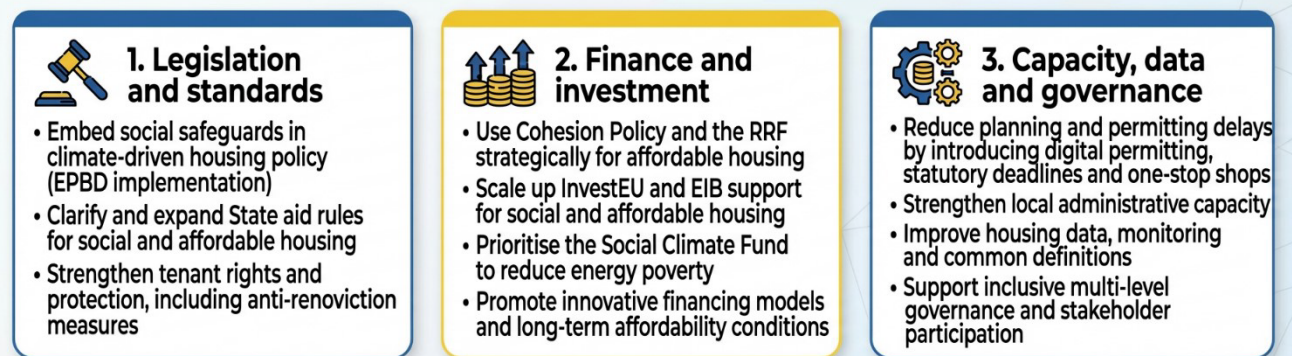
Housing disparities in the EU are deeply entrenched across multiple dimensions: 31% of women experience after-housing-cost poverty (vs 28% of men); low-income households face the highest cost overburden and severe housing deprivation rates; 34.2% of non-EU citizens live in overcrowded homes (vs 13.7% of nationals) and 18.8% are overburdened by housing costs (vs 7.6% of nationals). Persons with disabilities face additional challenges, with only 28.9% reporting that their homes meet their needs, and experiencing higher cost overburden rates than the general population.



## Addressing the EU housing crisis

The identified challenges underline the need for a coordinated and integrated approach to housing policy that simultaneously promotes quality, affordability, social inclusion, and sustainability. To address housing scarcity, reduce inequalities, and ensure that all residents can access secure, adequate, and climate-resilient housing, it is recommended that the EU and Member States act across three mutually reinforcing pillars:

### THREE POLICY PILLARS



Key policy pointers provided by the study include: embedding social goals in climate-related building policy through the implementation of the Energy Performance of Buildings Directive (EPBD), clarifying State aid rules for affordable housing to widen eligibility, and promoting tenant rights and security. Under the finance and investment pillar, it is necessary to scale up the European Affordable Housing Initiative, use Cohesion Policy, the Recovery and Resilience Fund and the Social Climate Fund strategically, innovating with financing models, and aligning fiscal incentives. Equally important is to build local capacity, strengthen data collection and monitoring, and foster public support and inclusive governance.

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