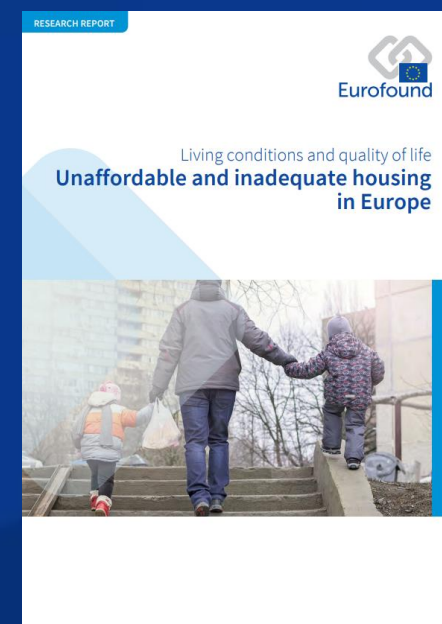


Housing crisis in Europe: the way forward?

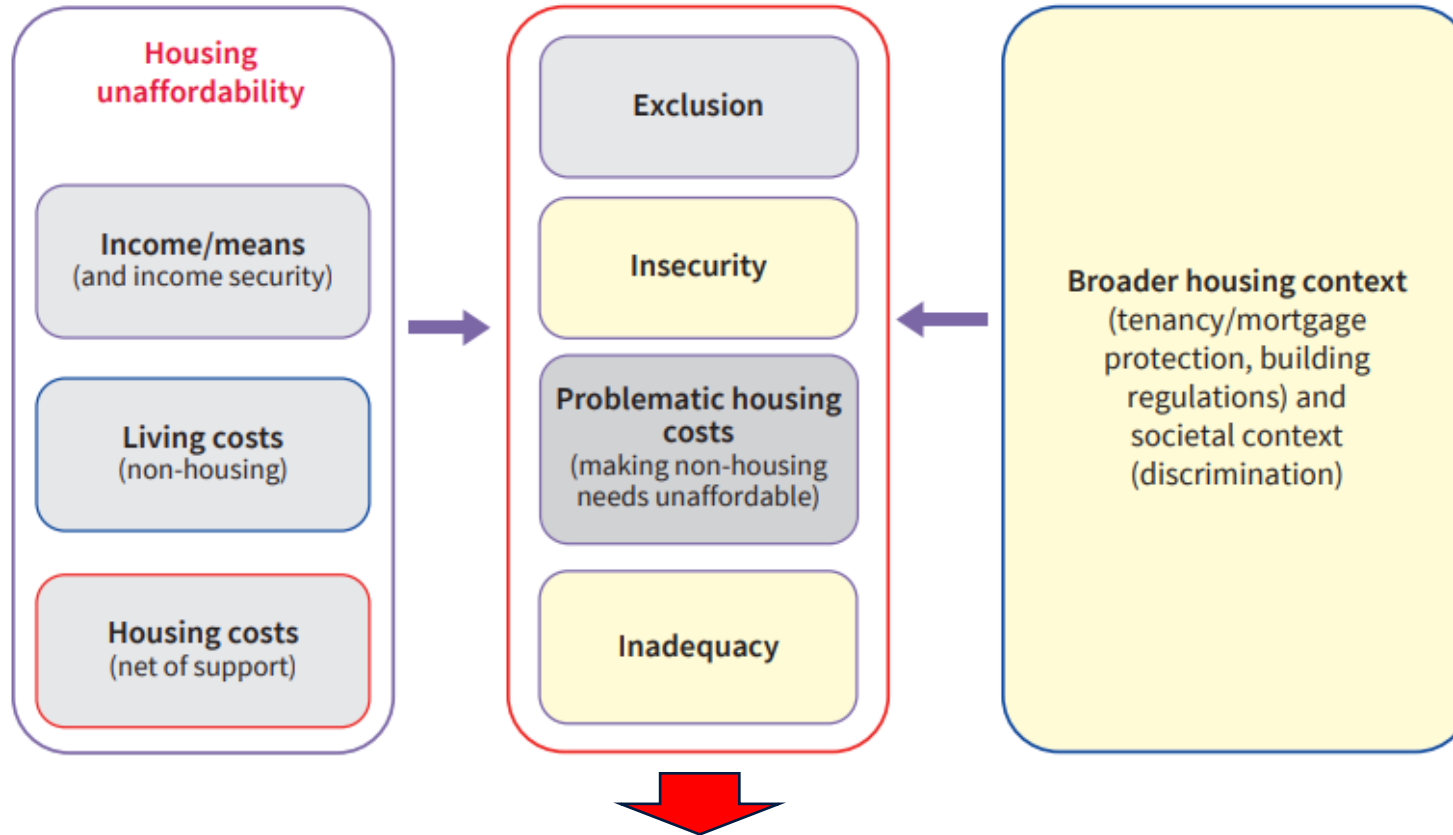
Session: housing crisis for young Europeans – from recognition to action

EESC conference, Brussels, 20 February 2024

Hans Dubois, Eurofound



Housing affordability and problems



Everyone has the right to a standard of living adequate for health and well-being, including housing (UN Universal Declaration of Human Rights)

Housing problems affect people's health and well-being, embody unequal living conditions and opportunities, and result in increased healthcare costs, reduced productivity and environmental damage ^{*},^{}**

Eurofound (2023), *Unaffordable and inadequate housing in Europe*, <https://www.eurofound.europa.eu/publications/report/2023/unaffordable-and-inadequate-housing-in-europe>

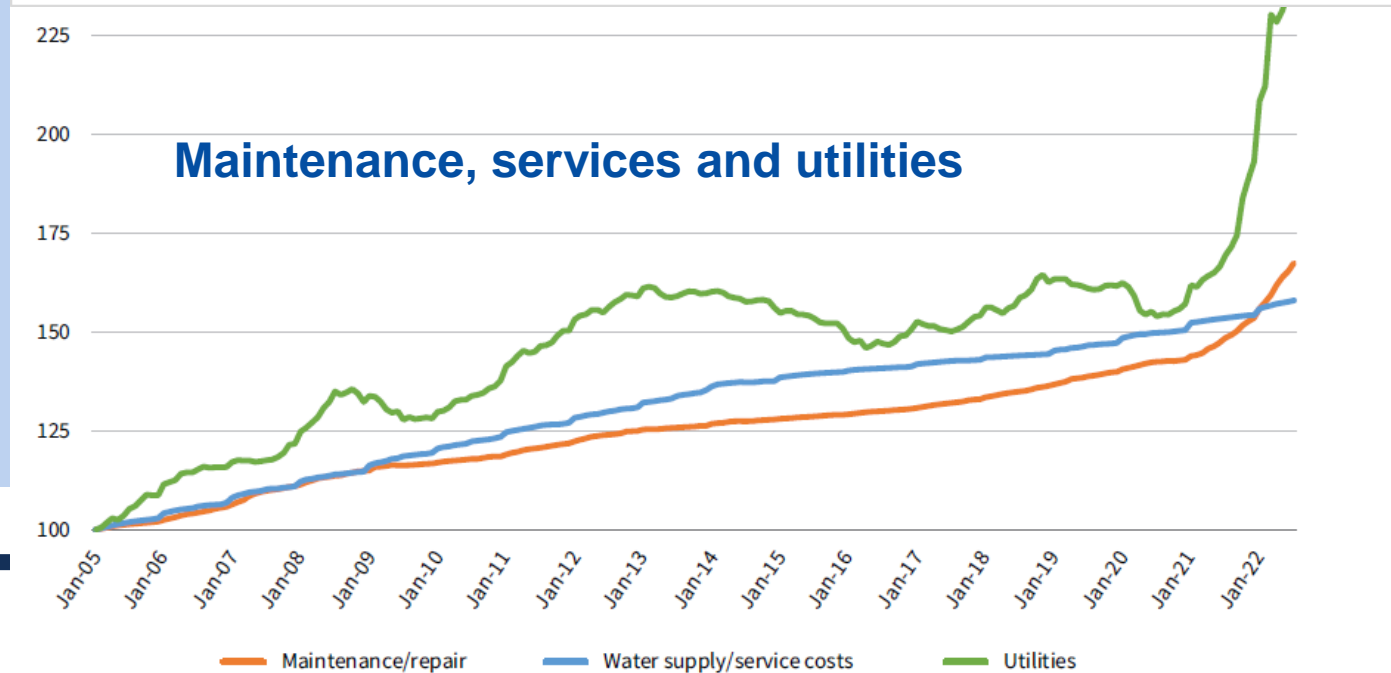
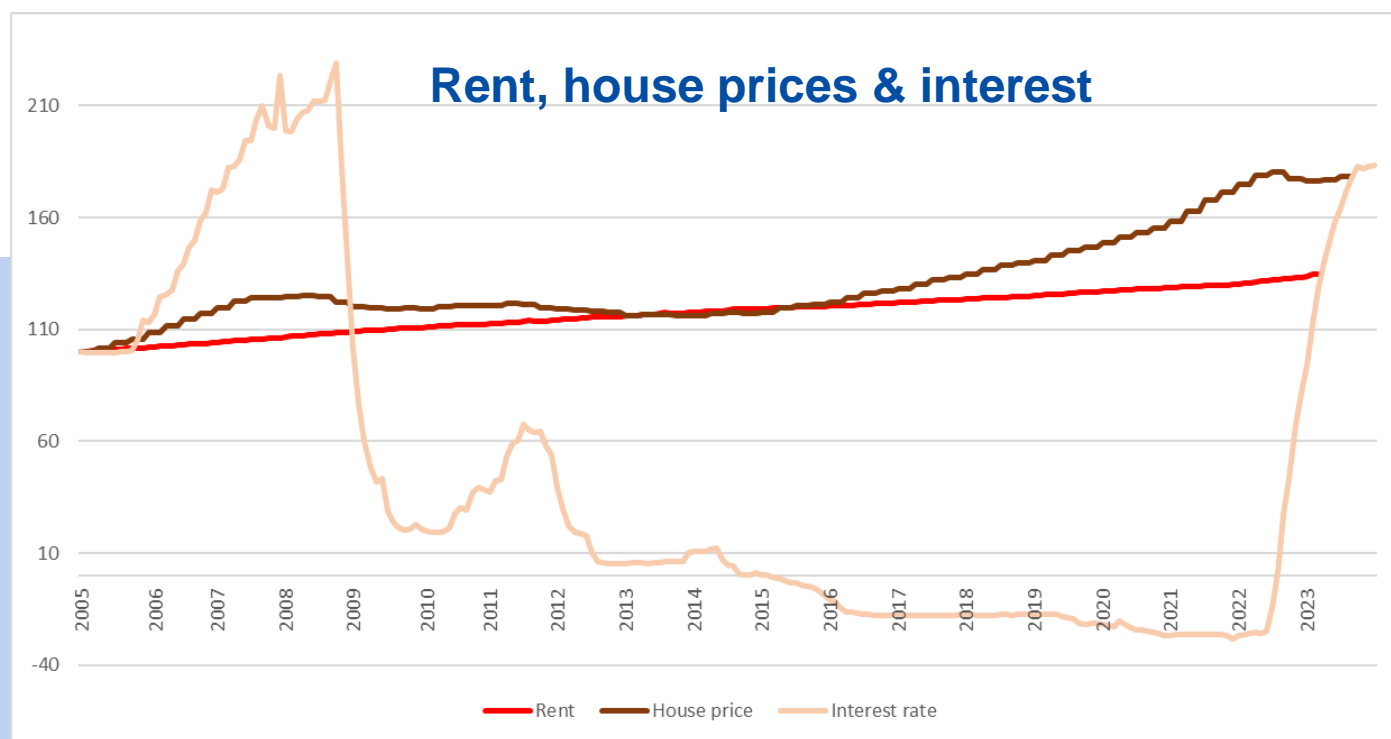
^{*}Eurofound (2016), *Inadequate housing in Europe: costs and consequences*, <https://www.eurofound.europa.eu/publications/report/2016/quality-of-life-social-policies/inadequate-housing-in-europe-costs-and-consequences>

^{**}Eurofound (2020), *Addressing household over-indebtedness*, <https://www.eurofound.europa.eu/publications/report/2020/addressing-household-over-indebtedness>

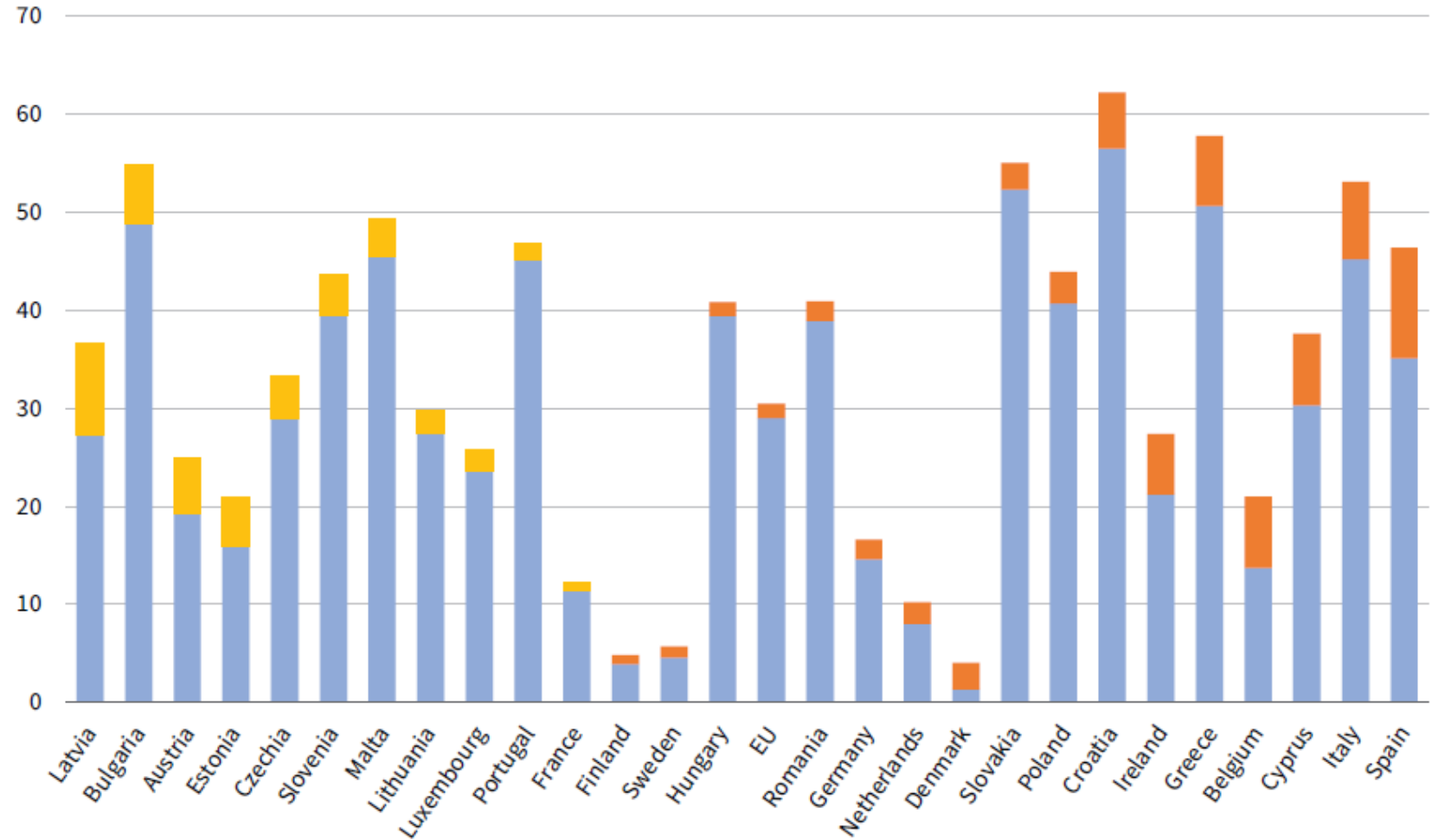
Housing affordability

EU, indexed Jan 2005=100

- Young people entering the housing market
 - renting: less protected by social housing, and rent controls may favour incumbents
 - buying: higher prices and increasing interest, and incumbents may have fixed rates
- Inequalities
 - income
 - steeper cost increases in areas where jobs are



People aged 25–34 living with their parents in 2019 and change since 2010, EU Member States (%)



Note: Member States ranked by change between 2010 and 2019, indicated as yellow = decrease; orange = increase.

Source: Eurostat, share of young adults aged 18–34 living with their parents by age and sex – EU-SILC survey [ilc_lvps08]

Exclusion (Figure):

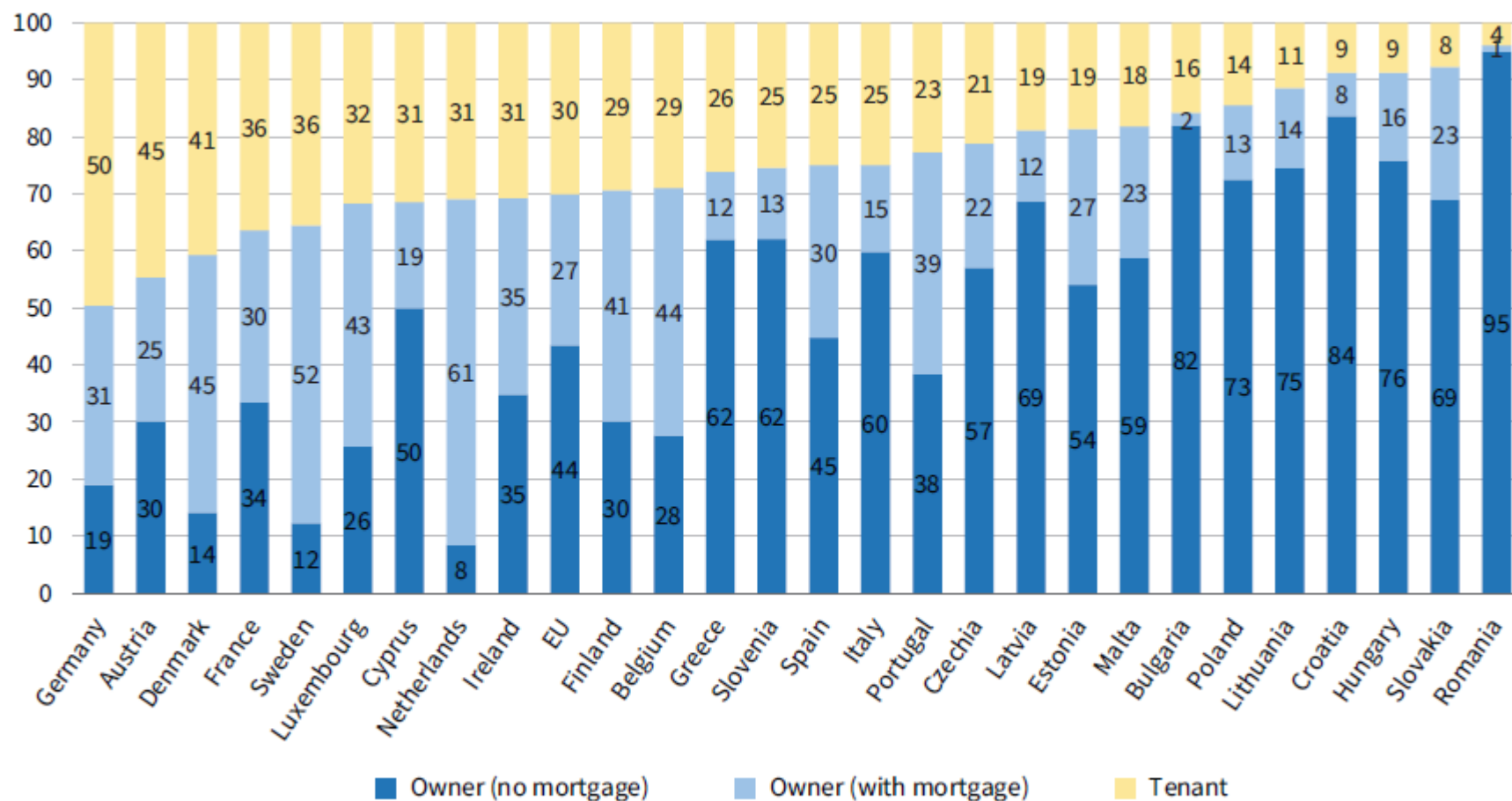
- Age at which 50% of people in the EU were living outside their parental home increased from 26 to 28 between 2007 & 2019

Problematic housing costs:

- 9.7% of people aged 15-29 live in households spending $\geq 40\%$ of income on housing, 1.4%-points more than average
- High % of income spent on housing more problematic for some groups: e.g. households with children more likely to face problems making ends meet

- Over the past decade, homeownership has decreased
- Renting increased especially among people aged 30–39: from 38% in 2010 to 45% in 2019 (20–29 years: 66% to 68%)
- Private renting associated with highest **insecurities**
- Increase in Europeans living in apartments, concentrated in towns and suburbs

Distribution of population by type of tenure, EU Member States, 2020 (%)



Source: Eurostat, Distribution of population by tenure status, type of household and income group – EU-SILC survey [ilc_lvho02]

Inadequacy: housing and neighbourhood problems

- Young people more often experience housing and neighbourhood problems, especially:
 - poor energy efficiency
 - lack of space
- Importance is not fixed
 - e.g. for 35% of people aged 18-34 cycling/walking infrastructure became more important since the pandemic

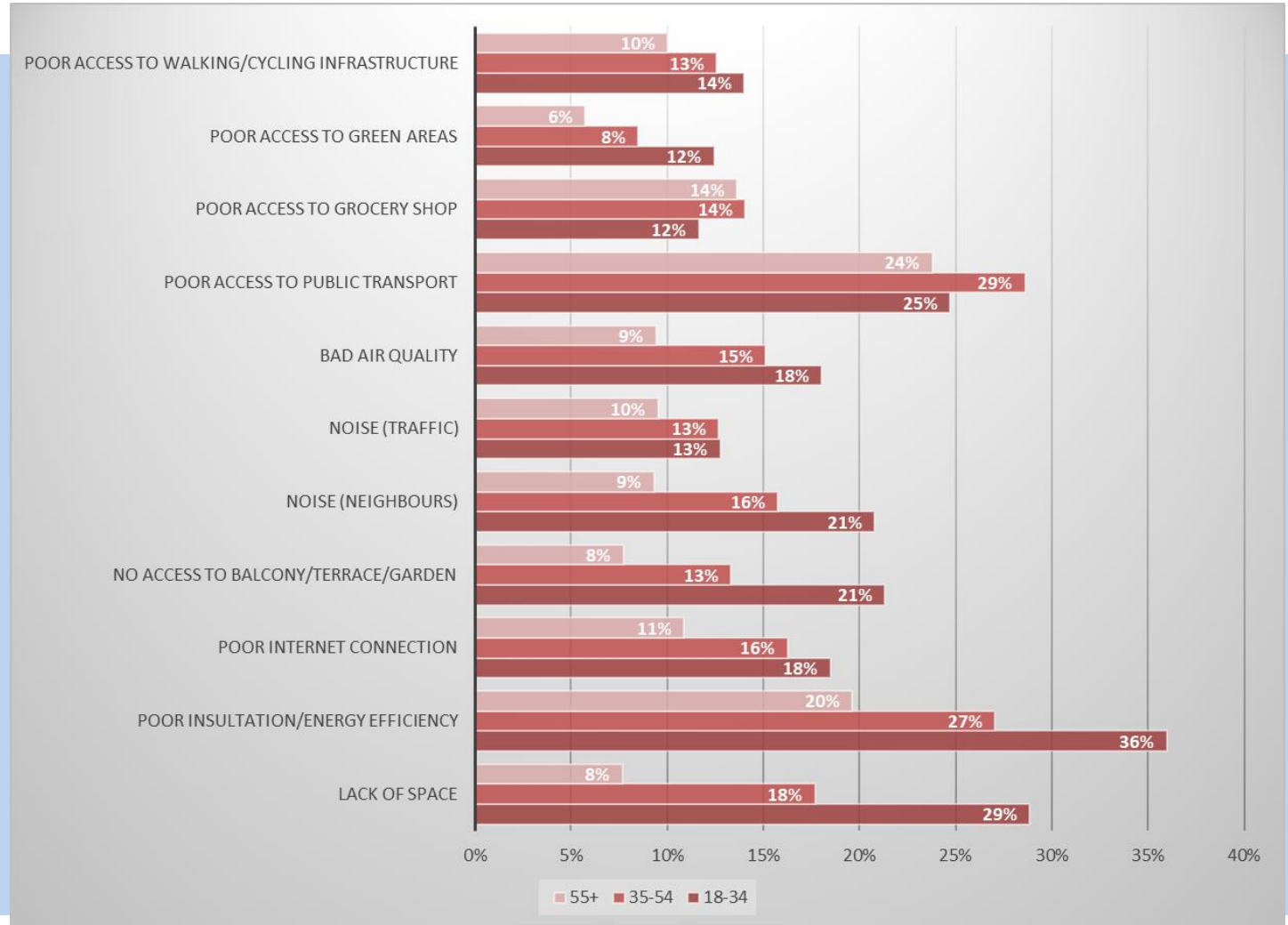


Figure based on background research for the report ‘Unaffordable and inadequate housing’ (Figures 13-17), for simplicity excluding households with parents/grandparents.

Policies

- Broad spectrum; while benefitting certain groups, challenges e.g.:
 - *rent subsidies, ownership support* (e.g. tax deductions, government guarantees, 1st-time buyer support, reinvigorating areas): can fuel price increases, over-indebtedness and inequalities
 - *social housing*: access problems (waiting lists, scarce); *utility subsidies*: at odds with green deal
- Many policies that are good for young people, are good for everybody
 - Housing First
 - increase housing supply: building and renovating homes, and reducing vacant dwellings
 - measures to reduce energy purchase needs: better reach low-income groups
 - preventive & early intervention measures of accumulating rent, utility, mortgage payment debts
- Policy measures should look beyond housing alone
 - better-connecting sub-urban areas by low-cost public transport and cycling infrastructure
 - better and more secure financial situation of young people (employment and social protection*)

*Eurofound (2024 forthcoming) Social protection 2.0, <https://www.eurofound.europa.eu/en/publications/2024/social-protection-20-unemployment-and-minimum-income-schemes>



European Foundation
for the Improvement
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Conditions

The tripartite EU Agency providing knowledge
to assist in the development of better social,
employment and work-related policies

Thank you!

hans.dubois@eurofound.europa.eu