



HYBRID CONFERENCE

Affordable and Decent Housing in the EU



06/07/2022 | 9:00-16:00 | Riga, Latvia

#AffordableHousing

CONCLUSIONS

The energy supply crisis triggered by the war in Ukraine and the unprecedented increase in energy prices, on top of the economic and social consequences of COVID-19, have intensified the severity of the affordable housing crisis that EU Member States have been facing for years. A high-level conference was co-organised with the Latvian Ministry of Economics in Riga in July 2022 to bring together local, national and European actors to discuss the challenges of and solutions to building sustainable and affordable housing.

Key conclusions and recommendations of the conference:

1. Access to affordable and decent housing is both a social need and a social right, and one of the 20 essential principles of the EU Pillar of Social Rights. However, it is constantly being challenged by the different crises the EU has been facing, the COVID-19 pandemic and more recently the consequences of the war in Ukraine.
2. The rise of energy prices is creating more difficulties for all households, but particularly for the socially most vulnerable groups who live in unrenovated and energy-inefficient housing. Low-income households, young people, people with disabilities, migrants and refugees are all population groups that can easily become vulnerable in the current crisis. Energy poverty rates are growing and rapidly reaching even middle-income families. Social housing policy and building renovation should therefore be treated as a priority for these groups.
3. For instance, many people with mobility issues report having problems finding adequate housing because the apartments are not accessible (e.g. for the use of a wheelchair). Therefore, accessibility of the physical environment should be ensured and considered in construction and renovation rules.
4. Furthermore, young people constitute a target group for which access to the rent market and mobility is extremely important. Young people often reach housing milestones at a later stage compared to previous generations, living with parents or

sharing apartments for longer. Young people can also belong to several vulnerable groups at the same time. Therefore, they should be involved in the design of housing policies at all levels.

5. Even though central governments usually make the rules on social housing, local governments or landlords determine whether individual households fulfil those requirements. The responsibility of municipalities is therefore crucial to assess housing needs and to reflect these local needs when eligibility criteria are set.
6. The city of Vienna (Austria) and the city of Valmiera (Latvia) provided excellent examples of housing solutions implemented in their municipalities, which ensure a broad and safe housing system with diversity through innovative instruments. In Vienna, instruments were developed to promote a "gentle urban renewal", enabling all stakeholders to join a tenant organisation to work together and invest in energy-efficient houses. In Valmiera, a total of 150 affordable rental apartments were built in 2018 as part of a municipality project, with a rent of EUR 5.20 per square metre.
7. Financing affordable and sustainable housing requires a huge amount of funding. However, financing can be impeded by limited human resources, a lack of experience with developing investment packages or a reluctance to invest in project preparation.
8. A diversity of financial instruments is already made available by the European Investment Bank in 24 countries. Annual EIB lending for energy efficiency already stands at EUR 3-5 bn, approximately 70% accounts for buildings.
9. But they are not the only actor in financing: private-public partnerships, cooperatives, specialised agencies, and of course the European Commission, are all looking at the issue from a bottom-up approach, paying attention to local level and household needs.
10. At EU level, EUR 50-70 bn is dedicated to energy efficiency, with the aim of contributing to the fight against climate change while considering the social dimension and the issue of vulnerable consumers.
11. Other innovative instruments are being developed such as the Mortgage Portfolio Standards (MPS) of Climate Strategy. The MPS is a regulatory mechanism where banks pledge to work with their clients to increase the energy performance of the buildings which back their mortgages.
12. Moreover, technical assistance is crucial to provide financial and technical expertise to relevant stakeholders, often cities, and to trigger public and private investment. The European Energy Facility, the European Investment Bank (JASPERS, ELENA) and the European Commission (LIFE CET) provide such finance and advisory services.
13. At national level, governments should also boost efforts to provide energy-efficient housing, aligned with the Green Deal and the Renovation Wave Strategy to achieve the set targets by 2050. To this aim, investment in public buildings and boosting funding are key. Improving the national legal frameworks could also help to build partnerships with associations and business organisations. Countries like Latvia are

currently using the RRF plan to support a program for the construction of affordable rental houses.

14. Partnerships between government and relevant industries, social partners and civil society are also necessary when implementing the national building renovation plans. For instance, in Latvia, the Ministry of Economics has cooperated with municipalities and social partners to create two model housing development projects that municipalities can make use of.
15. National and local governments are also responsible for sharing information and for educating businesses, households and consumers on energy efficiency best practices. As stressed by the European Committee of the Regions, municipalities play a crucial role in training businessmen and producers who will potentially implement renovation projects, but also in letting the population know about availability of funding and energy sources.
16. At EU level, a deep and holistic strategy is needed, particularly in the area of building renovation. The European Commission has put forward several initiatives to promote building renovation and energy efficiency:
 - The Climate Target Plan aims to reduce, by 2030, buildings' GHG emissions by 60% and final energy consumption by 14%.
 - The Renovation Wave is aimed at doubling the renovation rate by 2030 and fostering deep renovation, also taking into account the artistic, cultural and architectural dimension. For this purpose, the Commission is working with a team of experts from universities and municipalities.
 - The Commission is ensuring that national renovation strategies include GHG emissions, energy poverty and social inclusion dimensions.
 - The Commission also plans to introduce mandatory minimum standards for non-residential buildings.
 - The recent REPowerEU plan has added an extra impetus to these efforts, namely with the EU Save plan.
17. The European Parliament is working to map vulnerable areas and neighbourhoods associated with energy poverty. This could help allocate economic incentives more quickly and efficiently. In addition, the ITRE Committee aims to contribute to a strategy which takes into account all the components of buildings during their entire life cycle. Finally, another goal of the ITRE and ENVI committees is to reduce the administrative burden for building renovation projects.
18. Overall, in the current context, housing has become an element of security. As gas energy consumption in the EU's buildings represents the highest share of energy use in residential and non-residential EU buildings, reducing the EU's dependency on fossil fuel gases remains a necessity.
19. The role of civil society organisations, and prominently among them consumer organisations, local communities and actors on the ground, is key to promote an affordable housing policy that involves all stakeholders, relevant population groups and policy-makers at local, national and EU level.

EESC's recent work on affordable housing

The EESC has long been involved in the discussion at European level on sustainable and affordable housing, including energy efficiency issues, and the Committee has drawn up several opinions on these topics. The EESC opinion on [Universal access to housing that is decent, sustainable and affordable over the long term](#) was drawn up in close cooperation with the European Parliament's rapporteur, Kim Van Sparrentak, who compiled a report on *access to decent and affordable housing for all*. The EESC draft opinion and the EP draft report were presented at a public webinar in September 2020 with the participation of Nicolas Schmit, Commissioner for Jobs and Social Rights. The EESC also actively worked on the Renovation Wave Strategy ([A Renovation Wave for Europe](#)), adopted an opinion on the [New European Bauhaus](#) (NEB) and presented its recommendations on NEB at the Ministerial Conference on Housing and Construction in Nice on 7-8 March 2022.