



OPEN LETTER TO THE EUROPEAN UNION MINISTERS RESPONSIBLE FOR HOUSING

on the occasion of the Informal Ministerial Meeting on Housing and Urban Development
on 13-14 November 2023 in Gijón
under the auspices of the Spanish EU Council Presidency

With this letter, CEMR, Eurocities, Housing Europe, the International Union of Tenants and SOLIDAR welcome the Gijón Declaration on “Housing for all in sustainable, healthy and inclusive environments” to be adopted on the occasion of the informal Ministerial Meeting on Housing and Urban Development on 13-14 November 2023 under the auspices of the Spanish EU Council Presidency. We support the commitment of EU Housing Ministers to guarantee access to decent and adequate housing in the European Union and a sufficient affordable housing stock, while promoting sustainable, healthy and inclusive built environments.

As local authorities, cities, social, public and affordable housing providers, tenants and social welfare organisations, we welcome the appeal to undertake all efforts to address the deep housing crisis European citizens are facing. This cannot wait; the EU needs to act now. We join in the call to the European Commission to boost investment in the sector, as this will help people, the economy and the environment, thus contributing to the Common Good as stated in the New Leipzig Charter. We especially welcome the recognition of a long-standing recommendation to revise the SGEI decision 2012 by changing the definition of social housing to a modern concept of affordable housing for all. As urban, housing, tenants’ and social welfare stakeholder organisations we are committed to contribute to continued monitoring of EU policies relevant to housing.

Brussels, 10.11.2023

Europe is in a housing crisis. European cities, regions and countries all across the EU are facing a shortage of decent, affordable and adequate housing. Rents and house prices are increasing faster than incomes, hereby swallowing up large parts of households’ revenues in the midst of a cost of living crisis. Today, the housing crisis affects not only the most vulnerable groups in our society, but has reached large numbers of households with a middle income that cannot afford housing on the market, yet are not eligible for social housing. That includes key workers such as police officers, teachers and nurses that are being pushed out of cities. It includes young European adults that cannot afford to move out from their parents’ home. It includes people that due to life changes, such as a divorce, are suddenly faced with a need for an affordable home that just isn’t available. It’s time to make the EU work for these people.



A housing crisis affecting member states and cities

Member States, regions and cities are **struggling with market failure and affordability problems** with regard to housing. Examples of middle-income households being priced out of the housing market can be found everywhere and **European cities are confronted with staggering rent prices while having limited means to invest in the sector.**

The EU needs to act on Housing for the Common Good

Investment in decent, adequate and affordable housing is key now. To unleash the full potential needed to provide for new homes for European citizens and renovating the existing housing stock while ensuring that people can keep on living in their homes after renovation, a set of recommendations has been brought forward to the attention of the EU legislators. Long-term public investment in the sector will only be possible by combining sustainable financial instruments, improving take-up capacities, especially on local level, and de-blocking legislative bottlenecks.

An **increasing number of member states** see the ongoing market failure in European housing markets as a **legitimate reason to adapt the Services of General Economic Interest (SGEI) Decision 2012 to accommodate for housing for middle-income groups and to revise it in order to facilitate for this.** Therefore, we highly welcome the Ministers' recommendation to the European Commission to take a renewed approach in the SGEI Decision 2012 and revise accordingly the EU state aid rules during the current mandate. We therefore support the call of the Housing Ministers in the draft Gijón Declaration towards the European Commission to "discuss and assess an extension of the definition of social housing developments that can currently be considered as a service of general economic interest and therefore facilitate the application of state aid regulations in housing policies".

This would be in line with **the European Parliaments Own-Initiative Report on Access to Decent and Affordable Housing for all** (2021) and the opinions issued earlier by the European Committee of the Regions (2017) and the European Economic and Social Committee (2019) as well as positions of CEMR, Eurocities, Housing Europe and the International Union of Tenants.

We would like to reiterate that a revision of the SGEI decision was foreseen in 2018 and the fitness check of the SGEI decision, that clearly identifies unclarity regarding the target group for social housing as an issue, was started already in 2019. It's **time to deliver on principle 19a of the European Pillar of Social Rights and make the SGEI decision fit for the housing market of today.**

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