

Safe, decent, affordable and sustainable housing as a cornerstone of a just green transition

Unlocking opportunities for a just transition: Policy brief 5

Housing is a **fundamental human right**, a social good, and a core pillar of the European social model. A lack of safe, decent and affordable housing has consequences that extend far beyond living conditions: it restricts access to essential rights and services such as health, education, mobility and employment, undermines full participation in society, and harms child development, mental health and overall wellbeing.

Housing is also one of the areas where **social justice and environmental sustainability** intersect most clearly. Low-income households and people in vulnerable situations are disproportionately concentrated in areas exposed to the effects of climate change and in poorly maintained or ageing buildings. They are also the most impacted by rising energy bills and other costs associated with the green transition.

This brief, the fifth in SOLIDAR's series examining how upcoming EU initiatives and legislative revisions can advance a just green transition in Europe and globally, calls for a **European Affordable Housing Plan** that marks a profound shift in Europe's housing model by addressing the real needs of those most affected by the housing crisis and creating synergies between energy, climate and social policy objectives.



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Background

Europe is facing a severe housing crisis. Decades of underinvestment in social and affordable housing, coupled with the growing financialisation of the housing market, have caused housing **costs to rise beyond the means of many**, particularly women, young people and tenants¹. Between 2010 and the second quarter of 2025, house prices increased by over 60%, while **rents rose by more than 28%**². According to Eurofound, 46% of private tenants felt they might need to leave their accommodation within three months **because they could no longer afford it**³. Moreover, it is estimated that **over 1.2 million people are homeless** across Europe⁴. Beyond affordability, **the adequacy of housing is also a major concern**. In 2023, Eurostat reported that 16% of people in the EU were living in overcrowded conditions⁵.

The **energy price crisis** that followed Russia's invasion of Ukraine has exacerbated these challenges further, while revealing Europe's dependence on foreign energy sources and emphasising the need for greater investment in renewable energy. Currently, around **75% of the EU's buildings perform poorly** in terms of energy efficiency⁶, and the construction industry alone is responsible for nearly one-third of Europe's carbon footprint⁷. Improving the energy performance of Europe's building stock is not only an environmental necessity, but also a social imperative: in 2023, 10.6% of people in Europe were **unable to keep their home adequately warm**⁸. Moreover, the introduction of a carbon price on fossil fuels used in buildings and road transport (ETS2) could cause a significant rise in energy poverty unless adequate support measures and social safeguards are implemented for vulnerable households and tenants, including through the Social Climate Fund.

As a result, **housing has risen to the top of the EU policy agenda**. Building on civil society initiatives such as the European Responsible Housing Initiative⁹, recommendations from the European Parliament, the European Committee of the Regions and the European Economic and Social Committee, declarations by EU Housing Ministers and the work of the EU Urban Agenda Housing Partnership, as well as previous initiatives such as the Renovation Wave¹⁰ and the New European Bauhaus¹¹, the EU has announced its **first-ever European Affordable Housing Plan**, expected by the end of 2025. The Plan aims to support EU countries, regions and cities in increasing the supply of affordable and sustainable housing, and improve access to housing for people in need, for example by addressing structural challenges and unlocking public and private investment¹².

SOLIDAR's recommendations

To meaningfully address Europe's housing crisis, the EU Affordable Housing Plan should be conceived as a long-term, **transformative strategy that tackles the structural causes** of rising housing costs, such as financialisation, speculative ownership and profit-driven models. It should promote **integrated, holistic solutions** that benefit both people and the planet, rejecting the false dichotomy between affordability and sustainability.

1 OECD, [Housing](#).

2 Eurostat, [Ongoing rise: house prices and rents climb further](#) - Eurostat News: 03/10/2025.

3 Eurofound (2023), [Unaffordable and inadequate housing in Europe](#), Publications Office of the European Union, Luxembourg, p. 16.

4 Fondation Abbé Pierre & FEANTSA (2024), [Ninth overview of housing exclusion in Europe](#), pp. 69-70.

5 Eurostat (2024), [Housing in Europe – 2024 edition](#), Luxembourg.

6 Directorate-General for Energy, [In focus: Energy efficient buildings – delivering energy and cost savings for EU citizens](#), 16 April 2024, European Commission.

7 European Environment Agency (EEA), [Greenhouse gas emissions from energy use in buildings in Europe](#), 26 October 2021.

8 Eurostat, [10.6% of EU population struggled to keep homes warm](#), 23 January 2025.

9 [European Responsible Housing Initiative](#)

10 Directorate-General for Energy, [Renovation Wave](#), European Commission.

11 [New European Bauhaus](#)

12 European Commission, [European Affordable Housing Plan – Have your say](#).

The core objective of this plan should be to guarantee safe, decent and affordable housing **for all across the housing continuum**, building on the full range of housing solutions, including social, public, cooperative, affordable rental and affordable owner-occupied housing. At the same time, it should contribute to ensuring that Europe's buildings become increasingly energy-efficient, climate-resilient and low-carbon.

To this end, SOLIDAR is presenting the following recommendations for the European Affordable Housing Plan:

1 Make the right to housing a legal and political reality for everyone

The first crucial step to securing access to safe, decent, affordable and sustainable housing for all, particularly low-income households, is to recognise the right to adequate housing in all relevant EU legislation and frameworks. To this end, the Affordable Housing Plan should **make the right to adequate housing a guiding principle for EU and national policies**, in line with Principle 19 of the European Pillar of Social Rights, Article 25 of the Universal Declaration of Human Rights, and the UN Committee on Economic, Social and Cultural Rights (CESCR) General Comment No.4 on Article 11(1) of the Covenant, which includes aspects such as legal security of tenure, availability of services, materials, facilities and infrastructure, affordability, habitability, accessibility, location and cultural adequacy¹³.

This also requires reviewing and adjusting existing EU policies that may undermine affordable and sustainable housing objectives, as well as ensuring **coherence and mutual reinforcement between strategies** for affordable, accessible and adequate housing, and other EU legislation and frameworks, including the European Green Deal, the Clean Industrial Deal, the Citizen Energy Package, the new European Pillar of Social Rights Action Plan with its related initiatives and the Anti-Poverty Strategy.

2 Protect housing from financialisation and speculation

As long as housing is treated as a source of profit for a select few and a growing cost for the majority, the right to safe, decent and affordable housing will remain out of reach for most. The Affordable Housing Plan should **protect housing from all forms of financialisation** that drive up prices, fuel speculation, and create artificial scarcity, thereby excluding those most in need. Measures to decommodify housing should include:

- **Limit speculative investment and wealth accumulation** through housing markets, including by introducing progressive taxation solutions, return caps and mandatory reinvestment of profits in renovation and improving the energy performance of buildings.
- **Address the issue of high mortgage costs**, particularly for low-income households, including by offering fixed-rate mortgages¹⁴.
- **Set rent caps** to ensure rents are affordable and are proportionate to income levels and the changing cost of living.
- Establish a regulatory framework to ensure that households do **not spend more than 25% of their disposable monthly income on housing costs**, including rent, mortgage and utilities. Thresholds for what constitutes housing cost overburden should be set to reflect the social and economic diversity of low-income households.

13 UN Committee on Economic, Social and Cultural Rights (CESCR), [General Comment No. 4: The Right to Adequate Housing](#) (Art. 11 (1) of the Covenant), E/1992/23, 13 December 1991.

14 Finance watch (2024), [A path towards affordability, fair access and debt relief in EU housing](#).

- **Set maximum protection standards for tenants** in line with UN CESCR General Comment nr. 4, including minimum habitability and safety and health standards.
- **Regulate short-term rentals** and address the negative impacts of ‘touristification’ on local housing accessibility and spatial justice.
- **Mobilise vacant buildings** to tackle homelessness and housing exclusion at a systemic level.
- **Promote innovative non-market solutions** to meet the need for social and affordable housing, including through facilitated access to EU-backed investment tools promoting non-market actors, such as public, cooperative, social and solidarity economy and social housing providers, community land trusts, and community-led renovation projects.
- Establish an **EU-wide transparency register for real estate transactions**.

3 Target housing policies to those most in need

Building on Principles 1, 3, 11 and 19 of the European Pillar of Social Rights, the Affordable Housing Plan should **prioritise the needs of the most vulnerable households and communities**. This includes low-income households and individuals at risk of poverty, those experiencing housing deprivation or inadequate living conditions, and groups facing social exclusion. It also includes workers and others who are disproportionately affected by climate change and by the effects and costs of energy and climate policies. To ensure that housing policies respond to the real needs and socio-economic conditions of communities, the Plan should:

- **Expand the social, public and cooperative housing stock.**
- Set **clear, measurable targets for increasing the stock of social and affordable housing**, with specific outcomes addressing housing deprivation, overcrowding, affordability, accessibility, energy poverty, insecure housing, rooflessness and spatial segregation.
- **Prioritise the renovation of the existing housing stock** to improve its energy efficiency and accessibility, while protecting tenants, especially the most vulnerable, from disproportionate or unfair rent increases following renovations, which can lead to ‘renovictions’. This can be achieved by effectively incorporating **social safeguards for tenants**, as outlined in Article 17 of the Energy Performance of Buildings Directive (EPBD) 2024 Recast, into national legislation.
- Take an **inclusive approach to urban planning** that promotes social inclusion and environmental sustainability, avoids ghettoisation and ensures the ‘right to the city’ for groups at risk of social exclusion, such as women, the elderly, migrants, ethnic minorities, people with disabilities and those in low-income households.

4 Prevent and eradicate homelessness through holistic housing solutions and the Housing First approach

The Affordable Housing Plan should recognise the **link between the lack of affordable housing and homelessness** and put in place holistic solutions. This should start with **preventive measures**, including stronger tenant protections, the establishment of tenant councils and easily accessible legal dispute resolution offices, as well as the **implementation of the Housing First principle** in both the public and private housing sectors in all Member States.

5 Mobilise public investment for affordable and sustainable housing

The EU should invest in safe, decent and affordable housing for all across Europe and encourage Member States to adopt ambitious public investment strategies for housing. To strengthen these investments, the Affordable Housing Plan should:

- Establish **revolving funds** at EU, national and local levels dedicated to social and affordable housing.
- Ensure that **public funding and investment prioritises social, public, cooperative, social economy and not-for-profit actors**, while private beneficiaries **must comply with social and environmental conditionalities** to access public support, including tenant safeguards and long-term affordability requirements.
- Make housing a **transversal objective of the EU budget for 2028-2034**, with a general contribution target applicable across all relevant funds.
- Spearhead the **revision of EU state aid rules for services of general economic interest (SGEI)** to remove the narrow target group definition of social housing and resolve current legal uncertainties.
- Steer additional ETS revenues towards affordable housing policies and **increase funding for the upcoming Social Climate Fund (SCF)** to tackle housing needs head-on, whilst reflecting the diversity of households and communities' socio-economic conditions.
- **Upgrade existing EU support instruments** to help Member states, regional and local governments establish, implement and monitor socially, environmentally and economically sustainable housing schemes.

6 Integrate housing strategies within other relevant EU governance tools

To ensure housing policies contribute to creating long-term synergies between larger energy, climate and social strategies and policies, the Affordable Housing Plan should require Member States to integrate the planning, monitoring and reporting of their housing policies within existing EU governance instruments. To this end, the Plan should:

- Call on Member States to ensure synergies between their **Social Climate Plans and National Building Renovation Plans**.
- Require Member States to address the impact of national energy and climate policies on housing accessibility, affordability and sustainability in **their National Energy and Climate Plans (NECPs)**, using disentangled data on social housing and affordable housing.
- Require that access to EU funds be conditional on the **adoption of strategies for social and affordable housing**.
- Spearhead the revision of the **Stability and Growth Pact rules to give Member States more fiscal space** to invest in long-term social projects, particularly housing, in line with the European Pillar of Social Rights and the European Green Deal.
- Include a **systematic assessment of national housing policies**, along with recommendations for addressing unmet housing needs, in the **European Semester**.

7 Ensure that Social Climate Plans provide affordable housing for those who are energy poor

The Affordable Housing Plan should require Member States to set out strategies and measures in **their Social Climate Plans** to ensure that the objectives of the Energy Efficiency Directive (EED) and the Energy Performance of Buildings Directive (EPBD) address the **needs of low-income groups and households affected by or at risk of energy poverty**. Social Climate Plans should:

- **Allocate the available resources to those in vulnerable situations**, including through direct payments and social housing renovations.
- **Accelerate the renovation rate of the worst-performing buildings**, focusing on those occupied by low-income households, while ensuring that these groups are not burdened with the financial cost of renovations to prevent ‘renovictions’. Renovations should be **coupled with self-consumption systems**, such as rooftop PV panels or participation in community energy projects.
- **Ensure low-income households benefit in priority** from renewable, affordable and energy efficient heating and cooling systems. Fossil-fuel systems should be avoided, and **collective systems**, such as community-led district heating projects, should be promoted.
- **Remove financial barriers for low-income households** to operationalise EU-wide renovation and energy efficiency objectives, including through grants to cover up-front costs, zero-interest loans and subsidies. Consider innovative financial instruments, such as on-bill financing, for vulnerable microenterprises.
- **Promote low-emissions social housing** through life-cycle assessments, reduction of whole-life carbon footprint, increased use of secondary materials, and the application of modular, circular, and reuse/recycling principles.
- Facilitate the **participation of low-income households in energy communities** by providing adequate financial, legal and technical assistance, including for municipality-led energy cooperatives. Train and employ energy mentors who can visit vulnerable households and provide tailored advice. Additionally, leverage One Stop Shops to simplify access to advice and technical assistance for beneficiaries.
- Promote **collective renewable energy systems** and the **joint purchase of energy-efficient equipment** in low-income residential areas.
- Support **citizen-led renovation projects** by working with community energy expert networks to establish facilitation services, such as cooperative-led one-stop-shops, to simplify and accelerate these initiatives.



Apply social and environmental conditionalities to construction and renovation projects

To fulfil the social and environmental objectives of the Affordable Housing Strategy, EU-level and national public support for construction and renovation projects should be conditional on **the respect of social and environmental criteria**.

Social conditionalities should include:

- A minimum share of publicly supported renovation and construction projects should **directly benefit low-income households**, tenants, social housing residents and people living in inadequate housing.
- A minimum quota of publicly funded projects should be **allocated to non-market actors**, including public, cooperative, social economy and non-profit housing providers.
- Introduce maximum thresholds for rent increases, a ban on evictions and contract terminations linked to renovation works, open-ended rental contracts and **long-term affordability requirements**.
- Apply the principle of ‘**housing cost neutrality**’ after renovations, ensuring that any increase in basic rent is at least offset by equivalent energy savings.
- Make project approval conditional on **meaningful consultation with tenants and their representatives**, local communities, and civil society organisations representing low-income and marginalised groups.
- Require **mandatory accessibility standards** for women escaping male domestic violence, people with disabilities and older persons.

- Condition project approval on **fair wages for construction workers**, compliance with collective agreements, the creation of local jobs, and access to training in green construction skills during paid working hours.

Social conditionalities should be applied together with **robust environmental conditionalities**, including:

- **A ‘Do No Significant Harm’ screening** for all renovation and construction activities, in line with Article 17 of EU Taxonomy Regulation¹⁵.
- **Minimum energy performance standards** to ensure high levels of energy efficiency across all publicly supported projects.
- **Mandatory life-cycle assessments** for large projects and the integration of circularity criteria, including the reuse and recycling of building materials.
- **Limits on greenfield development and urban sprawl**, prioritising the regeneration and efficient use of existing built environments.
- **Mandatory climate adaptation measures**, such as flood protection, passive cooling solutions and green roofs.
- **Mandatory disclosure of social and environmental performance** of projects, ensuring transparency and accountability throughout the project’s lifecycle.

Ensure quality jobs in the renovation and construction sectors

In order to rapidly deliver safe, decent, affordable and sustainable housing for all, decision-makers should improve working conditions and address labour and skills shortages in the renovation and construction sectors. The Affordable Housing Plan should drive forward legislation for these sectors as part of a European Housing Construction Strategy, placing a **Quality Jobs Golden Rule at its core**. The Golden Rule should include the following obligations:

- **Promote collective agreements** that ensure fair wages, strong health and safety standards, and access to training.
- **Increase the participation of women and girls in STEM/MINT professions** in the construction sector, including through targeted support and career pathways.
- **Prevent precarious employment and informal labour** across the entire supply chain, with particular attention to small contractors, migrant workers and the self-employed.
- **Limit subcontracting**, introduce **joint liability** throughout subcontracting chains for safety, health, and wages, and require **full transparency** on all subcontractors involved.
- **Ensure robust occupational safety and health measures** to protect all workers, including in relation to new construction methods and evolving work practices.
- **Strengthen recognition of qualifications across borders**, reducing barriers and addressing the vulnerability of mobile workers.
- **Enhance the enforcement of labour standards**, including by strengthening the mandate of national labour inspectorates and improving the cross-border capacities of the European Labour Authority.
- **Guarantee all workers the right to training and re-training during paid working hours**, with a particular focus on green construction skills.
- **Use EU funds strategically** to support local economies and promote the involvement of Small and Medium-sized Enterprises (SMEs), cooperatives, and social and solidarity economy actors in construction and renovation projects.

¹⁵ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/208.

Actors in the Social and Solidarity Economy (SSE), including cooperatives, foundations, mutuals, social housing associations, tenant unions, community land trusts, non-profit developers and energy communities, **should be formally recognised and supported** as key partners in delivering innovative, community-driven solutions to the need for affordable housing. Their models, which are grounded in participation, long-term affordability and social value, can significantly enhance the reach and resilience of the Affordable Housing Plan.

Given their direct connection to marginalised groups and the valuable expertise that stems from this work, **civil society organisations (CSOs)** should also be meaningfully involved at every stage of the design, implementation, monitoring, and evaluation of the Affordable Housing Plan. Their involvement will strengthen the quality, accountability and overall effectiveness of the Plan.

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SOLIDAR is a European and worldwide network of Civil Society Organisations (CSOs) working to advance social justice through a just transition in Europe and worldwide. Our over 50 member organisations are based in 27 countries (19 of which are EU countries) and include national CSOs in Europe, as non-EU, EU-wide and organisations active at the international level.

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