EU Housing Plan is a “turning point” for Europe’s housing crisis

PUBLISHED DEC 16, 2025
BY EUROCITIES

Europe’s city leaders say the new European Affordable Housing Plan is a “solid foundation” to help city governments tackle the housing emergency, and for the first time clearly recognises the EU’s role in addressing Europe’s spiralling housing crisis.

The plan, announced today by the European Commission, acknowledges a hard truth: Europe is facing more than a housing crisis. It is a social crisis that is impacting all of European society, affecting the most vulnerable, threatening EU competitiveness and worsening labour shortages.

According to the Eurocities Pulse Mayors Survey 2025, housing has surged in urgency for Europe’s mayors, with 47% saying housing affordability is at serious risk in their city.

However, city leaders warn the plan will only fully respond to this crisis if cities get the resources they need to build affordable, sustainable homes at the scale required, including direct EU funding, a real voice in policymaking, and stronger powers to regulate short-term rentals and curb speculative practices.

Jaume Collboni, Vice President of Eurocities and Mayor of Barcelona, states:

> We believe that today’s publication of the European Affordable Housing Plan represents a turning point for Europe’s housing crisis. We are satisfied to witness that the work of Eurocities, alongside the Mayors for Housing initiative and C40, has been critical for the publication of the plan. It constitutes a solid foundation from which we will continue to advocate for the key needs of Europe’s cities: agile and direct funding, regulatory tools and decision-making capacity.

Renaud Payre, Vice-President for Housing, Social Housing and Urban Policy for Lyon Metropole, and Eurocities Shadow Commissioner for

Housing, says:

> To build a strong house, you need solid foundations, and the same goes for addressing Europe's housing crisis. If the European Commission truly wants to deliver affordable, sustainable homes for everyone, it needs to start by working closely with its housing partners on the ground, including its cities.

Positives for cities in the plan are:

- Further support for housing investment from the InvestEU programme, and recognition of housing as a priority in the next seven-year EU budget.

- The revision of State aid rules as a crucial step to support affordable housing for the growing number of Europeans now affected by the housing crisis.

- Acknowledgment of housing financialisation as a main cause of the housing crisis, with clear actions to tackle it, including the regulation of short-term rentals, increased transparency on the housing market, and specific interventions for areas under housing stress.

- Recognition of the need to protect people most affected by the housing crisis, including low-income families, young people, migrants, people experiencing homelessness, and essential workers.

- Recognition that affordable homes must also be sustainable and energy efficient.

What needs to be improved:

- The EU should tackle the housing crisis without rolling back climate and environmental regulations. Sustainability must go hand in hand with delivering affordable and decent homes for all.

- There is no guarantee that cities will benefit from EU housing investment under the upcoming National and Regional Partnership Plan of the next EU budget.

Looking ahead, Michael Ludwig, Mayor of Vienna, outlines the measures needed to make the European Affordable Housing Plan effective, stating:

A key leverage is the reform of European fiscal rules: long-term public investment in housing must be facilitated in the European Semester and exempted from the pure deficit logic. Housing is a social infrastructure and not a burden on budgetary policy. There is also a need for sustainable, long-term financing instruments from the European Investment Bank that are better accessible to cities and regions and ensure that public funds have a lasting impact on the housing system.

1. View the Mayors for Housing Alliance Action Plan, an alliance of 15 mayors from large European cities calling on the EU to take bold and immediate steps to address Europe's spiralling housing crisis.

2. Read Eurocities report – Cities addressing the housing crisis: Innovative and integrated approaches– which draws on the experiences of 20 European cities, to highlight effective strategies to expand social and affordable housing, including governance models, financing tools, land-use policies, and urban regeneration initiatives.

3. Eurocities wants to make cities places where everyone can enjoy a good quality of life, is able to move around safely, access quality and inclusive public services and benefit from a healthy environment. We do this by networking more than 200 larger European cities, which together represent some 150 million people across 38 countries, and by gathering evidence of how policy making impacts on people to inspire other cities and EU decision makers. Connect with us at https://eurocities.eu/ or by following our BlueSky and YouTube accounts.

For media enquiries, please contact: Andrew Kennedy, Communications Advisor for Eurocities, andrew.kennedy@eurocities.eu// +32 (0)470 650 173.

Press release distributed by Wire Association on behalf of Eurocities, on Dec 16, 2025. For more information subscribe and follow us.

Media Assets

Embedded Media

Visit the online press release to interact with the embedded media.

https://wireassociation.eu/newsroom/eurocities/releases/en/eu-housing-plan-is-a-turning-point-for-europes-housing-crisis-2689

Eurocities

Newsroom: https://wireassociation.eu/newsroom/eurocities
Website: https://eurocities.eu/
Primary Email: info@eurocities.eu

Social Media

Twitter - https://twitter.com/eurocities
Linkedin - https://www.linkedin.com/company/eurocities
Youtube - https://www.youtube.com/channel/UC-IuYE9G9_kknXOWB2VTwEQ
Facebook - https://www.facebook.com/EUROCITIES/
Instagram - https://www.instagram.com/eurocities.eu
