



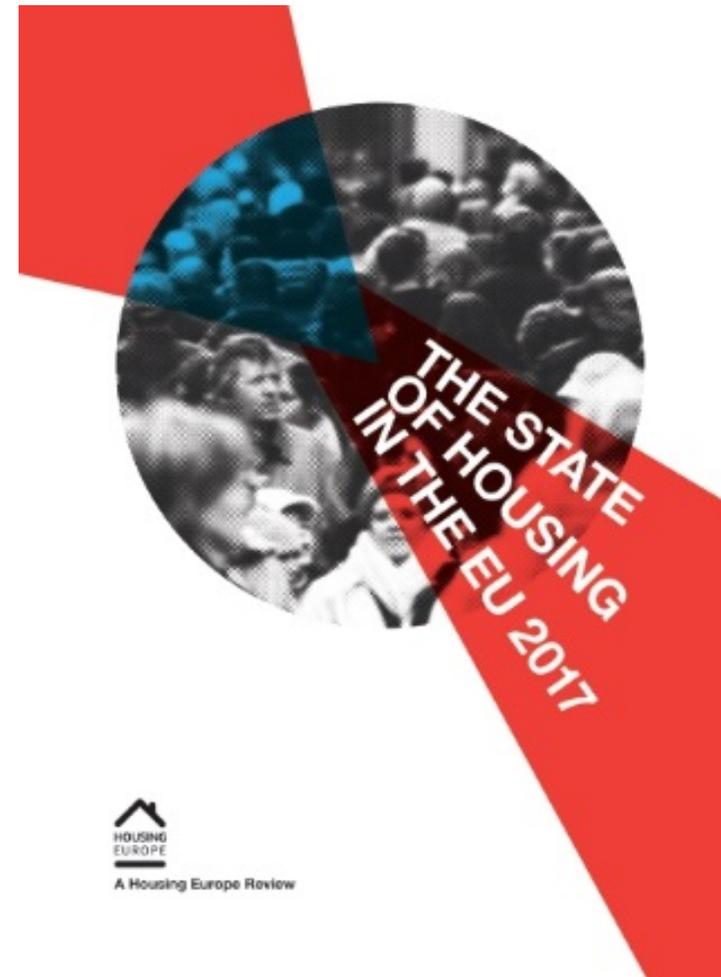
European High-Level Roundtable on Housing, 7 June 2019, Lyon

**Bridging the gap in affordable, adequate,
energy efficient housing**

A snapshot from key data and literature

State of Housing in the EU report

- ‘Growth has returned to our continent, but we should not forget this growth is leaving many behind and our societies are increasingly unequal. Similarly, the recent ‘recovery’ in housing markets is far from benefitting everyone and **the state of housing in the European Union today remains critical.**’
- Next edition: October 2019!



Cost of living & housing: a key concern for Europeans

- **Rising prices / inflation / cost of living is the most important problem** that Europeans feel they are facing personally at the moment with more than one third of respondents.
- **Housing is among the two top concerns for about 11%** of respondents on average (and the first cause of concern in Ireland (60%) and Luxembourg (56%))

(Source: European Commission (2018), Public opinion in the European Union. Standard Eurobarometer n. 90, Autumn 2018)

Housing costs and risk of poverty

- Housing **overburden rate among people at risk of poverty has increased significantly compared to pre-crisis level, from 35.9 in 2005 to 37.8 in 2017** (but slightly decreased for those with higher incomes).
- **When housing costs are taken into account, 156 million people are at risk of poverty**, as against 85 million before housing costs are taken into account.

(Source: Eurostat, EU SILC Database)

Europe facing an urban housing crisis

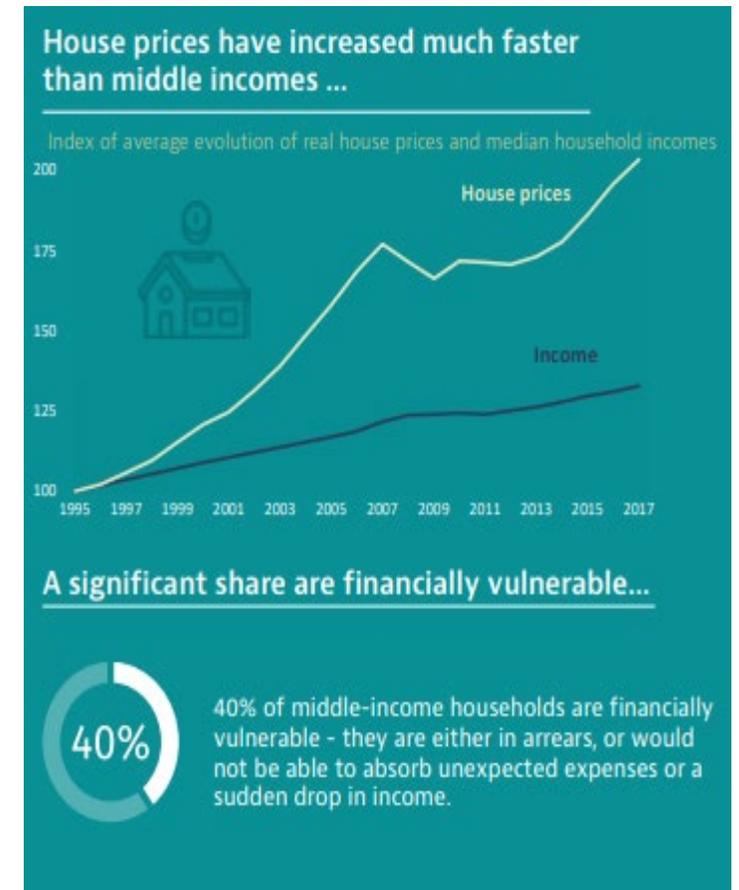
- **Major cities face a structural housing shortage** and house prices there are higher and raising faster, with rents following the same trend.
- In **all but two of the 28 EU capitals**, most people disagree with the statement that finding good housing at reasonable prices was easy!

(Source: Eurostat (2016), Urban Europe – Statistics on cities, towns and suburbs)

Housing a key issue for the ‘squeezed middle class’ – a view from OECD

- While middle incomes have ‘barely grown’, the **cost of ‘essential parts of middle-class lifestyle has increased faster than incomes’, notably housing, health and higher education.**
- **‘Rising house prices also hinder labour mobility towards the most dynamic urban areas and [...] upwards social mobility’.**

(Source: OECD (2019), *Under Pressure: The Squeezed Middle Class*, OECD Publishing, Paris)



Housing at the 'heart of growing economic divide' – a view from the World Bank

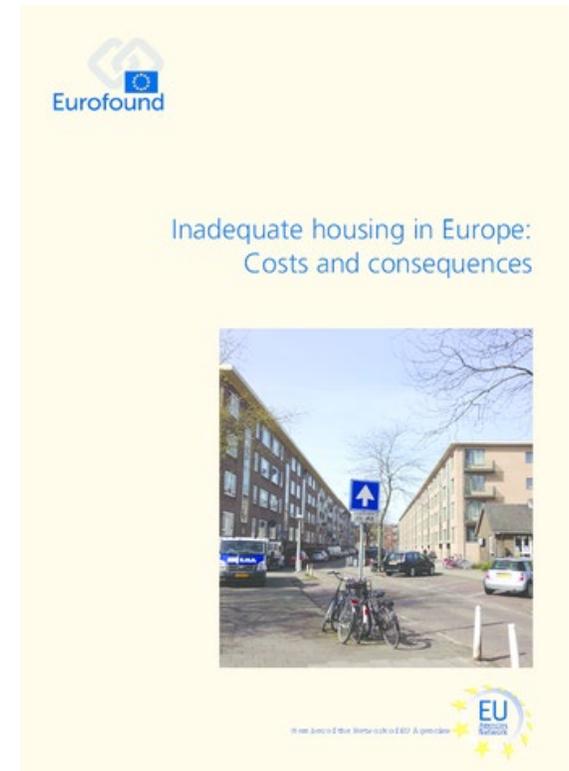
- 'Availability and affordability of decent housing has become an important economic and social concern in the EU. This has accelerated in recent years, as **housing price increases in metropolitan regions have often outpaced wage increases**. [...] **Young people and newcomers to cities are especially affected**
- 'Land and housing assets are a source of wealth inequality, have an important impact on spatial inequality, and could potentially determine the **degree of intergenerational mobility** within a society.'



(Source: The World Bank (2018), *Living and Leaving: Housing, Mobility and Welfare in the European Union*)

The cost of inadequate housing – a view from Eurofound

- **Inadequate housing costs EU economies nearly €194 billion per year** – in direct costs associated with healthcare and related medical and social services, and indirect costs such as lost productivity and reduced opportunities.
- The **investment needed** to bring the standard of housing up to an acceptable level **which would be repaid within 18 months** by savings in healthcare and better social outcomes.

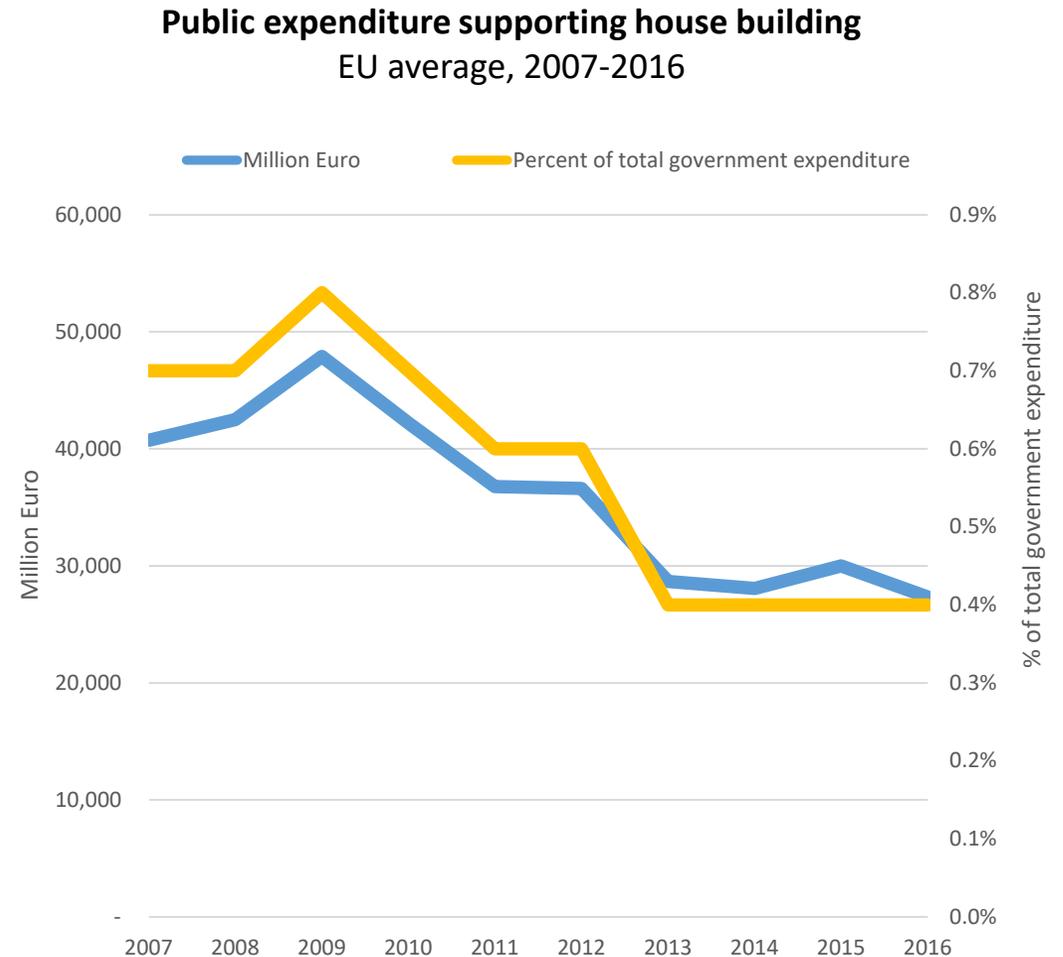


(Source: Eurofound (2016), Inadequate housing in Europe: Costs and consequences, Publications Office of the European Union, Luxembourg)

Declining public investment

- Over the last ten years, overall public expenditure on building homes across the EU has gone down from around 40bn Euro in 2007 to around 27bn Euro in 2016.
- Public investment into building affordable housing has not only decreased nominally but also in terms of overall government expenditure.

(Source: Eurostat, COFOG Database)



Investment gap in affordable housing – ELTI HLTF

- ‘Major boost is needed in **long-term social infrastructure investment**. Such needs will have to consider future changes in European social models [...] and invest massively in **human capital and inclusive resilient communities**.’
- Minimum investment **gap** in accessible, energy-efficient and affordable housing of **57 billion Euros** per year in Europe.

(Source: Lieve Fransen, Gino del Bufalo and Edoardo Reviglio (2018), *Boosting Investment in Social Infrastructure in Europe*. European Economy Discussion Paper 074, January 2018, Publications Office of the European Union, Luxembourg)



Quality, efficient affordable housing for the future of Europe

‘We need to support **access to quality, energy-efficient affordable housing for all** in Europe, supporting Member States to ensure **functioning housing markets and adequate provision of social housing.**’

(Source: European Commission (2019), Europe in May 2019: Preparing for a more united, stronger and more democratic Union in an increasingly uncertain world. European Commission's contribution to the informal EU27 leaders' meeting in Sibiu (Romania) on 9 May 2019)

