Affordable Housing a prerequisite for Europe

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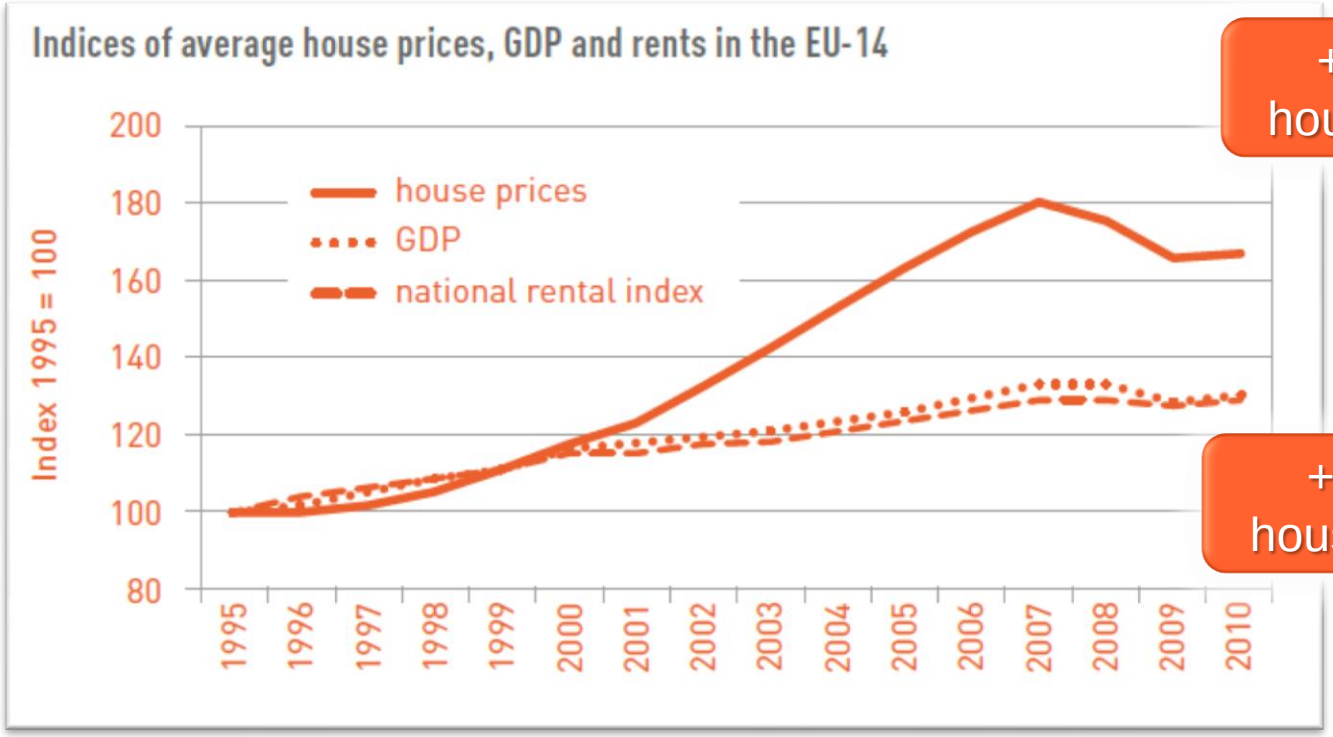
Housing is a fundamental right

- among the most important basic needs of human beings
  - fundamental right guaranteed under Article 25 of the UN Declaration of Human Rights
  - explicitly recognised in Article 34 of the Charter of Fundamental Rights of the European Union:

"…In order to combat social exclusion and poverty, the Union recognises and respects the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources…"

Housing costs are becoming prohibitive



+70% in house prices

+30% in housing rents

➔ on average housing costs account for 25% of EU consumer spending!

* Source: Wieser, Robert: Staiblising and destabilising factors for the housing markets of the EU-14, 2011

EU-wide housing scarcity is exacerbating

- increasing missmatch between supply and demand, particularly in major urban areas
  - lack of 16,000 newly built appartments in London in 2012
  - 5,000 missing newly built appartments in Vienna in 2012
- substantial **need for targeted susbisidies** for residential construction in the bottom and middle price segments
  - ease social tensions
  - counteract recent price developments
  - lever residential construction in economically less attractive segments

➔ The free market alone does not meet the requirements for affordability!

Subsidised residential construction benefits citizens

- support of **social integration and stability**
- promotion of residential construction under a **cost-efficient approach**
  - balance between high technical standards, in-house technique and costs
- steering instrument to construct **carbon-neutral and energy efficient** properties
  - contribution to EU energy & climate objectives
- important trigger for **sustainable growth and jobs**

Benefits of residential construction are manifold

- **economic significance** of construction sector*
  - **20** million **people**
  - **three** million **companies**
  - **10%** of EU **GDP**
- more than **EUR 150,000 of revenues** per employee in residential construction

*EC Communication Strategy for the sustainable competitiveness of the construction sector and its Enterprises, 2012

Residential construction needs political support

- **recognize** subsidised and social housing construction as a service of general economic interest
- **support** and advise national residential construction policy
- **stimulate** residential construction through expansion and integration of EU programmes
- **open** structural funds for all residantial construction on the condition of climate protection
- **increase** funding for research in the field of residential construction

Housing in Europe in figures

70%

increase of house prices since 1995

Housing is becoming increasingly expensive: Since 1995, house prices have gone up by around 70% and rents by more than 30%.

socio-demographic change

As a result of socio-demographic developments, traditional housing is in increasingly short supply: The proportion of one- and two-person households is more than 50% on average.

houses expenses are spiralling

Housing expenses per household are spiralling: More than 12% spend almost half of their disposable income on housing alone.

overcrowded housing

In European cities, over 17% of the population live in overcrowded housing conditions and in segments of the population at risk of poverty this applies to more than 30% – in Poland, the proportion is almost 65%.

20 million people

impact of construction sector

The economic significance of the construction sector is enormous: 20 million people work in over three million companies in the construction industry, including some four million employees in residential construction. Residential construction generates revenues of €150,000 per employee per year in the whole of the EU.

For further information

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