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FIEC welcomes the Recommendations of the Housing Advisory Board but puts a few warnings

On 20th November, ahead of the publication of the *European Affordable Housing Plan* and the *European Strategy for Housing Construction* – expected on 16th December – the *Housing Advisory Board* submitted a set of **75 Recommendations** to the European Commission. These 75 recommendations revolve around 6 main areas: societal aspects, planning systems, climate targets, skills and supply chains, funding, and governance.

FIEC welcomes the publication of the *Housing Advisory Board's*. The report rightly highlights that Europe faces a structural and long-term housing crisis, that demands coordinated action across planning, finance, construction capacity, and infrastructure.

Some of the Advisory Board's priorities are strongly aligned with FIEC's long-standing positions, including the need to **increase housing supply, support renovation and energy-efficiency improvements, simplify and digitalise permitting procedures, and scale up innovative and industrialised construction methods (i.e. Modern Methods of Construction), in combination with skills development.**

At the same time, FIEC considers it important to point out several areas where our perspectives differ and where the upcoming *European Affordable Housing Plan* should maintain a balanced and investment-friendly approach.

1. The housing crisis is a complex issue which requires a wide and open-minded approach, no one-size-fits-all solutions

The Advisory Board places a strong emphasis on social housing expansion, as well as on neighbourhoods' regeneration and housing renovation, often with strong intervention by public authorities.

However, in the framework of the forthcoming *European Affordable Housing Plan*, the concept of "affordable housing" should be understood in a broad and flexible way, to achieve a social mission to the benefit of the entire population. Hence, such concept is

Through its 32 national member associations in 27 countries (24 EU countries, Norway, Switzerland and Ukraine), the European Construction Industry Federation represents construction companies of all sizes, i.e., small, and medium-sized enterprises and "global players", carrying out all forms of building and civil engineering activities. FIEC is the officially recognised sectoral social partner in the *European Social Dialogue for Construction*.

distinct from the various definitions of “social housing” which exist at national level and should be preserved.

Moreover, considering the scale of the housing shortage, the forthcoming Plan should address this problem regarding all its components: quantity and quality, regional disparities, etc. It is therefore wrong to believe that housing renovation only will solve the matter. A much greater emphasis should also be put on new residential construction.

2. Public and private funding must work together

The Advisory Board places a strong emphasis on public-led and social-housing–driven financing models.

FIEC fully supports robust public investment, but Europe cannot close the housing gap without mobilising private capital at scale. Any policy measures that risk discouraging private investment or create regulatory uncertainty will ultimately reduce supply and worsen affordability. Housing delivery requires long-term stability, predictable rules, and the confidence of both public and private actors.

3. State aid expansion and mandatory quotas require caution

The Advisory Board proposes extending State aid regimes and introducing mandatory inclusionary zoning or fixed quotas for social or cost-rental housing in private developments.

FIEC supports the expansion of social and affordable housing, but mandatory quotas can slow down project delivery, increase costs, or make developments financially unviable—especially in high-cost or low-margin markets. A more flexible, context-sensitive, and market-aware approach is needed to ensure that policy ambitions translate into actual, buildable projects.

FIEC stands ready to work with the European Commission, Member States, cities, financial institutions, and construction partners to ensure that the forthcoming *European Affordable Housing Plan* is ambitious, balanced, and capable of restoring real housing affordability for Europe’s citizens.

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