EUROPEAN
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Brussels, 9.9.2026
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COMMISSION RECOMMENDATION

of 9.9.2026

on housing affordability and supply in areas under housing stress

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292 thereof,

Whereas:

(1) The Union is facing a housing affordability crisis that weakens social cohesion and competitiveness by limiting labour and educational mobility, as well as equal opportunities. While the most disadvantaged in our society are struggling the most, a growing number of middle-income households are facing difficulties in accessing affordable housing.

(2) The European Committee of the Regions' Opinion on the role of cities and regions in the EU affordable housing plan, adopted on 13 May 2025, highlights the territorial diversity of the housing crisis and the need for a place-based approach to enable local and regional authorities to develop tailored responses. It also acknowledges that one of the solutions to high housing costs is to increase supply through the construction of new housing while continuing to adapt and renovate the current housing stock.

(3) The Presidency Conclusions on the future European affordable housing plan, adopted on 1 December 2025 called on the European Commission to pay special attention on areas and territories with particular challenges in providing affordable, sustainable and decent housing and to consider ways of supporting Member States' efforts, including at regional and local levels, to maintain and, where appropriate, to increase the supply of affordable, accessible, safe and sustainable housing.

(4) The European affordable housing plan, adopted by the Commission on 16 December 2025, identified 10 key areas of action where the Union can add value and support the efforts of other public authorities and stakeholders to help deliver affordable, sustainable and quality housing. The plan also indicated the Commission's intention to help public authorities in identifying areas of housing stress, and support them, complying fully with subsidiarity, in taking measures to protect and promote housing affordability.

(5) The European Parliament Resolution on the housing crisis in the European Union with the aim of proposing solutions for decent, sustainable and affordable housing, adopted on 10 March 2026, acknowledged that the limited supply of housing is one of the main causes of the housing crisis. It called upon the Union to incentivise municipalities and regions to promote the construction and renovation of housing as well as the repurposing of buildings within their areas.

(6) The proposal for a Council Recommendation on fighting housing exclusion[1] adopted by the Commission on 6 May 2026, aims to promote the design, implementation and improvement of national, regional and/or local strategic frameworks to prevent and

[1] COM(2026)540 final of 6 May 2026

address housing exclusion. It is based on person-centred, housing-led and integrated policies, and includes recommendations on how to boost the supply of affordable and social housing. This Recommendation complements that proposal by setting out measures to increase housing supply in areas under housing stress.

(7) The Council Recommendation on the New European Bauhaus adopted on 11 May 2026 calls upon Member States to: (i) prioritise renovation over unnecessary demolition and new construction; (ii) promote affordable and social housing, avoiding, if possible, urban sprawl and spatial concentration of poverty; (iii) map and incentivise the transformation of vacant and underused buildings; (iv) streamline and accelerate zoning and building permitting procedures; and (v) address regulatory barriers to innovative construction methods and materials entering the market.

(8) The European Housing Alliance, launched on 12 May 2026, brings together Member States, regions, cities, and other stakeholders concerned by the housing crisis in the Union. It will harness housing expertise and best practices from across the Union to facilitate knowledge sharing and mutual learning and help disseminate the findings of ongoing and future studies. It will also be a valuable forum for exchanges on matters relevant to implementation and monitoring of this Recommendation.

(9) The Presidency Conclusions adopted on 29 June 2026 stressed the impact of demographic trends, such as rural-to-urban migration on the housing crisis and called for special attention to be paid to territories experiencing sustained housing pressure - where demand persistently exceeds supply - to better align housing provision with local needs.

(10) Affordability pressures are usually highest in urban areas and tourist hotspots including rural areas experiencing high tourism pressure, where the mismatch between housing demand and supply is most severe and results in housing shortages and prices increasing faster than incomes. While the impacts of the housing crisis are felt most acutely by the most disadvantaged groups in society, the crisis is also increasingly impacting middle-income households, including those unable to secure adequate housing on the market, such as essential workers (e.g. health sector staff, teachers).

(11) The proposal for a Regulation of the European Parliament and the Council establishing a framework for measures in Member States to safeguard housing affordability and availability (Affordable Housing Act), adopted by the Commission on …, sets out rules on the identification of areas under housing stress and on restrictive measures adopted in those areas by competent authorities to safeguard housing affordability and availability.

(12) In areas under housing stress, measures aimed at limiting the use of housing for non-primary residences may provide relief in the short term. However, it is also necessary to alleviate the underlying mismatch between supply and demand by addressing issues such as bottlenecks originating from zoning, building codes, planning and permitting procedures including administrative capacity, limited public investment, shortages of skilled labour and insufficient use of the existing building stock. Increasing housing supply, in particular affordable and social housing, can therefore help to ease the pressure on housing markets.

(13) Housing acceleration plans should complement any housing-related restrictions adopted under national, regional or local law. They can help identify where and how much housing is needed, especially affordable and social housing, to foster inclusive,

mixed-income and accessible neighbourhoods. When part of an integrated urban development plan, they can help: (i) promote compact, transport-oriented urban development; (ii) reduce pressure on areas under housing stress; (iii) revitalise smaller towns; (iv) lower capital investment needs for housing and related infrastructure; (v) improve climate and environmental resilience and health; and (vi) support better access to services and opportunities. They can create added value when integrating and complementing existing policy strategies and sectoral initiatives, including relevant policies at Union level. These include for example the national building renovation plans pursuant to Directive (EU) 2024/1275 of the European Parliament and of the Council[2], the sustainable urban mobility plans related to Regulation (EU) 2024/1679, the Council Recommendation on the New European Bauhaus, the proposal for a Council Recommendation on fighting housing exclusion, the National Climate Adaptation Plans or the Directive (EU) 2025/2360 on soil monitoring and resilience (Soil Monitoring Law) and its land take mitigation principles.

(14) Housing is a crosscutting issue for which responsibilities are shared at different levels of government and across different geographical regions. Some rules governing the supply of housing can be set by regional and local authorities, while housing policy, including strategic frameworks to fight housing exclusion, are often overseen by a national authority. Cooperation across different levels of governance as well as between all stakeholders (including residents) is therefore key to successful policies and improved housing affordability. Conversely, fragmented governance of housing can hinder the efficient design, implementation and monitoring of housing policies and projects.

(15) The design, implementation and monitoring of housing acceleration plans can usefully be based on data on ownership, use and quality of housing (number of dwellings, owner-occupied housing, private and social long-term rental, short-term rental, secondary homes, vacant buildings, energy usage), housing demand and supply trends (population dynamics, disaggregated in particular for disadvantaged groups, building permits, starts and completions), as well as data on buildings or land suitable for housing development. The European Commission will support such efforts by improving European statistics related to housing to further strengthen evidence-based and data-driven policymaking, as part of the implementing the European affordable housing plan.

(16) Housing below market prices, understood in this Recommendation to cover both affordable and social housing as defined by Commission Decision (EU) 2025/2630[3], is key to providing, in a cost-effective way, the housing needed in areas under housing stress for disadvantaged households or socially less advantaged groups including people experiencing homelessness, as well as households that cannot access housing at market prices. However, in many Member States the share of affordable and social housing in the housing stock remains very low or has been declining over recent years, while waiting times to access it have been increasing.

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2 Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings (OJ L, 2024/1275, 08.05.2024, ELI:http://data.europa.eu/eli/dir/2024/1275/oj).

3 Commission Decision (EU) 2025/2630 of 16 December 2025 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest and repealing Decision 2012/21/EU (OJ L, 2025/2630, 19.12.2025, ELI:http://data.europa.eu/eli/dec/2025/2630/oj

(17) Decision (EU) 2025/2630 provides that affordable and social housing subsidised within services of general economic interest is to be available for affordable or social housing purposes for a sufficiently long period, of at least of 20 years from the beginning of the delivery of the service, to prevent speculation. This does not preclude public authorities from adopting longer periods depending on public policy considerations such as maintaining housing below market prices in areas experiencing price increases for instance, or shorter periods in duly justified circumstances.

(18) Increasing the supply of affordable and social housing generally has a positive impact on the housing market. More specifically, affordable and social housing has been shown to have a moderating effect on private market prices and rents, and to support the development of mixed housing projects by enabling early commercialisation. In some Member States, affordable and social housing providers have been at the forefront of efforts to retrofit, densify, and extend the existing building stock, thus reducing the overall environmental footprint of the buildings and energy poverty.

(19) Affordable and social housing providers exist across Member States as diverse legal entities: municipal, state-owned, or private, including cooperative, community land trust, limited-profit or non-profit. Some of these providers, in particular Community Land Trusts, cooperative or non-profit housing, lack legal recognition in several Member States, preventing them from accessing public support, in particular funding and land.

(20) Models which depend on separating land and building ownership can reduce the upfront cost of housing, making projects more feasible and more affordable. Resale restrictions guarantee that the land or housing remains affordable despite changes in ownership. For public entities which keep the ownership of the land or buildings, holding such assets serves as a source of revenue, amounting to several times the acquisition cost over a long period, and also as a collateral for other investments.

(21) Models which mix affordable and social housing address the needs of a broader target group and can levy higher rents from some of their tenants while maintaining lower rents for tenants in disadvantaged situations, thereby requiring less public support. Such practices also favour social mixity both within an individual development and in neighbourhoods. Revolving funds ensure that all returns from the housing projects are reinvested in expansion, maintenance, or renovations. To this end, and in particular in areas under housing stress, diversifying forms of housing below market prices can be a means of responding to a variety of needs without additional pressure on public finances.

(22) Across the Union, a significant share of the housing stock is either vacant, used as non-primary residences, or remains underoccupied. Vacant offices, brownfield (previously developed land now idle) and urban in-fill sites are numerous. Working with well-located existing buildings often requires specific competences and skills and involves greater cost uncertainties compared with greenfield development. Despite these challenges, projects are demonstrating the financial, technical, and legal feasibility of working with existing buildings, and the associated social, economic and environmental benefits.

(23) Renovation of the existing housing stock, and in particular energy efficiency renovation contributes to improving the affordability and safeguarding the availability of sustainable and quality housing. It does this by addressing the

challenges arising from the high operating costs as well as the poor energy performance, limited summer and winter comfort and high climate vulnerability of a significant share of homes.

(24) Renovation, repurposing, adaptations, densification, extensions, or sub-divisions of homes can sometimes be hindered or slowed down by zoning rules, inconsistent building codes, fiscal rules unfavourable to such projects, or co-ownership laws. However, this same regulatory framework can also incentivise such projects when carefully designed. Taxation of vacant buildings, when underpinned by clear definitions and detection methods, is an example of this, helping activate vacant buildings. Building codes can encourage new non-residential buildings and associated infrastructure, such as parking structures, to be designed in such a way as to facilitate future repurposing into housing. Voluntary schemes, such as flat-swapping or sub-letting for students, are being set up by local governments and affordable and social housing providers, to address under-occupation.

(25) Rental markets, both at and below market prices, are underdeveloped in some Member States. At the same time, some tax measures, such as Mortgage Interest Tax Relief, favour owner-occupation, may push up house prices and hinder the development and affordability of the private rental market.

(26) The combination of increasing demand for land – for residential, commercial, tertiary use– alongside restrictions on its use, such as housing density limitations, has been driving up land and housing prices across the Union. Control of land is therefore critical for local governments to be able to ensure sufficient availability of buildable land (including brownfield sites), steer the development of their cities towards their planning goals, such as social and affordable housing, and moderate land prices. Public land ownership can contribute to reducing risks and speeding up project timelines.

(27) Land policy tools enable public authorities to acquire, manage, transform and make available land and buildings to both private and public housing developers and providers. Tools, such as infrastructure levies and charges, developer obligations or charges for development rights, enable authorities to finance housing related infrastructure. Authorities can use these policy tools either directly, or through dedicated public land agencies, land banks or development corporations, which have specific know-how and financial capacity or in collaboration with large public landowners such as hospitals or universities.

(28) Reducing permitting time and uncertainty positively impacts the supply and cost of housing. Digitalisation, one-stop shops, fast-track procedures, pre-application meetings and compulsory timeframes for permitting have proven efficient in some cases in reducing permitting time from years to months or even weeks. Wider uptake of Building Information Modelling, in particular for permitting, can facilitate the use of a shared digital representation of a built asset in design, construction and operation processes, providing a reliable basis for decisions.

(29) The current Union public procurement rules, in particular Directive 2014/24/EU of the European Parliament and of the Council[4], provide flexibility to procure speedily and award tenders taking quality, innovation, and sustainability into account.

[4] Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65, ELI:http://data.europa.eu/eli/dir/2014/24/oj).

Framework agreements, especially with reopening of competition, may accelerate the procurement of housing. Public buyers may also choose between general contractor models and division into lots. The latter facilitates direct participation of small and medium-sized enterprises. General contractor models facilitate the procurement of prefabricated housing. Allowing different procurement models promotes innovative construction methods, cost effectiveness and sustainability. Furthermore, the resale of land and buildings is not subject to the public procurement rules. By leveraging these flexibilities, authorities can accelerate the delivery of affordable housing.

(30) Modern methods of construction, including for renovations, repurposing and extensions, have the potential to reduce costs, construction waste, carbon emissions, construction times and disturbances especially if deployed at scale across the internal market. Such methods are innovative and tend to be more sustainable, for example by employing offsite, modular and prefabricated approaches, and using decarbonised and carbon-storing sustainably sourced biobased materials. They can also promote a whole-life carbon approach to housing construction and improve quality, thus delivering social, economic and environmental benefits.

(31) Affordable and social housing, as well as student housing, can provide sufficient and predictable demand for modern methods of construction to overcome the high upfront capital costs and associated risks, and to reap the benefits of economies of scale. Some Member States require their providers to deliver a minimum percentage of their housing units using these methods.

(32) The widespread adoption of modern methods of construction requires the updating of a multitude of building codes and the development of harmonised European standards. These will need to incorporate modular and prefabricated approaches and to reduce differences in technical requirements between building codes across the internal market and even within some Member States. In this context, the Eurocodes have significantly influenced modern methods of construction by providing a standardized approach to design, construction, and testing.

(33) An additional EUR 150 billion annually is needed on top of current public funding and private investments to meet the housing needs over the next decade. The Union is supporting this objective by already mobilising at least EUR 47.7 billion towards housing related investments under the current multi-annual financial framework through cohesion policy funds, InvestEU, LIFE, the single market programme and Horizon Europe, as well as through NextGenerationEU. The flexibilities and incentives for reprogramming cohesion policy funds towards affordable and sustainable housing introduced under the mid-term review of cohesion policy have led to additional investments of EUR 4.7 billion being proposed to date, with Member States and regions encouraged to continue reprogramming towards housing, alongside other EU strategic priorities, until the end of programming period, in line with their needs. The social climate fund will also contribute to the improvement of the existing housing stock.

(34) New funding possibilities for investments in housing supply will be unlocked in the next multi-annual financial framework (2028-2034).

(35) Across the Union, public funding for affordable and social housing providers is provided through various instruments such as grants, concessional loans, equity or guarantees but is also provided through non-financial instruments such as cheaper access to land. These different instruments can be blended effectively to help leverage private financing. Some Member States have implemented successful

financing schemes which mobilise household savings. This has involved using regulated savings accounts to provide long-term loans to affordable and social housing providers, or providing public support for retail investment in non-profit or limited-profit housing providers, within a diversified investment strategy.

(36) Some national and regional promotional banks and institutions are supporting local governments and affordable and social housing providers with very long-term concessional loans for land and building acquisition. This can spread acquisition costs over time and strengthen the financial viability of projects, with significant benefits for brownfield sites redevelopment.

(37) The Pan-European Investment Platform for affordable and sustainable housing supports collaboration between public authorities and private investors to pool resources and scale-up investment in housing supply across the Union. It provides direct access to information about funding and financing opportunities, best practices, case studies, and innovative approaches across Member States. It helps develop scalable and innovative funding and financing models and promote project aggregation through a digital portal, an expert group, and voluntary national financing hubs.

(38) The measures put forward in this Recommendation are designed to benefit private, cooperative and public developers and providers on equal terms, with no preferential access that could distort competition between them.

HAS ADOPTED THIS RECOMMENDATION:

1. SUBJECT MATTER

1. In full respect of subsidiarity, this Recommendation sets out guidance based on evidence and good practices across the Union for the competent authorities of the Member States to address housing affordability challenges in areas under housing stress, or which are at risk of experiencing housing stress, by promoting place-based responses to increase housing supply, with a focus on housing below market prices.

2. HOUSING ACCELERATION PLANS

2. In and around areas under housing stress, the competent authorities are encouraged to design and implement a housing acceleration plan, tailored to local and regional housing conditions, or integrate the relevant aspects listed in this article into existing plans, in order to boost housing supply with a particular focus on housing below market prices.

3. A housing acceleration plan should:

   (a) address the specific recommendations set out in points 3 to 7 to the benefit of private and public housing providers alike;

   (b) be based on relevant data and consider local housing shortages and territorial disparities in housing supply, including for housing below market prices and housing for young people, including students and apprentices;

   (c) cover not only the area under housing stress but also commuting zones and functional urban areas, where relevant, to include underused housing which can be made more viable and attractive through sustainable and accessible transport investments, helping to relieve pressure on the area under housing stress;

(d) ensure synergies and coordination with other polices and strategies, such as on addressing housing exclusion, construction and urban planning, financing, sustainable tourism, transport, and essential services, climate and environmental resilience and health, including adaptive criteria and climate scenarios with particular attention to heat resilience and future cooling needs, and with energy renovation policies at local and national level;

(e) be supported by sufficient financial and human resources.

4. Competent authorities should work closely with relevant levels of governance and stakeholders, including public and private housing providers and citizens, in the design, approval, implementation and monitoring of the housing acceleration plan.

3. ACCELERATING CONSTRUCTION AND RENOVATION THROUGH PERMITTING, PROCUREMENT AND MODERN METHODS OF CONSTRUCTION

5. In areas under housing stress, competent authorities should:

(a) prioritise approval processes for affordable and social housing;

(b) prioritise approval processes for renovations in particular for energy performance improvements, adaptation, extension and repurposing of existing buildings towards residential use, and sub-divisions, including by allowing deviations from local zoning rules when they comply with substantive standards, quality and sustainability of buildings and neighbourhoods;

(c) work towards putting maximum processing times for permit decisions taking into consideration local administrative capacity and project complexity, enforcing 60-day permitting timeframes where relevant as well as tacit approval, where appropriate, for certain steps of permit granting;

(d) foster a culture of transparent consultation and cooperation between permitting authorities and housing developers to shorten timeframes for permitting, and limit uncertainty during the permitting procedure;

(e) set up interoperable digital permitting systems with a gradual introduction of Building Information Modelling-based workflows;

(f) work towards setting permitting requirements into digitally structured, interoperable and machine-readable formats, prioritising those domains that are clearly defined and measurable;

(g) establish openBIM as a legally recognised submission format and promote the development of interoperable common data requirements and shared rule libraries in machine-readable form across national jurisdictions;

(h) introduce or apply faster and more streamlined dispute resolution procedures, for instance, by applying, where legally feasible, standing restrictions and time-limits for judicial review of decisions.

6. Contracting authorities and entities responsible for providing housing should ensure that their construction projects use the flexibilities in the Union public procurement framework for speedy delivery of quality housing, by

(a) requiring or allowing innovative products and building methods such as prefabrication and off-site construction;

(b) using procurement methods such as framework contracts and joint procurement;

(c) making use of accelerated procedures;

(d) making use of architectural competitions and market consultations during project preparation to inform contracting authorities about the capacities of the market and how to harness them for faster procurement.

7. Competent authorities should:

(a) support the procurement of housing units built using modern methods of construction by housing providers, including, where relevant, by setting targets;

(b) support the development of harmonised European standards for sustainable off-site construction products and modular systems under Regulation (EU) 2024/3110 and amend building codes to ensure greater convergence of technical requirements across the internal market to allow for the increased use and cross-border provision of modern methods of construction;

(c) promote the exchange of best practices, within national, regional and local contexts, support performance-based approaches and make wider use of Eurocodes where appropriate;

(d) support the development of locally based demonstration projects with modern methods of construction to showcase innovative sustainable technologies, build confidence among investors and public authorities, and facilitate training and knowledge sharing.

8. Competent authorities should:

(a) promote upskilling and reskilling in the construction sector in particular for renovation and repurposing, modern methods of construction, land acquisition and assembly, and digital skills, including by engaging with relevant Union initiatives in these areas;

(b) ensure sufficient administrative capacity, particularly at local and regional level, including by dedicating resources to urban planning and permitting functions, such as safety and environmental assessments, supporting digital upskilling, and offering centralised solutions for smaller authorities;

(c) facilitate the cross-border provision of renovation and construction services, including through mutual recognition of qualifications and simplified administrative requirements for small and medium-sized construction enterprises operating across Union borders.

4. INCREASING THE SUPPLY OF HOUSING BELOW MARKET PRICES

9. In and around areas under housing stress, the competent authorities should take all necessary measures to increase the supply of housing below market price as a share of the housing stock, in particular by:

(a) legally recognising different public and private providers of affordable and social housing, and making full use of Commission Decision (EU) 2025/2630 to support them;

(b) setting targets at local level for housing below market prices, as a share of the housing stock, to meet the needs identified, achieve social mix and prevent spatial segregation;

(c) implementing locally appropriate measures such as inclusive zoning, dedicated plots or density bonuses in their local zoning rules to achieve the targets for housing below market prices;

(d) where this housing has been or will be subsidised by public resources, including within services of a general economic interest, designating the housing for that purpose for a sufficiently long period, meeting at least the 20-year minimum where required by Decision (EU) 2025/2630, to answer the affordability challenges of the area;

(e) creating innovative models for housing below market prices in areas under housing stress, for instance long-term public leasehold models in which competent authorities retain land ownership while affordable and social housing providers finance, construct and manage housing; or enlarging the target groups to combine different levels of rent and decrease the need for public financing.

10. Competent authorities should, where appropriate, design measures taken to give effect to sub-point 9 of this Recommendation in a manner that complements, and mutually reinforces, the strategic frameworks to fight housing exclusion implemented in the framework of the future Council Recommendation on fighting housing exclusion.

5. BETTER USE AND ADAPTATION OF THE EXISTING BUILDING STOCK

11. In and around areas under housing stress, competent authorities should analyse, and if needed, revise current:

(a) building codes, standards and land-use and zoning policies to enable, facilitate and incentivise renovations, energy performance improvements, adaptations, repurposing, densification, including extensions, and sub-divisions of dwellings, while ensuring the safety, quality, accessibility and sustainability of buildings and neighbourhoods;

(b) tax systems and rental laws with a view to making better use of the existing building stock, for example by incentivising long-term residential use of vacant buildings in areas under housing stress;

(c) co-ownership laws to facilitate decision-making for renovations, repurposing, extensions or change of use towards housing.

12. Where the rental market is underdeveloped, competent authorities should encourage private market-rate rental and build-to-rent development, with appropriate safeguards, for instance, by:

(a) reducing tax distortions between owner-occupied and rental housing

(b) developing public leasehold models in which competent authorities retain land ownership while housing operators finance, construct and manage housing.

13. To respond to evolving housing needs, competent authorities should:

(a) ensure that rental and tax law facilitates the letting-out of rooms, in particular to young people, notably students and apprentices;

(b) support voluntary right-sizing schemes, both in private housing and in affordable and social housing through collaboration with providers.

6. INVESTING IN LAND AND BUILDINGS

14. In areas under housing stress, competent authorities should create the necessary tools and devote the necessary resources and administrative capacity to invest in land and buildings for housing, and housing below market prices in particular.

(a) Such tools could enable, when locally appropriate or necessary for a given project:

(1) acquiring of private land and buildings, or owned by other public bodies, suited for housing development;

(2) readjusting and reassembling land and buildings, including through negotiated procedures;

(3) separating the property of land and building, in line with 14 (c);

(4) resale restrictions, including through capital gains limitation clauses, or mandatory buy-back;

(5) contribution of providers to the costs of housing-related infrastructure borne by the competent authority.

(b) Competent authorities can create public land agencies, land banks or development corporations, and work on a voluntary, negotiated basis with other public landowners, to undertake the necessary acquisitions, environmental remediation or repurposing, and land release;

(c) Where competent authorities make available to housing developers, or providers, the land and buildings they own, , they should retain ownership through tools such as long-term leases of land and buildings, or separation of land and building ownership.

15. Within the framework set out by Decision (EU) 2025/2630, competent authorities should consider land provision, through lease or resale, as a means of supporting affordable and social housing providers.

7. MOBILISING FUNDING AND FINANCING

16. Competent authorities should mobilise public and private investments for housing supply in and around areas under housing stress, in particular for housing below market rates and affordable housing for students and apprentices, including by:

(a) establishing or coordinating with national hubs within the pan-european investment platform for affordable and sustainable housing to support the development, funding and financing of locally identified investment pipelines, in particular housing below market prices and affordable housing for students and apprentices including by providing technical assistance and supporting aggregation;

(b) fully using the wide range of Union funding instruments available, under the current and future multi-annual financial framework and the social climate fund, including via blended public-private finance such as the options outlined in the model financial instrument for affordable housing[5] and de-risking tools to crowd in additional public and private capital;

(c) exploring the establishment of revolving funds, which require the mandatory reinvestment of all profits in the provision of the service concerned, for affordable and social housing providers, as well as public land agencies, land banks and development corporations;

(d) attracting and scaling private investments for affordable and social housing providers, including via public-private partnerships, co-investment structures, projects structured around mixed social, affordable and market priced housing;

(e) developing specific financing instruments, such as equity and very long-term debt, for repurposing brownfield sites or acquiring land and buildings to expand housing below market prices, including by relying on national and regional promotional banks and institutions, the Council of Europe Development Bank, the European Bank for Reconstruction and Development and the European Investment Bank Group to develop them;

(f) developing specific financing instruments for renovation, repurposing, adaptation and subdivision projects undertaken by private operators, cooperatives, construction companies and small and medium-sized enterprises; including by relying on national and regional promotional banks and institutions, the Council of Europe Development Bank, the European Bank for Reconstruction and Development and the European Investment Bank Group to provide this financing.

Done at Brussels, 9.9.2026

For the Commission
Dan Jørgensen
Member of the Commission

CERTIFIED COPY
For the Secretary-General

Martine DEPREZ
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Decision-making & Collegiality
EUROPEAN COMMISSION

[5] European Commission, SWD(2025) 78