

## Housing crisis in Europe

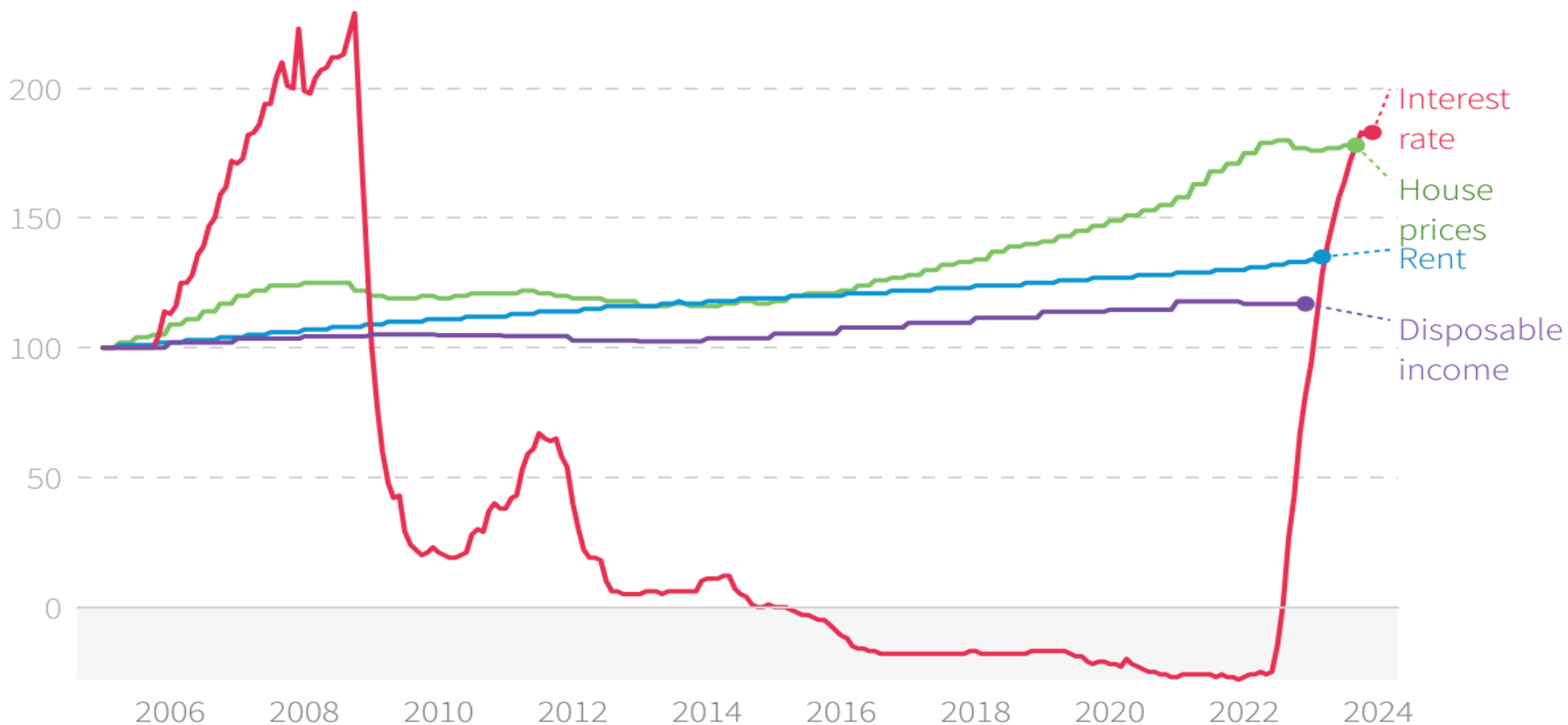
International Conference 'Work and housing The  
challenge of affordable housing'

Hans Dubois, Eurofound

29 May 2025



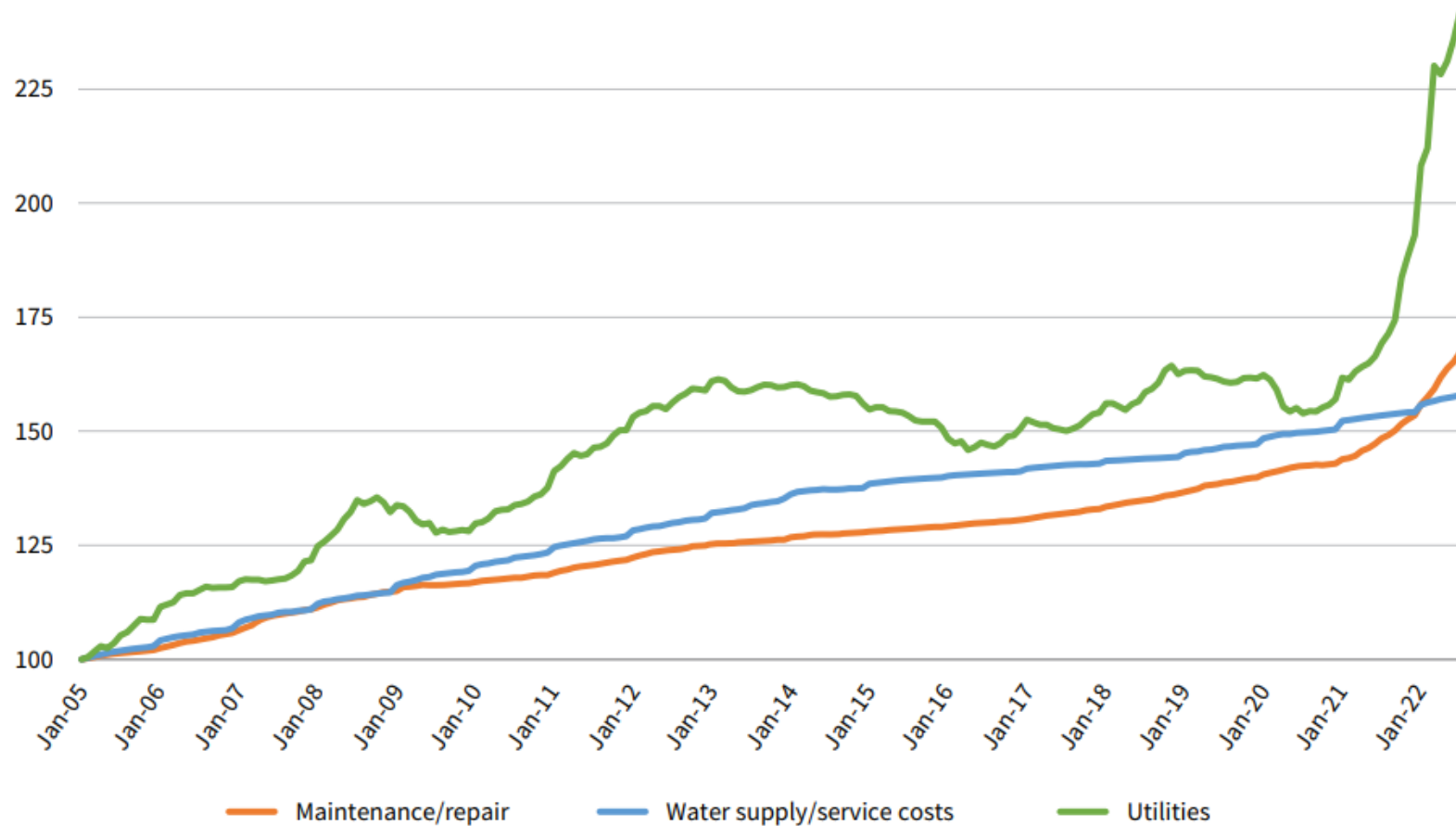
# Disposable income versus house prices, interest rates and rents



# Housing unaffordability across population groups

- Member States' problems differ somewhat, but unaffordable housing is an issue in all. **Dividing lines are between population groups:**
  - with **low** and high **incomes**
  - **new to housing market and** incumbent tenants (e.g. rent controls) or homeowners (e.g. lower prices)
  - **living in, or seeking to live in, urban areas with employment opportunities** and those not
  - **without** and with **access to social housing**
  - with **flexible** and **fixed rate mortgages**

# Housing costs: maintenance, services and utilities, EU, 2005-2023 (indexed, January 2005 = 100)

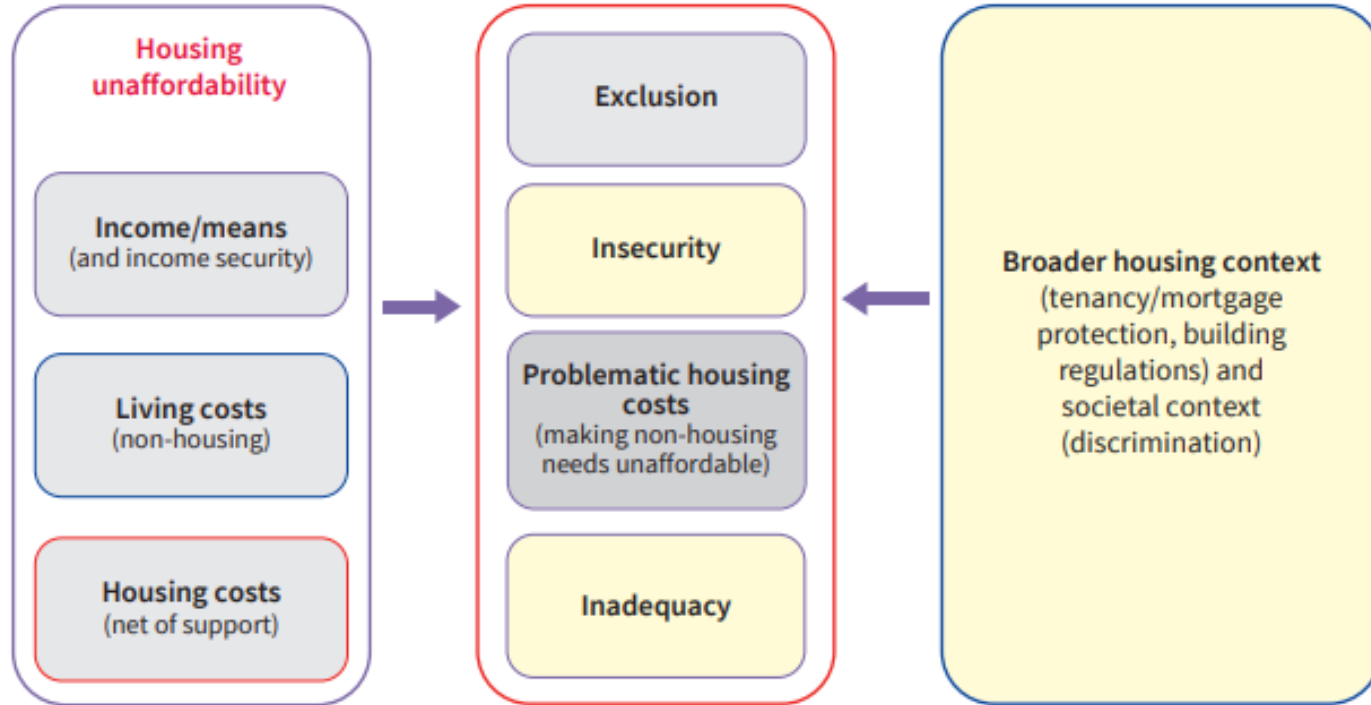


**Notes:** Maintenance/repair refers to maintenance and repair of the dwelling. Water/service costs refers to water supply and miscellaneous services relating to the dwelling. Utilities refers to electricity, gas and other fuels.

**Source:** Eurostat, Harmonised Index of Consumer Prices – monthly data (index) [prc\_hicp\_midx], extracted 3 April 2023.

# Housing problems

Figure 1: A framework for housing affordability and problems



- **Housing problems affect people's health and well-being**, and contribute to increased healthcare costs\*, reduced productivity, labour shortages & environmental damage
- **Affordability** depends on housing costs, income & expenditure needs (e.g. access to services)

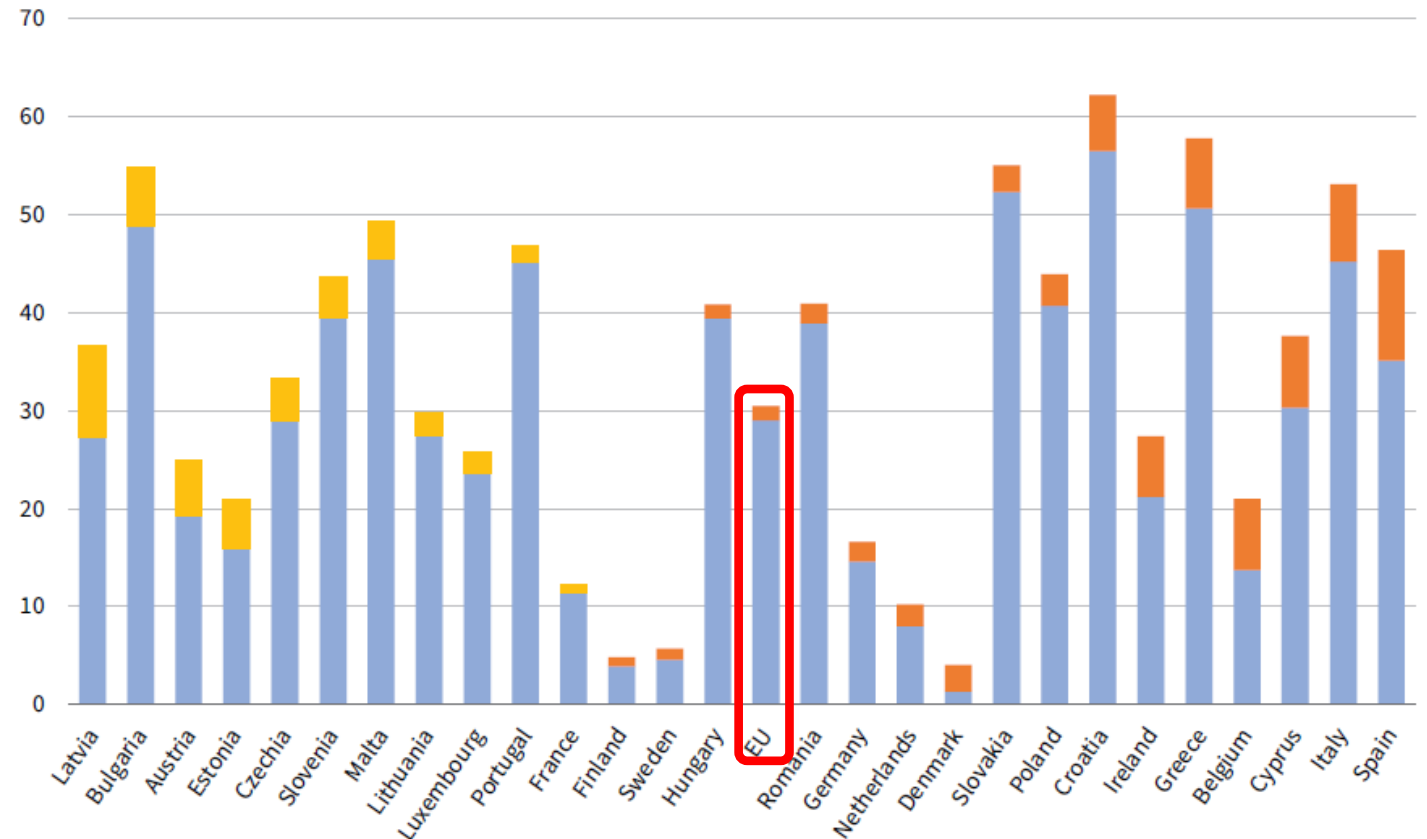
**Sources:** Eurofound (2023), *Unaffordable and inadequate housing in Europe*, <https://www.eurofound.europa.eu/en/publications/2023/unaffordable-and-inadequate-housing-europe>

\* Eurofound (2016) *Inadequate housing: costs and consequences*, <https://www.eurofound.europa.eu/en/news/2016/inadequate-housing-costing-europe-eu194-billion-year>

# Exclusion: People aged 25-34 living in the parental home longer

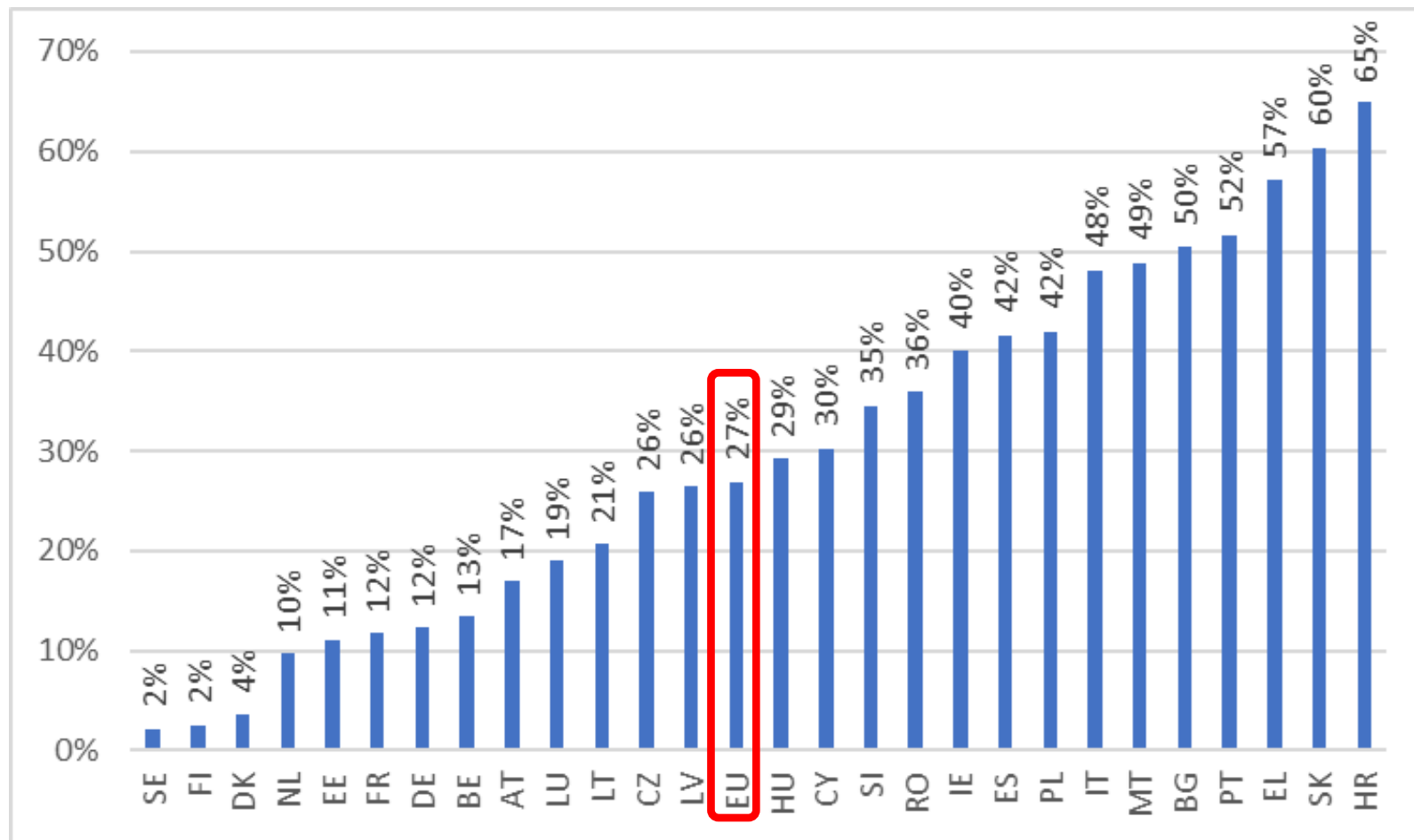
- 25-34 year olds: up from 29% to 31%
- 18-24 year olds: up from 80% to 83%
- Age at which still 50% of people in the EU lived in their parental home: up from 26 to 28 between 2007 and 2019

Figure 7: People aged 25–34 living with their parents in 2019 and change since 2010, EU Member States (%)



Note: Member States ranked by change between 2010 and 2019, indicated as yellow = decrease; orange = increase.

# People aged 25-34 in employment living with parents, 2022



## Increase 2017-2022:



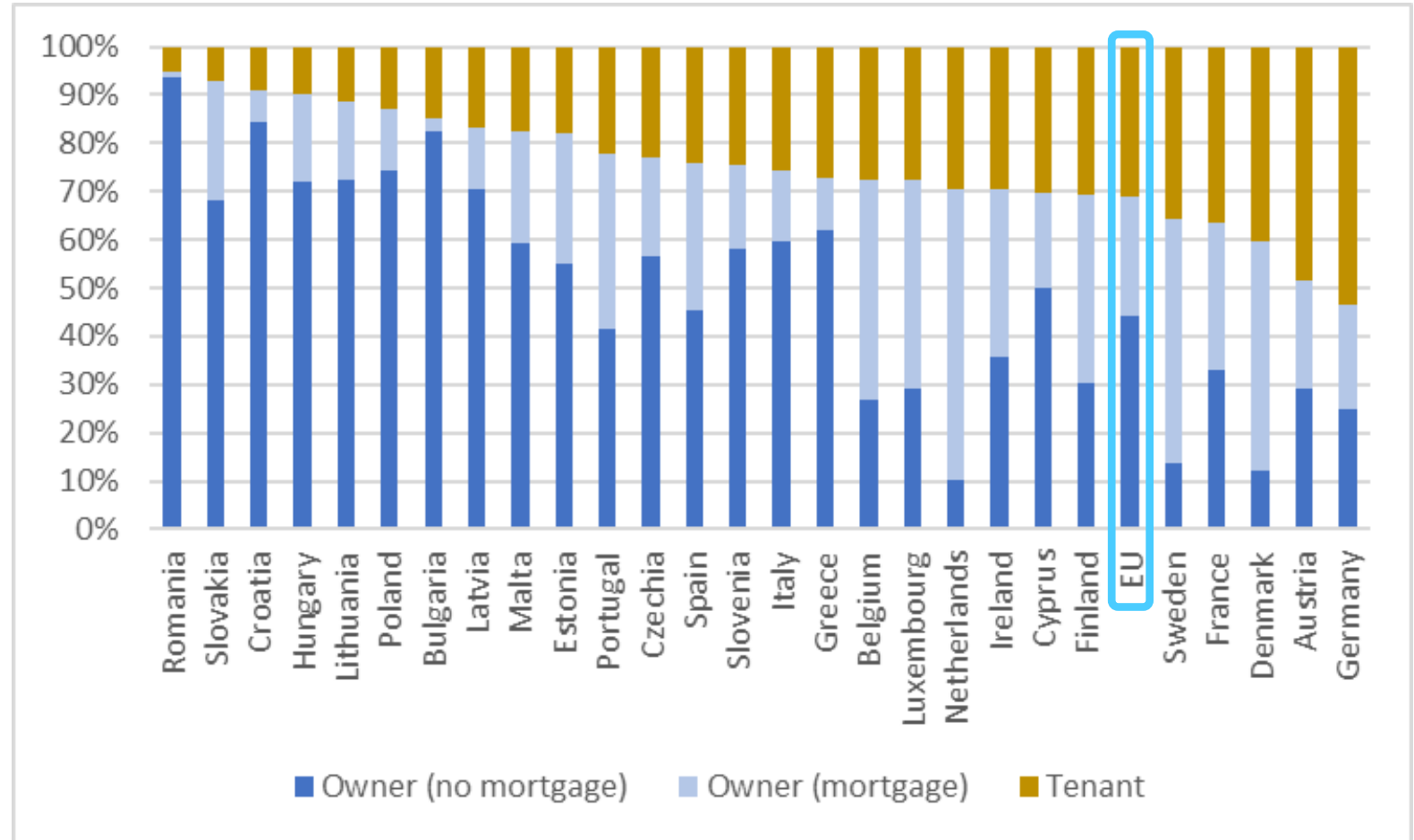
EU: +3% points



By 6% points or more  
in: EL, ES, IE, HR, IT, PT

# Types of tenure in the EU and Member States, 2022

- Increase in renting
  - from 29% in 2012 to 31% in 2022
  - especially among people aged 30–39
- Where are the problems?
  - Old-age: depending on income and rent
  - Private renting: highest insecurities

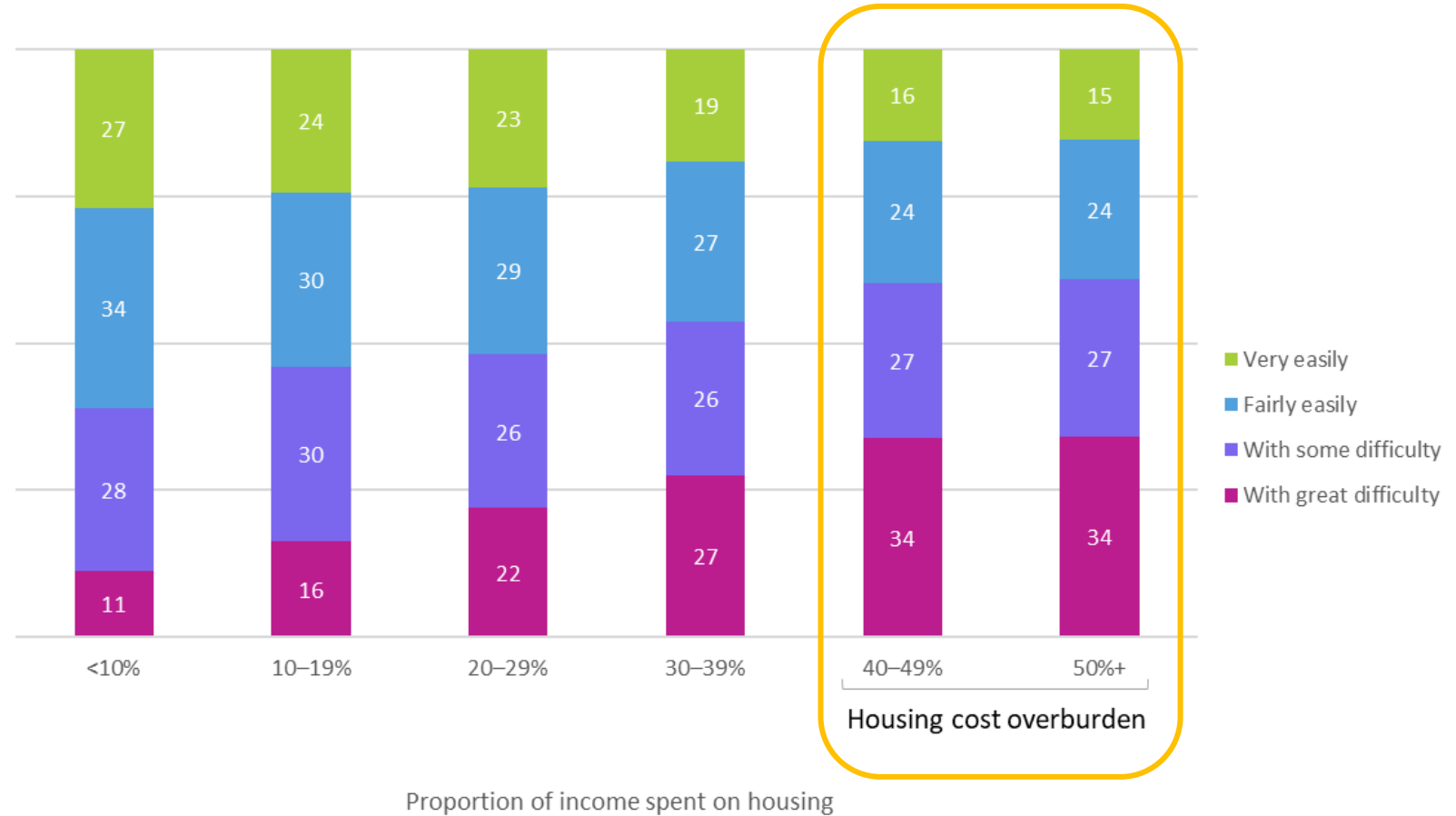




# Problematic housing costs

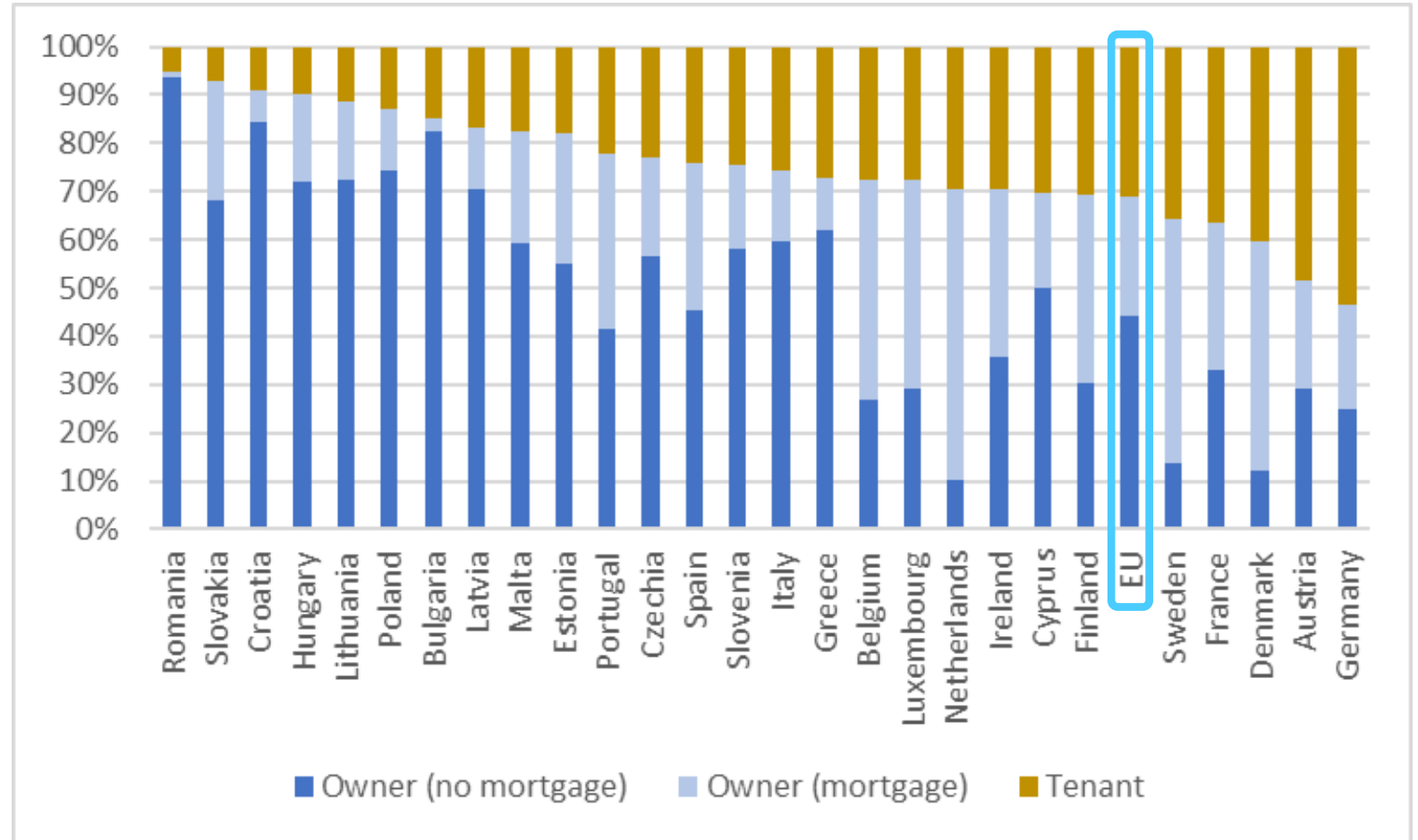
- High % of income spent on housing more problematic for households with
  - low income
  - children

Ability to make ends meet, by proportion of income spent on housing EU27, 2019 (%)



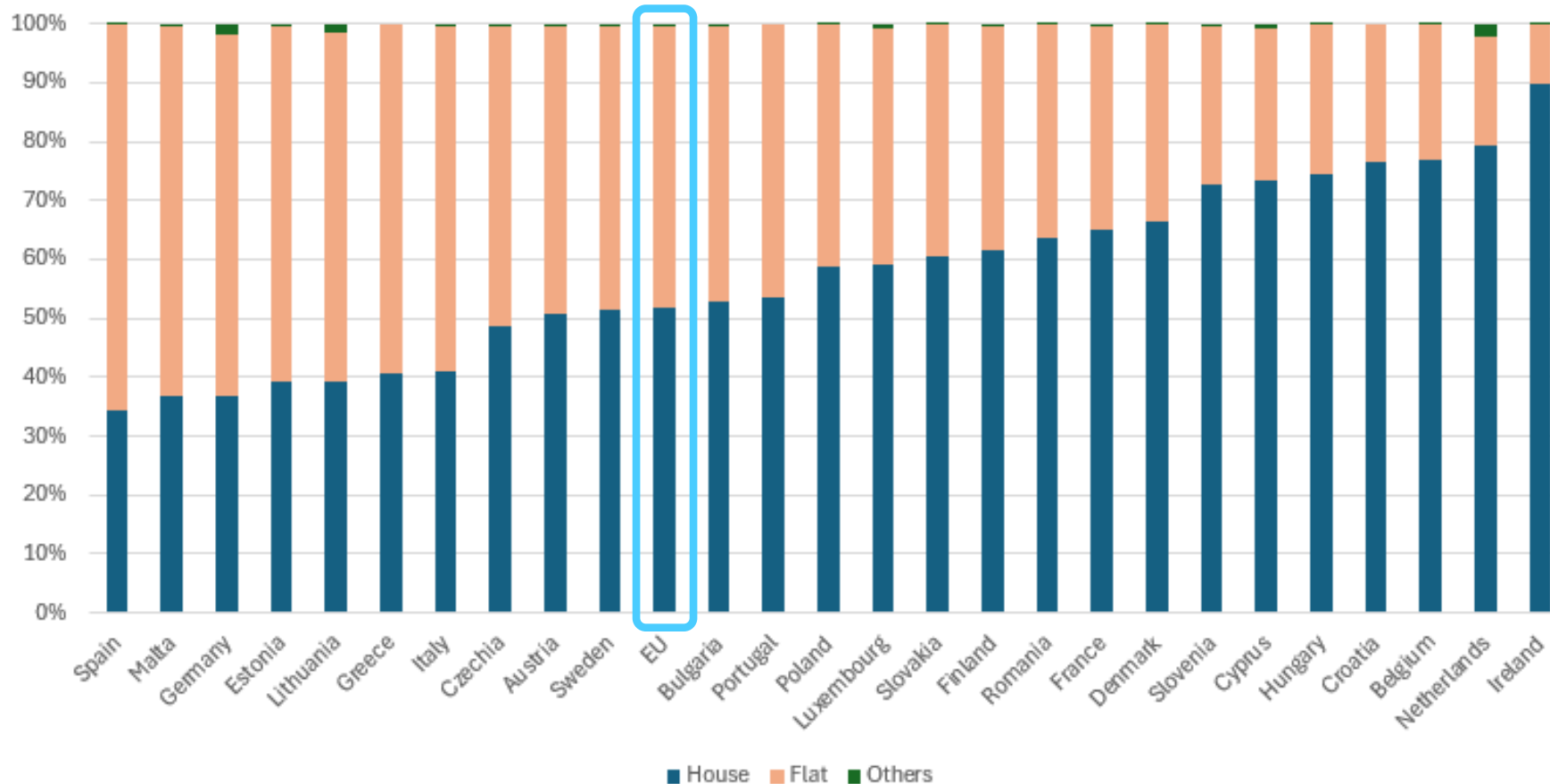
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# Inadequacy: context

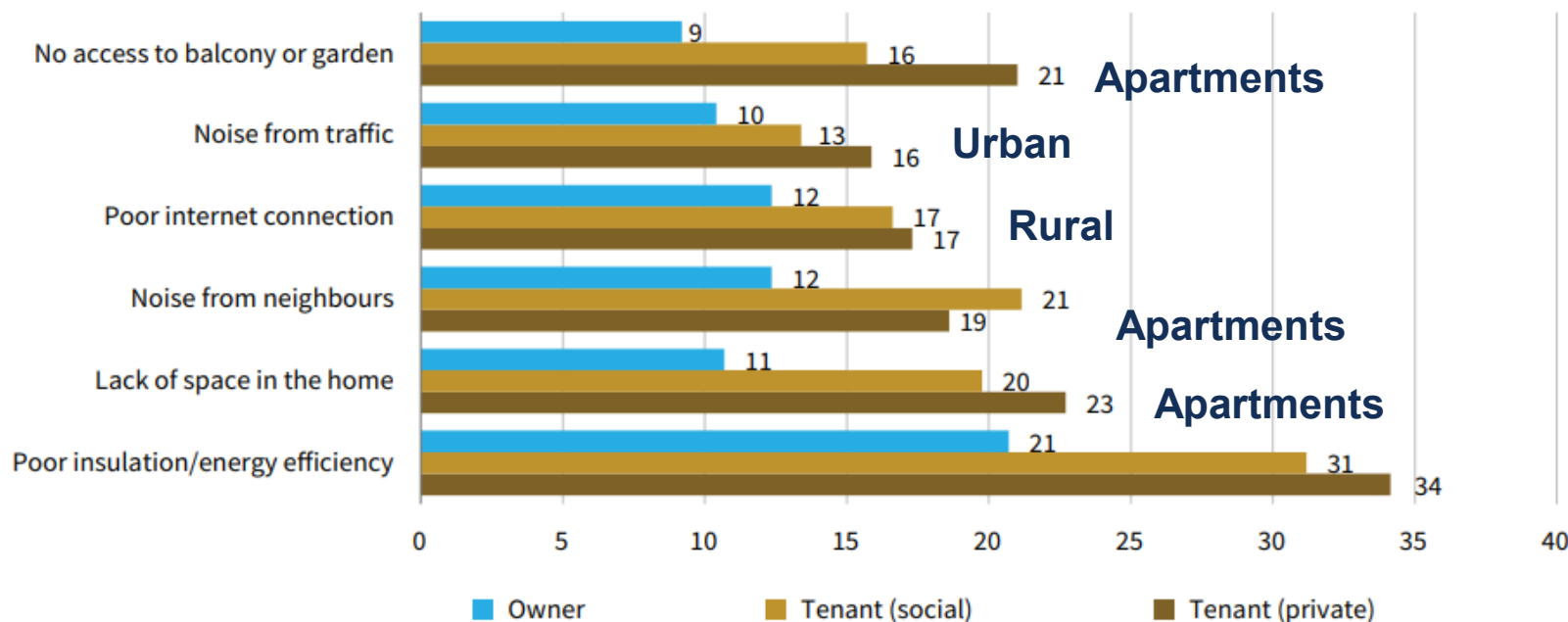
## Dwelling type (% people in households), 2023



- Increase in people living in apartments in suburbs

# Problems with accommodation

Figure 14: People reporting problems with accommodation, by type of tenure, EU27, 2022 (%)



**Notes:** Questions: 'Thinking about your accommodation, how problematic are the following issues for you? Lack of space in the home; poor insulation/energy efficiency; poor internet connection; no access to balcony/terrace/garden; noise from neighbours; noise from traffic. Answer on a scale ranging from 1 to 5, where 1 indicates not at all problematic and 5 indicated extremely problematic. 'Answers 4 and 5 are considered as problematic in this graph.

**All problems more common for:**

**1. 18-34-year-olds**

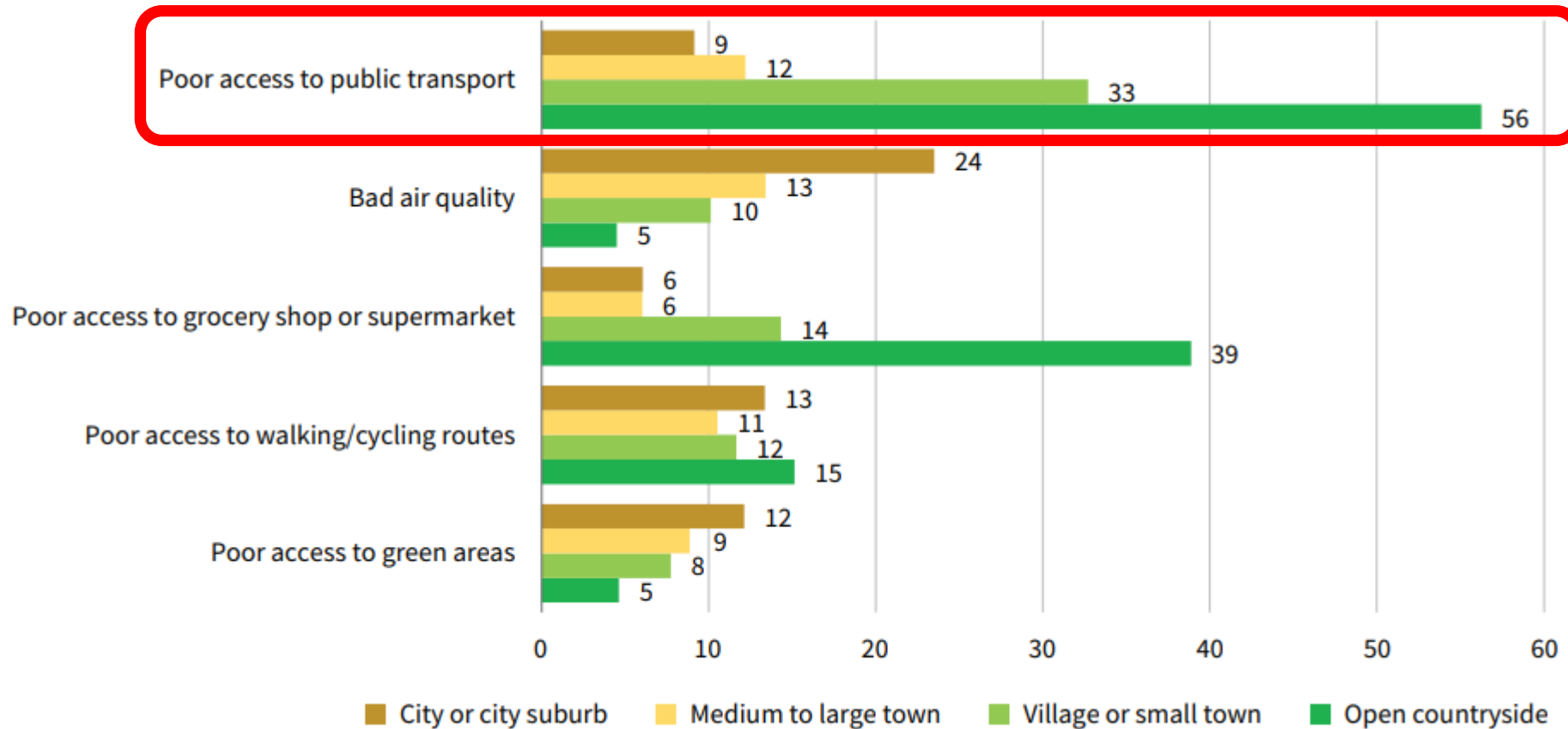
**2. Bottom income half**

**3. Private tenants** (Figure)  
difference with social housing even more marked among bottom income half earners:

- Noise neighbours: both 20%
- Energy efficiency: 39% vs 31%
- Balcony/garden: 24% vs 17%

# The home cannot be seen independently of surrounding area

People reporting problems with local area, by degree of urbanisation, EU, 2022 (%)



# Policies, addressing:

- **exclusion:** housing homeless people
  - 20 Member States have Housing-First inspired scheme in place, but small scale, shared or not truly independent of accepting support
- **insecurity:** protection people at risk of eviction
  - SE: planned evictions communicated to organisation providing support
  - FR: teams (social worker&lawyer) pro-actively approach households regions with high evictions
- **problematic housing costs**
  - **monetary support (risk driving-up prices):**
    - **rent subsidies:** France (21% of households), Netherlands (18%), Finland (14%); problem if not gradual
    - **ownership support:** often focusing on young and sometimes deprived areas
  - **social housing:**
    - Netherlands (28% of dwellings), Austria (23%), Demark (20%), France (17%), tiny in many others
    - Need to leave when income increases above threshold? Yes, no, or somewhere in-between (Flanders: if after 9 years income is 25% above threshold) or payment is income-dependent.
    - Waiting lists reduced in Vienna, because of alternative support (rent subsidies; MT, LT), reducing possibilities to pass-on to relatives, less renovating when passing on (Vienna), increasing stock (IE, MT).
  - **utility subsidies:** some rent subsidies consider utility costs (HR, CZ, EE, FI), so responsive
- **inadequacy** (next slides)

# Focus: Addressing inadequacy while improving affordability

## Addressing some of these neighbourhood/housing problems

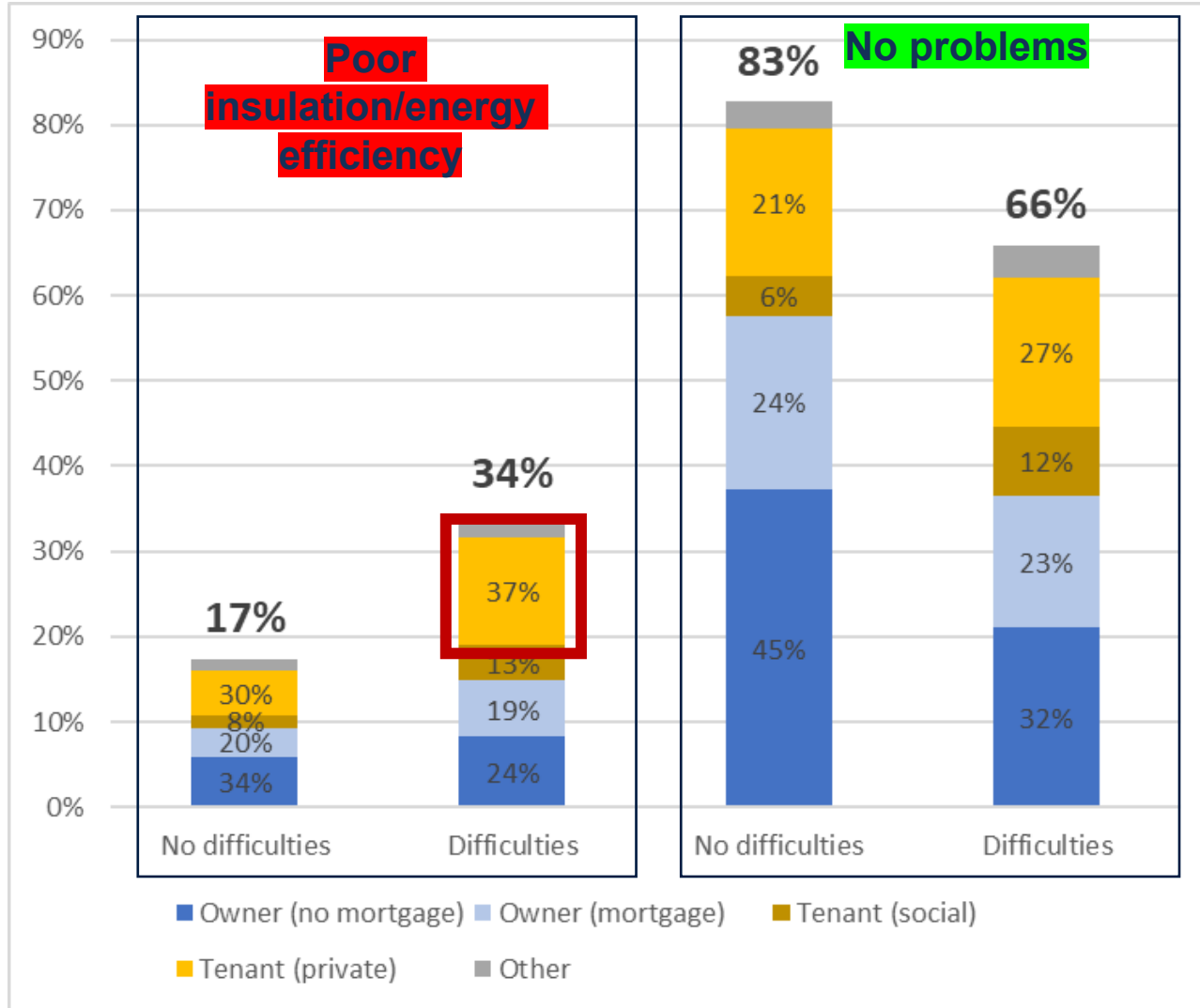
- energy efficiency/insulation
- access to public transport
- access to cycling/walking infrastructure

## are benefiting:

- 1) the natural environment
- 2) human health
- 3) household finances and resilience
- 4) the EU's energy independence

**It's a win-win-win-win to look at these aspects**

# Who reports poor insulation/energy efficiency?



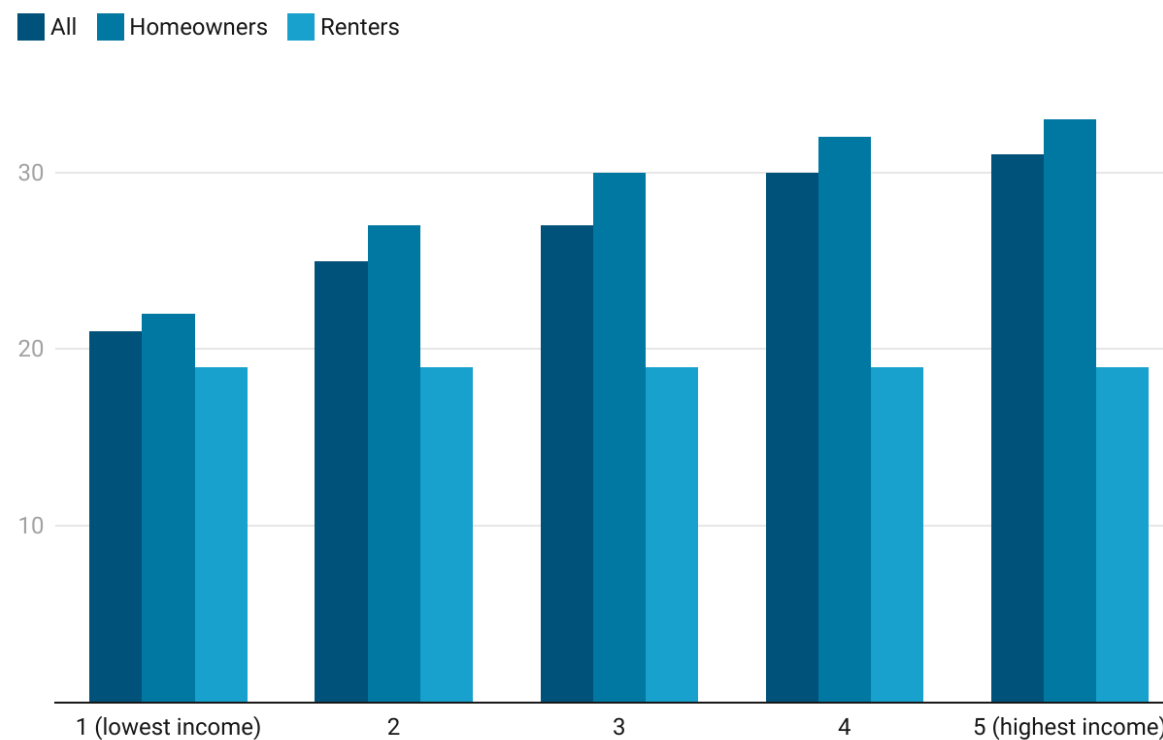
People with difficulties making ends meet, who are also particularly important to reach

Problems relatively common for **private** and **(less so) social tenants**

- still 43% of people with difficulties making ends meet facing poor insulation/energy efficiency is an **owner**



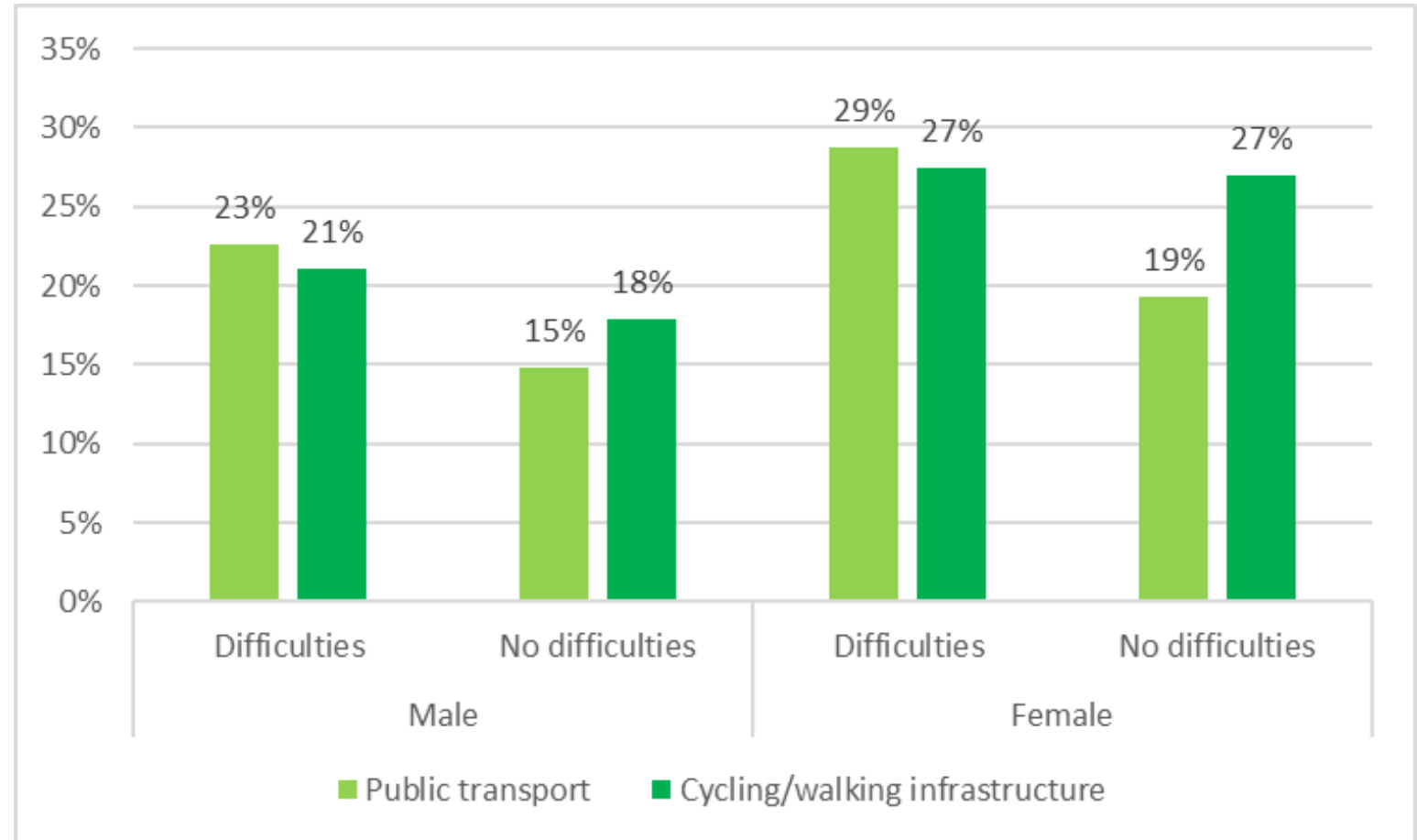
## Households whose home was retrofitted in the last five years, by income quintile, EU, 2023 (%)



Created with Datawrapper

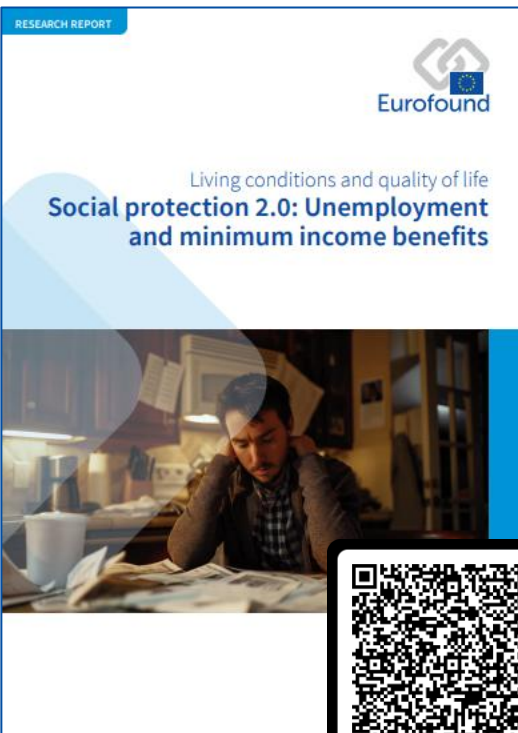
# Who felt the importance of access to green modes of transport increased during the pandemic?

- Importance of access to public transport and cycling/walking routes increased more for: *(Figure)*
  - Women
  - People with difficulties making ends meet
- Bad access to cycling/walking infrastructure:
  - Women (16%) and men (15%) with difficulties making ends meet (both men & women without difficulties: 9%)



# Policies: what can be done?

- **Broad spectrum of programmes, benefitting many recipients, but challenges:**
  - **Rent subsidies, ownership support** (e.g., tax deductions, government guarantees, 1<sup>st</sup> time buyer support, reinvigorating areas): can fuel price increases, over-indebtedness, and inequalities
  - **Social housing:** access problems (scarce, waiting lists)
  - **Utility subsidies:** can be at odds with green deal
- **What can be done?**
  - **Housing policies**
    - **Increase supply:** building and renovating homes, reducing vacant dwellings
    - **Measures reducing energy purchase needs:** better reach low-income groups
    - Housing First
    - Preventive & early intervention measures of accumulating rent, utility, mortgage payment debts
  - **Look beyond housing**
    - **Local area:** e.g. better-connecting sub-urban areas by low-cost public transport/cycling infrastructure
    - **Financial situation:** better and more secure (employment and social protection\*)



Social protection 2.0

# Thank you

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Essential services

1 Commission to support the preparation of its report on  
s (2023)