

EAPB answer to the Call for Evidence

The European Association of Public Banks and Funding Agencies (EAPB) represents national and regional promotional banks across the EU. Our members design and deliver concessional lending for affordable housing, channel EU and national grants, and bring together public and private capital. This response is based on the direct operational experience of members active in the financing of affordable housing.

*Most importantly: EAPB considers **that supply-side measures must be the primary policy response to a housing stress designation**. In that sense, we would like to highlight that blended finance is the condition for scale. Europe's affordable housing challenge will not be solved by grants alone. Across the Member States in which our members operate, the same pattern repeats: where programmes rely exclusively on grants, delivery is constrained and generates no leverage on private investment. Where programmes combine grants with long-term concessional lending through promotional banks, the same public resources reach significantly more beneficiaries.*

In one major German region, a grant-only programme delivered over 2,300 social housing units but achieved no leverage on investment volume. In another, a blended programme reached over EUR 2 billion annually and approved over 13,300 homes in a single year. In Poland, nationally recognised housing projects were only possible through combined grants and concessional loans. In each case, the promotional bank was the intermediary that made the blend work.

EAPB recommendations

On financing: The Act should make renovation, building conversion, brownfield development, and activation of vacant stock explicitly eligible for blended EU support: grants combined with concessional loans. It should recognise promotional banks as preferred delivery partners and incorporate revolving financial instruments to ensure long-term continuity beyond individual programming periods.

On regulation: EU-level guidance on building code simplification, target permitting timelines, and proportionate monument conservation rules would directly reduce construction costs. Moreover, environmental conditionality must be calibrated to beneficiaries' financial capacity.

On designation: Housing stress frameworks should cover secondary cities, rural areas, and areas under tourism or structural economic pressure, not only major urban centres. Indicators should go beyond rent-to-income ratios to capture vacancy, land prices, renovation cost burdens, and housing shortages affecting specific population groups.

On private capital: Reviewing Solvency II capital charges and CRR risk weights for housing-related lending would unlock institutional investment that promotional banks can channel into affordable housing.

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Detailed questionnaire for the Affordable Housing Act

Fields marked with * are mandatory.

Detailed questionnaire for the Affordable Housing Act



Introduction

In preparation for the Affordable Housing Act, the Commission has published a call for evidence to inform the public and stakeholders about the Commission's work, so they can provide inputs and views on the Commission's understanding of the problem and possible solutions.

In addition to this call for evidence, the Commission is inviting for expert feedback to this detailed questionnaire by **29 March 2026**.

The following are particularly encouraged to respond to the questionnaire: national, regional and local authorities in Member States, owner and tenant organisations, short-term rentals (STR) hosts and platforms, tourism and consumer associations, urban planners, providers of public, cooperative, and social and affordable housing, professionals from the architectural, construction and renovation sector, civil society organisations, organisations representing persons at risk of discrimination or social exclusion, as well as other stakeholders concerned.

No questions require mandatory responses and respondents can choose to answer only certain questions.

Background information

Europe is facing an acute housing crisis, which is felt particularly sharply in certain areas. The biggest cities and most popular tourist destinations in the EU face the strongest pressure. A [June 2025 Eurobarometer](#) survey has shown that, by far, the most urgent concern for Europeans living in cities is the lack of social and affordable housing

On 16 December 2025, the Commission presented the [European Affordable Housing Plan](#) (EAHP) to complement and support Member States' housing policies and initiatives including at regional and local levels, while respecting the principle of subsidiarity. Following extensive consultation and input, EAHP sets out ten key areas of action where the EU can add value and support efforts by other public authorities and stakeholders, including an Affordable Housing Act (AHA) to support public authorities in identifying areas of housing stress, based on publicly available data, and enable them, in full respect of subsidiarity, to take measures to protect and promote housing affordability in those areas. The EAHP announced that short-term rentals will be a central component of the AHA.

About you

* First name

* Last name

* Email

* Respondent type

providers of public, cooperative and social housing

Please provide your EU transparency registry number

The Commission will publish all contributions. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association', 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

* Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

Public

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

I agree with the [personal data protection provisions](#)

Baseline for comparing answers

* Member state

- Austria Estonia Italy Portugal
 Belgium Finland Latvia Romania
 Bulgaria France Lithuania Slovak Republic
 Croatia Germany Luxembourg Slovenia
 Cyprus Greece Malta Spain
 Czechia Hungary Netherlands Sweden
 Denmark Ireland Poland multi-country

Reference year(s) for figures reported

If relevant, reference period

- calendar year
- peak season
- latest month
- other

Identifying areas under housing stress

Certain cities and/or neighbourhoods, particularly large cities but also other tourist hotspots, are experiencing acute housing affordability pressures. Some Member States, regions and local governments have defined some of these areas as being under “housing stress” using criteria such as housing rents and prices, housing price inflation gap, gross rental yield, waiting times for social housing, and/or population growth.

The following questions aim at having a better view of what exists, what criteria respondents view as relevant and what measures should be allowed to be taken in areas under housing stress.

1. Are you aware of any policies by a Member State/regional/local government which define areas under housing stress? If so, how are they defined, at what geographical scale, how are they monitored and reassessed and at what frequency?

Several EAPB members operate within established regional or national frameworks that formally identify areas under housing stress.

North Rhine-Westphalia: The State Government of North Rhine-Westphalia publishes a statutory “List of Areas with a Tight Housing Market” pursuant to Sections 556d, 558 and 577a of the German Civil Code (BGB). The report analyses statistical data on the housing market at municipal level and identifies local authorities with tight housing markets. This list forms the legal basis for a Tenant Protection Ordinance comprising three measures: a cap on the rent level for re-letting, a cap on rent increases for existing tenancies, and an extension of the notice moratorium.

Saxony: SAB works within a housing market assessment framework operational since 2016, updated annually by the contracted firm empirica. Five indicators are collected at local authority level: household growth over the preceding three to five years; net housing supply (new additions minus disposals, compared to household trends); vacancy rate (updated via the 2022 census); average asking rents compared to the Saxon average; and rent burden measured against average net household income. This framework is used to identify local authorities with tight housing markets and to allocate programme-bound rental housing subsidies funded under the federal Administrative Agreement on Social Housing Construction.

Schleswig-Holstein (IB.SH): IB.SH operates within three complementary instruments: the Rent Cap Regulation, applicable in 62 municipalities (regional centers, the Hamburg surrounding area, and tourist regions), based on an external expert report; the Building Land Mobilisation Act, applicable in 67 municipalities; and the Schleswig-Holstein Housing Protection Act, which empowers individual municipalities to enact by-laws prohibiting misuse of residential property.

Baden-Württemberg (L-Bank): In Baden-Württemberg, the state government commissioned municipal-level housing market studies in 2019 and 2025 as the basis for legislation on rent control and other tenant protection measures. The conditions of local housing markets are examined at municipal level.

2. Please rank the following indicators by relevance for identifying areas under housing stress

Use drag&drop or the up/down buttons to change the order or accept the initial order.

⋮	Building permits (number of units and m2)
⋮	Future housing needs coming from demographic change and replacement needs
⋮	Housing cost overburden rate for tenants and owners
⋮	Overcrowding rate
⋮	Price to income levels
⋮	Rent to income levels
⋮	Share of housing used as a primary residence
⋮	Share of short-term rentals in the long-term rental housing stock
⋮	Short-term rentals density per 1000 inhabitants

What other indicator would be relevant ?

We do not have a position regarding the order of the indicators. However, EAPB recommends the following additions to the Commission's list:

- Housing deprivation rate and renovation cost burden: in particular the share of buildings subject to monument conservation regulations, which significantly constrains available supply responses
- Vacancy rate (both active on the market and total), rent dynamics, the gap between existing and advertised rents, building land prices and trends, minimum income support rate, and supply intensity: the proportion of re-lettings among residential units in multi-family dwellings.
- Land prices, trends in asking rents, and housing shortages affecting specific population groups: proportion of students/trainees, workers in systemically important sectors, and social benefit recipients within the working-age population.
- Average income at local authority level, as a complement to rent-based indicators.

3. What should be the policy implications of designating an area as under housing stress? Should they be focused on short-term rentals, demand-related measures (e.g. measures relating to acquisitions or usage), and/or supply measures (e.g. incentives to use vacant housing, permitting measures, social and affordable housing provision, renovation/repurposing, energy performance improvement, other)? Are there any particular fields in which an initiative at EU level could add value?

EAPB considers that supply-side measures must be the primary policy response to a housing stress designation. The experience of our members points to three main areas of intervention.

1) Activation of vacant and underused buildings.

Incentives to activate vacant dwellings, adapt vacant public-use buildings, renovate historically significant buildings, and repurpose non-residential stock are the most impactful supply measures in designated stress areas. These approaches avoid the cost and complexity of new-build while making productive use of existing assets. Making such conversions financially viable requires a combination of EU grants and long-term concessional lending. In Poland, BGK has financed recognised repurposing and retrofitting projects through blended public support, and highlights the large untapped potential of adapting vacant public-use buildings in cities such as Warsaw.

2) Regulatory simplification.

Permitting delays, fragmented building codes, and disproportionate regulatory requirements are consistently identified by EAPB members as major drivers of construction cost and project delay. In Germany, this is compounded by federalism: 16 federal states each with their own housing promotion laws and funding conditions. A 'Simplified Building Standard' introduced in Schleswig-Holstein and a planned reform of building regulations in North Rhine-Westphalia demonstrate that rationalisation is both possible and effective. Standardisation of core building requirements at EU level and target timelines for permitting in stress areas would substantially lower costs and accelerate delivery. Heritable building rights on municipally-owned land, already used in Germany, are a further instrument that EU guidance could encourage more widely.

3) A balanced territorial approach.

The Commission should not limit the housing stress designation framework to large urban centres. In Croatia, HBOR reports that housing needs differ fundamentally between coastal tourist areas, larger cities, and rural areas. In North Rhine-Westphalia, housing stress extends beyond major cities to areas with concentrations of problem properties (such as Gelsenkirchen, Hagen, and Wuppertal) where targeted urban development projects aim to improve the quality of public spaces in stressed neighborhoods over a ten-year horizon. More broadly, EAPB members point to significant underexploited potential in rural areas and secondary cities, where vacancy rates are high and land costs low, but infrastructure deficits prevent these assets from being unlocked. EU policy should actively support housing models applicable to secondary cities and rural areas, complemented by infrastructure investment.

Protecting housing affordability

Short-term accommodation booked via online platforms offers many benefits: greater choice, additional amenities for consumers, extra income for hosts, an incentive to invest in renovation, and a boost to tourism, incomes and jobs. But its rapid growth of almost 93% between 2018-2024 has evolved from occasional peer-to-peer services towards a significant commercial activity, which may have limited affordable housing supply for local residents in some areas. While STRs are a relatively small fraction of the EU housing stock overall, representing 1.2% of total dwellings, in very popular destinations ("touristic hotspots") STRs can represent as much as 20% of the housing stock, and may intensify competition for limited housing stock which drive up prices.

There are also concerns that STRs, in particular those run by professional hosts, are competing with traditional accommodation providers, including SMEs, that must comply with stricter national requirements such as safety, liability and consumer protection rules.

Local governments and Member States have been putting in place measures to protect housing affordability, and in particular restrictions on STRs such as making the change-of-use of a whole-unit property from residential use to commercial / tourist accommodation subject to prior authorisation, setting a maximum number of nights rented per year, restrictions on secondary residences, energy performance requirements, compensation rules, tax measures, bans on STR in social housing, seasonal restrictions (i.e. limit STR to the summer season when renting to students for the rest of the year), other specific authorisation requirements, or complete bans.

The Commission is considering providing an operational EU framework for measures to protecting housing affordability at a local level, building on case law, specifying the legal principles, rights and obligations that should govern restrictions to the Single Market. In this context a streamlined 'proportionality test' could be developed to help national, regional authorities to develop restrictions compliant with EU law. This will increase legal certainty and simplify administrative burden.

The following questions aim at having a better view of measures put in place to protect housing affordability and their impact, in particular – but not only – in the area of STRs.

4. What type of measures on non-primary use or acquisition of housing or on STRs have been put in place at the local, regional or national level in your country? Have the effects of these measures already been evaluated, and, if so, what is the assessment of their impact (please provide references if possible)?

5. Do you have any concerns with regards to STR that you would like to see addressed at EU level (such as lack of legal certainty, too much or too little regulation, fragmentation, litigation, implementation or enforcement of regulation)?

6. Should professional and non-professional STR hosts be distinguished, and if so what criteria should be taken into account (e.g. number of units rented, number of nights per year, legal form, combined use with owner-occupied or renter occupied dwelling? What additional requirements, if any, should professional STR hosts be subject to and why?

7. Are there any concerns related to the protection of consumers using STRs? e.g. fire safety or other public health safeguards, quality of properties, price transparency, dispute resolution, other?

Increasing the supply of affordable and social housing in areas under housing stress

The key structural driver of the housing crisis is that supply has not kept up with evolving demand.

Increasing housing supply is also influenced by building codes, land-use and zoning policies, public procurement and local taxes. While many of these rules aim to preserve environmental, social and economic goals, they can also lead to administrative complexity resulting in unnecessary costs and delays, restricting the supply of housing where it is most needed.

In areas under housing stress, supply-side measures can help develop more housing and in particular affordable and social housing. Such measures can include the simplification of building codes, planning procedures and rules, permitting procedures, These measures can also support a better use of the existing building stock: bringing vacant, underused dwellings and holiday homes back to long-term use (with possible incentives for private owners); brownfield redevelopment; renovation / repurposing of non-residential or mixed-use buildings; densification. The Commission is considering how to support public authorities, in full respect of subsidiarity, in taking such measures.

The following questions aim at having a better view at what is being done to increase the supply of affordable and social housing in areas under housing stress and what measures should be promoted and supported at EU level.

8. What key steps have public authorities or other relevant players taken to increase the supply of affordable and social housing in areas under housing stress, and, if so, what did they achieve? For example, what has been done to secure land for affordable and social housing? Has the potential for renovation and for the conversion of existing non-residential buildings into residential buildings been assessed? How have construction costs and maintenance costs been contained? How were the projects financed? How have administrative procedures been simplified/accelerated? Have any other measures been taken to address affordability issues?

EAPB members have direct experience financing affordable and social housing across a range of national contexts. The consistent lesson is that blended public support (combining grants with concessional long-term loans) is what makes projects viable. Where only one instrument has been available, results have been demonstrably limited.

Saxony (SAB): SAB administers the programme for rent- and occupancy-controlled housing, operational since 2017 in Dresden and Leipzig, covering new builds, modernisation, change of use, and first-time purchase of unoccupied housing. Between 2017 and end-2024, the programme delivered 2,336 completed social housing units (777 in Dresden, 1,559 in Leipzig), with 4,226 contractually committed. However, SAB reports a critical limitation: because funding was limited to grants alone, no leverage effect was achieved on overall investment volume. Construction costs remained too high relative to grant levels, and project viability depended entirely on public subsidies without the complementary long-term financing that could have extended their reach.

North Rhine-Westphalia (NRW.BANK): By contrast, NRW.BANK administers the public housing support scheme of the state of North Rhine-Westphalia, which combines grants with promotional bank lending. With a funding budget of EUR 12 billion for 2023–2027, the programme approved over 13,300 subsidised homes (new builds and refurbishments) in 2025 alone, reaching a record level of over EUR 2 billion annually over the past three years. At local authority level, quotas of 30–40% for subsidised housing in new construction projects are enforced through concept-based tendering and urban development contracts. NRW.BANK also operates the NRW.BANK.Wohneigentum programme, which uses income thresholds to enable low- and middle-income households to access homeownership.

Poland (BGK): BGK has financed several housing repurposing and retrofitting projects that have received national recognition. These were made possible through high-intensity state support combining grants with concessional loans. BGK also operates a dedicated programme for energy efficiency and refurbishment of existing housing stock, channelling state budget resources and RRF subsidies through commercial banks. Brownfield development is separately eligible for concessional long-term lending from BGK's own funds with state budget co-financing. The technical complexity and elevated costs of renovation (particularly in historically significant buildings subject to stringent conservation requirements) were overcome through close collaboration between investors, municipalities, and authorities, backed by strong state support.

Croatia (HBOR): HBOR is supporting a new national affordable housing programme combining construction of new units, refurbishment of existing stock, and activation of vacant housing, backed by a new Affordable Housing Act and complemented by a new tax on short-term tourist rental. HBOR provides promotional financing across all programme strands. The programme is in its early implementation phase.

Across all these contexts, the national or regional promotional bank acts as the key intermediary: assembling public grants, EU resources, and its own long-term financing; absorbing transaction costs; and ensuring that public resources reach housing developers and municipalities efficiently. This intermediation model is the common enabling factor behind the most effective affordable housing programs.

9. Which difficulties were encountered when developing and implementing these measures and how could they be lifted? In which way could the designation of areas under housing stress help lift these barriers?

EAPB members identify the following as the most significant barriers encountered in practice.

Grant-only financing models: As the Saxon experience detailed above confirms, grant-only models achieve no leverage on private investment. Blended instruments are essential to achieve scale.

Expiring occupancy commitments and stock erosion: Despite record investment (over EUR 2 billion annually in North Rhine-Westphalia) NRW.BANK reports that a large number of existing funding commitments are due to expire in the coming years. Without sustained reinvestment, the net social housing stock risks declining even as new units are added. This structural challenge requires long-term financing commitments beyond individual programming periods, underscoring the case for revolving financial instruments managed by promotional banks.

Monument conservation versus energy renovation: In countries with large historic building stocks, the stringent approach of conservation authorities creates major obstacles. BGK reports that technical complexity, difficulties achieving acceptable energy efficiency, and elevated costs were the main challenges in Poland. A more enabling approach to conservation, supported by EU guidance on reconciling heritage and energy objectives, is needed.

Regulatory fragmentation: Building codes and planning rules vary significantly across and within Member States. In countries like Germany, 16 different state-level funding frameworks create fundamentally different conditions by location. A 'Simplified Building Standard' in Schleswig-Holstein and planned reform in North Rhine-Westphalia show that rationalisation is possible. Standardisation of core building requirements at EU level would have a direct impact on housing delivery costs.

Limited mobilisation of existing building stock: Despite policy commitments, the share of renovation, conversion, and brownfield projects in affordable housing programmes remains limited. BGK highlights the large untapped potential of adapting vacant public-use buildings in Polish cities, but notes that the share of such projects in the housing stock is limited. The constraint is not technical capacity but financing framework. A clear EU-level framework making these project types explicitly eligible for blended support would be the most effective lever.

Coordination across levels of government: In several Member States, housing responsibilities are fragmented across national, regional, and local levels. Establishing a systematic link between promotional banks and Managing Authorities responsible for EU structural funds would significantly improve the coherence of public resource deployment.

Barriers to private institutional investment: EU prudential rules, in particular Solvency II capital charges for real estate exposure and CRR risk weights for housing-related lending constrain institutional investors from allocating to affordable housing. EU-level support should focus on additional financing, guarantees, or the leverage of private equity capital. Reviewing these frameworks would help unlock long-term private capital.

10. Have public authorities or other relevant players in your Member State adopted measures to promote making better use of the existing building stock (vacant dwellings, conversions, renovations, brownfield development, densification) and if so, which ones? What did they achieve?

Better use of the existing building stock is a core area of our members activity.

North Rhine-Westphalia (NRW.BANK)

Many local authorities adopt a principle of 'internal development before external development,' prioritising reuse of former military or railway sites and infill development over greenfield expansion. Vacancy rates in high-demand cities are already very low (often less than 2%), limiting scope for activation there. In areas with higher concentrations of problem properties — Gelsenkirchen, Hagen, Wuppertal — cross-agency inspection campaigns have been deployed, and targeted urban development projects aim to improve the quality of public spaces in stressed neighborhoods over a ten-year horizon. The planned reform of the Housing Strengthening Act will include stricter measures on problem properties and restrictions on short-term rentals.

Poland (BGK)

Vacant dwelling and building renovations in the municipal housing stock are eligible for state grants. BGK channels state budget and RRF subsidies through commercial banks for energy efficiency and refurbishment. Brownfield redevelopment is eligible for concessional BGK loans. However, BGK notes that the overall share of renovation and conversion projects in the municipal and social housing stock remains limited, confirming that a stronger EU-level framework making these project types explicitly eligible for enhanced blended support would be the most effective lever to scale them up.

Croatia (HBOR)

Better utilisation of existing stock is explicitly enshrined in the new Affordable Housing Act, covering activation of vacant units, conversion of underused properties, and renovation of existing social housing. HBOR provides financing support across these strands.

Germany: additional measures

In Saxony, the SAB programme covers modernisation, change of use, and first-time purchase of unoccupied housing alongside new builds; all federal funds allocated since 2017 were fully utilised. In Schleswig-Holstein, the Baulandfonds has identified potential for densification for approximately 1,500 residential units since 2022, and more than 20 projects under the 'Neue Perspektive Wohnen' programme support sustainable, mixed-use residential neighbourhoods.

On renovation financing, EAPB members offer dedicated renovation loan programmes, often combined with energy efficiency grants co-financed through EU structural funds. Several members have piloted serial and industrialised renovation methods, which have proven effective in accelerating delivery, reducing per-unit costs, and mitigating labour shortages in the construction sector. These methods deserve specific incentives within EU instruments, and promotional banks are well-placed to provide the financial premiums needed to scale this approach.

Closing questions

* Do you wish to remain available for further questions via the email address you provided?

- yes
 no

Do you wish to upload a file to provide additional information or a more comprehensive explanation (e.g. position papers)?

Only files of the type pdf,doc,docx,odt,txt,rtf are allowed

Contact

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