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**NOTE**

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From: General Secretariat of the Council  
To: Council  
Subject: Draft Council Conclusions on "Housing: Shifting demographics and shaping policies"

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1. The Presidency has prepared a set of draft Council Conclusions on "Housing: Shifting demographics and shaping policies".
2. The Conclusions were examined by the Working Party on Social Questions on 24 March, 24 April and 22 May 2026.
3. An agreement in principle has been reached on the draft text as set out in the Annex to this note.
4. At its meeting on 19 June 2026, the Permanent Representatives Committee returned to the matter in the context of the preparations of the forthcoming meeting of the Council (EPSCO).
5. Against this background, the Council (EPSCO) is invited to approve the draft Council conclusions as set out in the Annex of this document at its meeting on 29 June 2026.

**DRAFT COUNCIL CONCLUSIONS ON  
Housing: Shifting demographics and shaping policies**

**THE COUNCIL OF THE EUROPEAN UNION**

**WELCOMING:**

1. The European Affordable Housing Plan, adopted by the European Commission on 16 December 2025, which emphasises that our homes are the building blocks of our communities, the foundation of our society and democracy, and a cornerstone of human dignity. Recognising that housing remains a competence of the Member States, regions and cities, the European Affordable Housing Plan represents the first comprehensive EU-level plan that aims to support the efforts of the Member States, regions and cities in addressing the housing crisis and its various impacts, including the social dimension.

**ACKNOWLEDGING THAT:**

2. Housing is a fundamental pillar of every person's life, directly affecting quality of life as well as the well-being of individuals and families. As recognised in Principle 19 of the European Pillar of Social Rights, access to social housing or housing assistance of good quality shall be provided for those in need. Such access often constitutes a crucial first step towards labour market participation and employment, which are key drivers of both poverty reduction and competitiveness.

3. Housing is a cross-cutting issue due to its nexus with multiple, interconnected sectors. Ensuring equal access to affordable and adequate housing plays a key role in cohesion, social inclusion and fairness and contributes to promoting that residents are able to live in the place of their choosing<sup>1</sup>. It also supports economic performance and competitiveness, including through fostering a circular and resilient economy, and through facilitating labour and education mobility, employment, as well as talent attraction and retention. Moreover, it enables family formation or expansion, thereby helping to address demographic challenges.
4. Housing has a significant environmental dimension: access to affordable housing near work, education and essential services minimises commuting, thereby reducing transport pressures and CO<sub>2</sub> emissions, with positive effects on climate change mitigation.
5. At the same time, demographic factors such as population size, age structure, households' average composition and rural-to-urban migration patterns play a significant role in shaping housing needs. These needs vary greatly across Member States and even between regions of the same Member State.
6. Housing remains a competence of the Member States. Despite the diversity of housing policies across Member States, the wide-ranging challenges and opportunities justify cooperation, mutual learning and the exchange of good practices across the European Union while fully respecting the principles of subsidiarity and proportionality.
7. The various dimensions of the housing challenges faced by many citizens in the European Union, including access to affordable housing, were discussed at the European Council in October 2025, highlighting the matter as being pressing.

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<sup>1</sup> 'Much more than a Market', Enrico Letta (2024)

## UNDERLINING THAT:

8. In many cities, regions and Member States across the Union, housing has evolved into a societal, multifaceted and intergenerational challenge that affects cohesion, social, demographic and environmental sustainability, competitiveness and public trust.
9. Urbanisation, driven by rural-to-urban migration and the concentration of employment and educational opportunities in cities, has intensified the housing crisis. Land scarcity, overly restrictive regulations, rising construction costs and property speculation have in some cases, significantly hampered and distorted the development of suitable housing stock needed to meet demand.
10. In some areas, especially those affected by high tourism flows or other relevant factors, the short-term rental market adds further pressure to the provision of affordable housing for all, whilst in others it brings positive effects for the promotion of tourism and socioeconomic development and facilitates a more efficient use of the housing stock. Where housing is increasingly treated as a speculative asset rather than a social good, housing affordability is further undermined.
11. The adverse effects of climate change have a range of direct and indirect implications for housing, including its design, construction, renovation and maintenance, thereby requiring the adaptation of housing policies to ensure a sustainable and resilient built environment. At the same time, environmental requirements can affect the costs of constructing affordable housing. While these requirements are essential to support sustainability objectives, they may increase upfront investment needs. It is therefore important to take this aspect into account as one of the factors influencing housing affordability, investments and supply, while also considering the long-term positive impact of environmental requirements. Consequently, housing policies require a holistic approach that integrates affordability, sustainability, and a high-quality housing and built environment, while also promoting energy efficiency and the uptake of renewable energy.

12. Another aspect of the structural nature of Europe's housing challenge is reflected in the profound shifts in household formation and patterns of housing use. Across the EU, housing needs are increasing faster than population growth, as the size of the average household is shrinking, people are forming partnerships later in life, separations are more common and life expectancy is increasing often accompanied by a higher prevalence of disabilities.
13. The impacts of the housing crisis are felt most acutely by certain population groups in precarious housing such as young people and students, low-income households, single parents, families with children, Roma families as well as people in vulnerable situations, including victims of gender-based violence, older persons and persons with disabilities. Furthermore, impacts of the housing crisis include rising homelessness, inadequate and insecure housing. At the same time, while the housing crisis disproportionately affects the abovementioned groups, it is also increasingly impacting middle-income households, including those who do not qualify for social housing or targeted support yet are unable to secure adequate housing on the market, such as essential workers (e.g. health sector staff, teachers).
14. Europe's ageing population means that many older persons remain in dwellings that may no longer correspond to their evolving needs in terms of accessibility, adaptability, or affordability in full respect of the right to property. There are good examples such as affordable co-housing, community-led housing and other innovative housing initiatives that promote intergenerational solidarity and shared living arrangements. In this context, intergenerational co-living can enable older persons to continue living autonomously in their homes while at the same time providing affordable housing opportunities for younger people. Such approaches can contribute to fostering a new intergenerational 'contract', in line with the Commission's Strategy on Intergenerational Fairness.

15. Younger generations struggle to access affordable and suitable housing, often resulting in overcrowded or inadequate housing conditions. This may prevent young people, particularly young people from disadvantaged backgrounds, from having access to public services and education, traineeships, apprenticeships or employment opportunities. As a result, it can limit their financial independence and increase their risk of social exclusion, especially in regions experiencing high inflation and limited rental supply.
16. A significant proportion of young people still live with their parents out of necessity, rather than by choice, because living independently is financially out of reach. Hence, housing affordability is among the factors that delay or hinder young people's ability to form or expand a family and to fulfil their personal aspirations, as outlined in the Commission's Communication of 11 October 2023 entitled 'Demographic change in Europe: a toolbox for action', which was welcomed by the Council in its Conclusions of 12 December 2023 on 'Managing demographic change in Europe'.
17. Inadequate housing has<sup>2</sup> disproportionately adverse impacts on women and girls, notably due to lower income levels, increased poverty levels, a higher prevalence of single-parent households, and unequal access to property and housing rights, reflecting broader structural inequalities. These factors should be duly taken into account when designing housing policies and long-term housing programmes aimed at ensuring access to sustainable, affordable and adequate housing for all.
18. Despite the evident mismatch between housing supply and demand, a significant share of the building stock across the EU remains unoccupied. This underscores that Europe's housing crisis is not only about the number of dwellings but also about their distribution, suitability, adequacy in terms of quality, and alignment with the population's actual needs.

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<sup>2</sup> Fundamental rights and housing in the EU's climate and energy transition, European Union Agency for Fundamental Rights (2026)

19. Many rural regions, especially the most remote ones as well as the less developed, face population decline, resulting in high levels of vacant and often derelict housing. In contrast, demand remains acute in economically dynamic areas, further widening territorial disparities. This imbalance exacerbates the growing divide between urban and rural regions, reflecting deeper structural issues, which include other key areas such as economic development and employment opportunities.
20. Data collection and comparability remain another challenge, as housing policies are often territorial or local-specific and datasets are often fragmented and fail to capture the territorial and demographic dimension of housing dynamics and homelessness.
21. The Opinion of the European Economic and Social Committee on ‘Tackling housing scarcity through affordable, sustainable and family-oriented housing policies’ stresses the need for a more ambitious and socially balanced European approach to the housing crisis, highlighting that affordable, sustainable and family-oriented housing is essential for social cohesion and inclusion. It underlines the links between housing insecurity, energy poverty and social exclusion and calls for targeted support for groups in vulnerable situations. The Opinion also emphasises the importance of strengthening public and non-profit housing models, combatting the financialisation of housing, respecting subsidiarity, increasing investment in social and affordable housing and ensuring that the green transition remains socially fair and that future housing policies are responsive to demographic change.
22. The European Parliament’s report, ‘Housing crisis in the European Union with the aim of proposing solutions for decent, sustainable and affordable housing’, highlights the need for a comprehensive European response to the housing crisis. It emphasises that access to affordable, sustainable and decent housing is a social and an economic priority.

The report calls for increased investments in social and affordable housing, simplification of procedures, stronger protection for tenants and groups in vulnerable situations and measures to address homelessness, housing exclusion and energy poverty. It also stresses the importance of sustainable urban development, safeguarding environmental and social standards as well as support for families and young people, and calls for action against speculative pressures and financialisation practices.

23. At the Informal Ministerial Meeting of 11-12 May, in Nicosia, ministers and relevant stakeholders underlined their shared commitment to addressing the housing crisis. Participants exchanged views and shared practices on simplification measures as a catalyst for accelerating housing supply and mobilising investments as a critical factor for boosting new construction and renovation, while underlining the need to proceed with due caution and in line with existing environmental and regulatory standards. Ministers identified innovation and the use of digital tools as key drivers for increasing the productivity of the construction sector while achieving the environmental objectives of the Union.

#### **THE COUNCIL OF THE EUROPEAN UNION:**

**INVITES THE MEMBER STATES, in accordance with their national competences and taking into account national circumstances and specificities, TO:**

24. When developing housing policies, TAKE INTO CONSIDERATION the dynamic interplay between demographic trends and housing needs. Also, TAKE INTO ACCOUNT the housing needs of those who cannot find housing on the regular housing market, regardless of their age, including persons in vulnerable situations, while recognising that housing needs, market constraints and appropriate policy responses must be assessed and addressed in light of local and regional conditions.

25. TAKE INTO CONSIDERATION the preferences of older persons by promoting access to modern, adaptable and accessible housing. This should support older persons, including older persons with disabilities, in maintaining their independence, autonomy, safety and dignity, either by enabling them to remain safely in their own homes through adaptation, renovation and repurposing, or by facilitating access to modern and more accessible housing designed to respond to their evolving needs.
26. TAKE INTO CONSIDERATION that intergenerational solidarity could also play an important role in closing the gap between urban and rural regions, since creating opportunities for the young workforce in rural regions is just as important as in larger cities in terms of demographic sustainability, the competitiveness of local communities and public trust.
27. MAKE USE, where appropriate, of the opportunities and support provided by the Housing Package presented by the European Commission in December 2025, including the European Affordable Housing Plan, the revised State Aid rules, the European Strategy for Housing Construction and the New European Bauhaus.
28. Where appropriate, PROMOTE the mobilisation of public and private investments and the use of mechanisms such as the upcoming Pan-European Investment Platform and the Housing Simplification Package. Paying attention to territories experiencing sustained housing pressure - where demand persistently exceeds supply, including what in some Member States are referred to as ‘stressed areas’ - is of particular importance in order to better align housing provision with local needs. At the same time, well-designed measures can help minimise administrative burden and streamline official procedures while ensuring an efficient use of available funds.

29. PROMOTE the availability of affordable, suitable, accessible, inclusive and sustainable housing supply, through cost-effective, innovative and environmentally-friendly construction and renovation methods, including approaches based on the principles of the New European Bauhaus, combining sustainability, affordability, aesthetics and inclusion. ENCOURAGE the use of digital design tools as well as modular and industrialised construction methods that can drive productivity gains, facilitate scaling and reduce construction costs. SUPPORT simplification efforts, where relevant, as well as the repurposing and reuse of existing building stock in line with national contexts and performance standards. The targeted renovation, repurposing and functional adaptation of existing buildings can contribute to increasing housing availability and affordability, while also supporting energy efficiency and broader social objectives.
30. When developing construction and renovation housing policies, TAKE INTO CONSIDERATION climate change mitigation and adaptation in both new and existing buildings, promoting socially mixed-use developments and nature-based solutions while enhancing comfort and quality of life, supporting urban regeneration and limiting land take in line with the Union's regulatory framework.
31. ENHANCE the adoption of innovative construction products and methodologies, such as Building Information Modelling, that can drive productivity gains, facilitate scaling and reduce construction costs, thereby supporting the objective of increasing the affordable housing supply.
32. PROMOTE coherent housing policies while integrating the housing dimension in other relevant policies or in areas, including social welfare, equality, employment, urban and rural development, regional cohesion, research and development and healthcare. This integration should take into account the impact of these policies on certain population groups, particularly young people, students, families with children, single-parent families, low-income households, persons in vulnerable situations, the homeless, older persons and persons with disabilities, in relation to housing access, affordability and quality.

33. IMPROVE the availability of high-quality, reliable and comparable data in cooperation with regional and local authorities according to their competences, to support evidence-based policymaking, effective monitoring and the evaluation of housing developments, on the basis of existing data sources and the use of digital modelling tools, advanced analytics and other innovative methods. This information could be able to capture the policies' short- and long-term social impacts along with trends across the entire population, including people living in remote or outermost regions as well as overseas countries and territories, persons in vulnerable situations, older persons, persons with disabilities and those experiencing housing exclusion.
34. MONITOR indicators of unmet housing needs including homelessness, overcrowding, housing deprivation and housing cost overburden. Where relevant, data could also cover the availability and planning status of land suitable for residential development.
35. PROMOTE robust and high-quality data, disaggregated by sex, and by persons' basic and socioeconomic characteristics, as a tool for designing targeted and coherent housing policies, including measures addressing energy poverty and the affordability of housing-related energy costs. Particular attention should be given to improving data on rental market developments, as well as promoting the more efficient use of the housing stock by identifying, where feasible within national administrative frameworks, vacant dwellings, including their location and condition, and facilitating their return to the market. All measures must in be in line with the better regulation principles, including the avoidance of additional costs, compliance burden and administrative burden.
36. ENCOURAGE the use of interoperable digital data systems, common indicators and modern data-sharing tools, while respecting data protection rules and existing data collection practices.

37. PROMOTE the exchange of knowledge and best practices across all levels of governance, including regional and local authorities as well as relevant stakeholders, including within the framework of the European Platform on Combatting Homelessness and in advancing the ‘Housing First’ approach.

**INVITES THE EUROPEAN COMMISSION TO:**

38. CONTINUE SUPPORTING the efforts of Member States at all levels of government, as well as those at regional and local levels to address:
- (a) the lack of affordable, suitable, inclusive, accessible and sustainable housing, while fully respecting national competences and the principle of subsidiarity;
  - (b) data gaps regarding the housing market, such as on prices, rents and construction starts in the commercial real estate sector;
  - (c) homelessness, notably by supporting mutual learning and facilitating the work of the European Platform on Combatting Homelessness.
39. PROMOTE the forthcoming European Housing Alliance as a forum for open dialogue, mutual learning and collaborative action to address housing challenges, based on a work programme to be developed in consultation with the Member States, while taking into consideration that Member States’ participation in this initiative is voluntary.
40. DESIGN the forthcoming Pan-European Investment Platform, in collaboration with Member States, the European Investment Bank, national and international promotional banks and other relevant stakeholders, in such a way that it is user-friendly, accessible and responsive to users’ needs, while taking into consideration that Member States’ participation in this platform is voluntary.
41. CONSIDER the implications of the current framework of sector classification of social housing entities and their liabilities as a part of general government debt for providing affordable and social housing.

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### 2. EU interinstitutional

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### 4. Council of the European Union

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## **5. European Parliament**

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## **6. European Commission**

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