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## **WORKING DOCUMENT**

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From:	General Secretariat of the Council
To:	Working Party on Competition
Subject:	Presentation by the European Commission : Affordable housing and social housing (agenda item 5.) Working Party on Competition meeting on 1 September 2025

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Delegations will find in annex a presentation (agenda item 5.) given by the European Commission during the Working Party on Competition meeting on 1 September 2025.



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# State Aid for Affordable and Energy Efficient Housing



Presentation Working Party on 1 September 2025

**DG Competition, Directorate F**

Med House Task Force

# Context

## Commission's response to the housing crisis

- ❑ **1st ever Commissioner for Housing** (Dan Jørgensen)
- ❑ **Commission Housing Task Force**: coordinates workstreams on affordable housing
- ❑ **EU Affordable Housing Plan** (Q1 2026) will promote private/public investments in affordable housing and announce the **revision of State aid rules**
- ❑ **COMP Housing Task Force**: works on the State aid aspects of affordable housing

# Existing State aid instruments

<b>SGEI Decision</b>	No cap for social housing but EUR 15 million cap for affordable housing
<b>SGEI Framework</b>	Notification and detailed assessment
<b>Treaty</b>	Fallback solution, notification and detailed assessment
<b>GBER</b>	Only for energy efficiency measures, up to EUR 30 million
<b>CEEAG</b>	Only for energy efficiency measures, notification and detailed assessment

**Existing instruments not sufficiently flexible**



**New rules are needed**

# New aid rules – Substance

## Different rules for social and affordable housing

### ▪ **Separate approach:**

- Preserve existing social housing mechanisms
- Allow specific conditions for affordable housing to minimise market distortions

## Definition of affordable housing

- No commonly accepted definition among Member States, institutions
- Affordable housing **to be defined for SA purposes only**
- Proposed definition in the consultation : ***Housing for households, who are not able, due to market outcomes and notably market failures, to access housing that meets minimum energy performance levels at affordable conditions.***

## Potential eligibility conditions

Target group	Rental vs homeownership
Maximum/minimum prices	Renovation v construction
Minimum requirements (quality, energy)	Open v closed systems



# New aid rules – instrument and timing

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## Targeted revision of the SGEI rules (Q1 2026)

- Affordable housing defined in the **SGEI Decision** as a distinct category from social housing
- Eligibility conditions** for affordable housing SGEIs
- Possibly **other sectoral changes** (e.g. critical medicines)
- Horizontal changes** to update and improve the SGEI Decision for affordable and social housing SGEIs and beyond.

## Targeted GBER change for affordable housing as part of GBER review (Q4 2026)

- Higher aid intensity/bonus and maximum aid amounts for energy efficiency measures for affordable housing

# Consultations

## Consultations

- Call for evidence and public consultation** from 5 June to 31 July (resp. 120 and 146 replies)
- Workshop/reality check** on 10 July (24 Member States + 10 major housing associations)

## General feedback

- Most agree on the **revision of the SGEI Decision** and a **specific definition on affordable housing**
- Most stress the importance of **subsidiarity principle** and **flexible rules**
- Most consider **eligibility conditions** important but to be designed at **national/local level**

[More in detail →](#)

# Responses to the consultations (1/3)

## Definition on Affordable housing

- Most suggest that the proposed definition could be modified somehow but without concrete direction and diverging intentions (more flexibility vs more detailed and prescriptive rules).
- Reference to energy performance level considered unnecessary and confusing by respondents given the Energy Performance of Buildings Directive (EPBD).
- Most Member States believe the definition would not raise significant concerns as regards existing and future schemes.
- Most are against the restriction of affordable housing to specific areas.

## Maximum compensation limit

- Most opposed to a maximum compensation limit for affordable housing.

## Target group

- Most agree on the importance of income but stress that other criteria may be relevant as well (key workers, family situation, students...).

# Responses to the consultations (2/3)

## Prices for renting or selling

- Most consider maximum price necessary based on one or several criteria (income, market prices, costs incurred, other costs such as energy expenses).
- Diverging views on a minimum price.

## Quality

- Most consider minimum quality standards important.
- Most consider these quality standards should be defined at national/regional/local level.

## Duration

- Most consider minimum duration necessary, generally 30 years.
- Most consider that the duration should be defined at national/regional/local level.

## New buildings vs renovation

- Most consider that both new buildings and renovations should be eligible.

# Responses to the consultations (3/3)

## Rental vs homeownership

- Most consider that both rental and homeownership should be eligible.

## Providers

- Most consider open systems as preferable.

## Other sectors

- 7 Member States call for rules for critical medicines under the SGEI Decision.

## Horizontal

- Most in favour of an increase of general compensation threshold of EUR 15 million.
- Diverging views on the removal of the requirement to refer to the SGEI Decision in entrustments.
- Most in favour of reviewing the reporting and transparency obligations.

# Next steps

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New rules for affordable-housing SGEIs should (i) prevent undue distortion in the private housing sector, (ii) not have a detrimental effect on social housing, (iii) bring sufficient legal certainty to Member States and public authorities, while at the same time (iv) allowing them to tailor the rules to their specific national and local housing contexts.

## Next steps

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|--|----------|
| 1. <b>Public consultation on the draft SGEI Decision (8 weeks)</b> | October  |
| 2. <b>Multilateral meeting with Member States</b>                  | November |

# Thank you

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