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From:	Presidency
To:	Delegations

Subject:	Building futures: housing solutions in a changing demographic landscape across Europe - Presidency steering note
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Delegations will find attached a Presidency note on the above subject, with a view to the lunch discussion at the EPSCO Council on 9 March 2026.

BUILDING FUTURES: HOUSING SOLUTIONS IN A CHANGING DEMOGRAPHIC LANDSCAPE ACROSS EUROPE

Lunch discussion

Across Europe, housing has evolved from a sectoral policy issue into a structural societal challenge that affects cohesion, social and demographic sustainability, competitiveness and public trust. Access to housing plays a key role in the wellbeing of individuals and families, and also in decisions regarding family formation as well as labour and educational mobility, and it can have broader implications for demographic shifts and social and economic cohesion, underscoring the close connection between housing policies and demographic trends.

The structural nature of Europe's housing challenge reflects profound shifts in household formation and housing use. Across the EU, housing needs are growing faster than the population growth, as the size of the average household is shrinking, people form partnerships later in life, separations are more common and life expectancy is increasing. At the same time, Europe's ageing population means many older persons remain in larger homes that may no longer suit their needs and may be too costly, while younger generations struggle to access affordable and suitable housing. The ineffective circulation of housing stock disproportionately affects younger people who are often forced into overcrowded or inadequate housing conditions or extended co-residence with parents at key life stages.

Similarly, there is another mismatch between urban and rural areas. Europe's housing crisis is not only about the number of homes but also about their distribution and suitability across regions. Population growth in cities, where jobs are concentrated, further intensifies housing challenges, particularly for young adults. Soaring rents and limited affordable housing make it hard to secure decent rents or buy homes without overstressing financially, raising the risk of housing exclusion. At the same time, many rural regions face decline and high vacancy rates. Repurposing and reuse are key to tackling shortages in high-demand areas, especially taking into consideration that roughly 20% of dwellings across Europe remain unused.

Moreover, construction levels have not recovered sufficiently from the 2008 financial crisis and the supply of new housing stock is still significantly short of demand. Experience from Member States suggests that large-scale projects that are flexible and adaptable to local needs, are more effective in addressing shortages than isolated interventions.

Accurate and high-quality data are essential to ensuring that housing policies are properly targeted and responsive to the evolving demographic landscape.

As highlighted in the European Affordable Housing Plan, put forward by the Commission on 16 December 2025, an integrated and comprehensive approach is key to ensuring that housing policies succeed in delivering social and economic benefits to meet the needs of present and future generations.

Questions for discussion

Against this background, Ministers are invited to reflect on the following questions:

1. How are your national housing policies responding to demographic trends to ensure that the supply and quality of housing meet current and future needs? How could EU level action better support those efforts?
2. What measures are you implementing to shape housing policies in response to the risks of housing exclusion, especially for young people, and how could their effectiveness and monitoring be enhanced through high quality, accurate and comparable data?