Follow-up to the European Parliament non-legislative resolution on the role of cohesion policy investment in resolving the current housing crisis

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2. **References:** 2024/2120(INI) / A10-0139/2025 / P10_TA(2025)0187

3. **Date of adoption of the resolution:** 10 September 2025

4. **Competent Parliamentary Committee:** Committee on Regional Development (REGI)

5. **Brief analysis/ assessment of the resolution and requests made in it:**

The European Parliament in its resolution focuses on two angles: the current EU housing crisis and the role of 2021-2027 cohesion policy in addressing it including through the post-2027 framework. It proposes a series of measures and wider suggestions. It urges the Commission to take decisive action by revising the regulatory and funding framework, with cohesion policy at the core, and calls for targeted, integrated solutions across different types of territories, with a stronger role for regional and local authorities. The Parliament requests greater flexibility in cohesion funds, including mid-term reprogramming, revision of Fund-specific Regulations, broadening eligible investments (introducing three new housing-related specific objectives), allowing up to 100% co-financing rates, and additional pre-financing. It further recommends measures under ESF+ to support skills in construction, the European Affordable Housing Plan and Pan-European Investment Platform and stronger use of financial instruments, including cooperation with the European Investment Bank (EIB). Parliament calls for the revising state aid rules to better support social, affordable, and cooperative housing projects and asks the Commission to enhance technical assistance for local and regional authorities and housing providers, simplifying administrative procedures and enabling multi-fund, blended financing approaches. It stresses the need for better EU-wide housing and population statistics and highlights synergies with the European Semester. Looking beyond 2027, Parliament calls for making affordable, accessible, and sustainable housing a strategic priority in cohesion policy, with specific objectives to combat homelessness, inadequate housing, and energy poverty. It further stresses the need to impose a specific duration requirement on EU-funded housing to prevent property speculation and maintaining affordability. At the same time, it is asking the Commission to create a legal framework enabling land and homes benefiting from EU funds to remain in the ownership or, as applicable, the management of public administrations, social housing providers, and other not-for-profit entities, so that the final beneficiaries of the funds and the end users of these should retain ownership of the houses. It also recommends integrating the New European Bauhaus initiative into the next MFF.

6. Response to requests and overview of actions taken, or intended to be taken, by the Commission:

The Commission would like to thank the European Parliament for the resolution of 10 September 2025 on the role of cohesion policy investment in resolving the current housing crisis. The Commission agrees with the Parliament that the role of cohesion policy in resolving housing crisis is crucial alongside other sectoral policies. It also recognises the need for other complementary measures and funding sources in the context of the forthcoming European Affordable Housing Plan. The Commission also takes note of the Parliament's views on the next Multiannual Financial Framework (MFF).

The Commission shares Parliament's view that a comprehensive approach to the housing crisis is essential, notably through tailored, integrated and placed-based solutions, in full respect of subsidiarity. Cohesion policy already plays a key role in sustainable and integrated development across all types of territories. In accordance with Article 3(1)(e) of Regulation (EU) 2021/1058, support under policy objective 5 should be provided through territorial and local development strategies. Specific objectives 5.1 and 5.2 enable integrated measures to address unique territorial challenges, focusing on integrated and inclusive social, economic, and environmental development, culture, heritage, sustainable tourism, and security in both urban and rural areas - with flexible thematic support within the scope of the European Regional Development Fund (ERDF) (including housing). This can be further combined with support under other Cohesion policy objectives (as defined by Article 3(1) of Regulation (EU) 2021/1058), including different types of infrastructure and access to services. Furthermore, the Regulation (EU) 2025/1914 amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review (hereafter "Mid-term review Regulation") has introduced three new specific objectives (2.11, 4.7 and 5.3) related to affordable and sustainable housing (including social housing) under policy objectives 2, 4, and 5, giving Member States and regions further flexibility to reprogramme funds and adopt solutions adapted to their needs. Concrete actions and financing, however, are decided by the Member States and regions based on needs assessments to guide reallocations, identifying eligible housing types and target groups in line with national systems and local needs. In line with horizontal principles, Cohesion policy should not support actions that contribute to any form of segregation or exclusion. (§2, 18 – 22)

The Commission takes note of the call for leveraging public funds through mobilisation of private investment in social and affordable housing, which will be considered in the context of developing the Pan-European Investment Platform and in leveraging EU funds via financial instruments (such as InvestEU guarantees). The Commission agrees with the Parliament that Cohesion policy alone cannot solve the housing crisis, and that other policy measures and funding sources are essential. Various EU funds already support social and affordable housing, but additional public and private investment is needed. Mobilising private capital is crucial for tackling the housing crisis. In the mid-term review reprogramming, the Commission encourages Member States and regions to leverage Cohesion policy funding by using a new model for financial instruments combined with grants (SWD(2025)78). This model, developed by the Commission services in partnership with the European Investment Bank (EIB), offers a range of options for combining loans, guarantees and equity with grants to address market failures and significant market gaps and speed up the provision of affordable housing by the enhanced volume of long-term and affordable funding. The model can be tailored to meet specific needs in the Member States aiming to address the undersupply of affordable, sustainable and decent housing for citizens most in need. Once the Cohesion policy funds have been used to test and pilot the financing structures, these investments can be scaled up to attract other funding triggering the development of the capital market and better use of the available instruments. The EIB will play a crucial role also in developing the necessary framework for affordable housing financial instruments with Member States and managing authorities, through a range of advisory support available in establishing and upgrading the regulatory framework, preparing investment pipelines of projects and feasibility studies, and designing investment strategies for financial instruments. In addition, the Commission is working closely with the EIB, national promotional banks and international financial institutions on a new pan-European investment platform. (§5, 11, 12, 26, 27)

Homelessness is a complex and multi-dimensional issue related to multiple drivers. Preventing and tackling it requires a comprehensive approach which includes adequate social protection systems and effective housing and energy policies. The Commission plans to address this urgent social challenge both in the European Affordable Housing Plan and the first-ever Anti-poverty Strategy, building synergies and complementarities between these initiatives. Since its launch in 2021, the European Platform on Combatting Homelessness has promoted and supported the design and implementation of integrated, person-centred and housing-led strategies to effectively prevent and tackle homelessness. The work of this Platform and the knowledge base already produced will contribute to the development of the European Affordable Housing Plan, ensuring homelessness and the needs of the most vulnerable groups are adequately addressed. (§10)

Cohesion policy and the European Semester are already linked in the 2021-2027 period, with country-specific recommendations guiding both initial programming and the mid-term review. The European Semester has gained a stronger territorial dimension, and linkage to economic, social, and territorial cohesion over the years. Based on Commission proposal for a Regulation establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509 (COM (2025) 565), the challenges identified in the European Semester, in particular in the relevant country-specific recommendations, will be key reference points for the National and Regional Partnership Plans. These Plans will need to include a clearly defined territorial dimension, and they can include regional chapters. The Commission plans to continue reinforcing the territorial angle in the European Semester to provide deeper insight into territorial disparities, challenges, and opportunities as well as investment and reform needs at subnational level. (§11)

The Commission recognises the importance of facilitating the application of State aid rules for housing, for Member States and beneficiaries alike. Accordingly, the Commission is revising the State aid rules to accelerate access to affordable housing. The Commission considers in particular introducing a new category of compensation for Services of General Economic Interest (SGEI) linked to affordable housing, which will be exempted from notification under the Decision on SGEI subject to specific conditions. This will allow for more flexibility and reduce administrative burdens, with a view to enabling more investment in affordable housing to help tackle the housing crisis. The Commission will proceed as fast as possible, with a view to adopting the new SGEI rules by the end of 2025. Following the ongoing revision of the State aid rules for housing, the Commission will consider whether any additional guidance is needed in this regard. (§12, 17)

The Commission publishes harmonised figures by regions and degree of urbanisation about demographic, socio-economic indicators and tourism, including short-stay accommodation via collaborative economy platforms. (§13)

The Commission takes note of the point raised by the European Parliament in the context of analysing the housing market. (§14)

Cohesion policy already supports the housing sector - with EUR 7.5 billion of the EU budget planned at the end of 2024. To address the housing crisis, the Commission encourages Member States and regions to increase their 2021-2027 Cohesion policy resources dedicated to affordable housing. The mid-term review offers a strategic opportunity for Member States and regions to adjust their programmes, possibly increasing funding into EU strategic priorities, including affordable and sustainable housing. The mid-term review Regulation has introduced flexibilities and incentives for Member States and regions to do so. However, the Commission recalls that the decision for re-programming (including areas in which to invest) lies with the Member states and regions based on their needs. The Commission has encouraged Member States to include reforms and investments under the Recovery and Resilience Facility (RRF) (centrepiece of NextGenerationEU) to address affordable and social housing needs in Member States. 20 Member States have included reforms and investments to contribute to affordable and social housing in their national Recovery and Resilience Plans (RRPs) for an estimated total of EUR 19.6 billion of funds. These include inter alia the construction of social and affordable dwellings, energy-saving renovations for social houses or the introduction of national housing planning instruments to boost the supply of social housing. As such, the Commission has channelled significant financial support under the RRF to social housing across the European Union. By boosting the capacity in Member States to implement relevant reforms and support investment in affordable and social housing, the Commission is accelerating and stepping up the joint efforts to address the social housing crisis in Europe. The RRF is now close to the end of its implementation period. All reforms and investments have to be finalised by 31 August 2026 and as such, the potential for revisions of

RRPs to introduce new investments in housing is very limited. However, in line with the Communication 'NextGenerationEU the road to 2026", Member States can amend their plans and scale up existing measures—such as affordable and social housing—where implementation is going well, provided that these investments can be finalised by 31 August 2026, the deadline set out in the RRF Regulation. RRF projects at risk of noncompletion by 31 August 2026 could be considered for Cohesion policy funding, if eligible. (§15, 22)

At the same time, ESF+ supports Member States in implementing principle 19 of the European Pillar of Social Rights 'Housing and assistance for the homeless' by funding initiatives that support homeless people back into housing. Measures included in the ESF+ programmes aim to provide housing assistance and help social services with access to housing, notably for homeless people. Programmes adopt the 'housing first' approach: housing as a starting point for social inclusion**,** complemented with health and social measures. In terms of budget, the estimated ESF+ investment in operations fighting against homelessness is around EUR 2.5 billion, including measures related to housing, food and material support, access to care and healthcare services, counselling and community activities. As regards housing, ESF+ dedicated an estimated total of EUR 1.9 billion for measures addressing the housing situation for individuals and for public services, targeting individuals or families at risk or experiencing homelessness, persons with disabilities, elderly, third-country nationals, refugees and marginalised communities such as Roma. (§20, 22)

The Commission shares the Parliament's view on the need for flexible EU support that aligns with national, regional and local specificities. Under shared management, Member States are responsible for preparation and implementation of programmes at the appropriate territorial level in accordance with their institutional, legal and financial framework, with a reinforced sustainable urban development and role of cities. In 2021-2027, cities directly manage over EUR 24 billion (11.8% of ERDF), exceeding the minimum urban earmarking requirement of 8%. Technical assistance is available both at the Member State initiative and from the Commission, including advisory support in cooperation with the EIB (e.g. fi-compass, JASPERS). Further assistance should be available from the upcoming Pan-European Investment Platform for affordable and sustainable housing. In addition, the ERDF provides direct funding to cities for innovative actions and capacity building – including in housing - through the European Urban Initiative (EUI). That includes specific events, like Housing Policy Lab or EUI pear learning City-to-City Exchanges. Furthermore, currently several EU Urban Agenda Partnerships foster cooperation with cities on different themes covering also housing, namely: the Partnership on Cities of Equality, Building Decarbonisation Partnership and Partnership on Compact Cities. Additionally, the administrative capacity of regional and local authorities is also supported by the ERDF through the Interreg programmes ESPON (in particular through HOUSE4ALL) and URBACT, providing inter alia data, knowledge, tools and opportunities for networking and learning (including in housing). Any amendments to cohesion policy programmes must be duly justified, demonstrate expected impact, and be approved by monitoring committees before the

Commission’s assessment (Articles 39–40 of the Common Provisions Regulation (EU) 2021/1060 (CPR); Articles 18 and 19 of the Interreg Regulation (EU) 2021/1059). Member States are required to involve partners — regional, local authorities, civil society, and others — throughout all stages of programmes, in line with Article 8 CPR and the European Code of Conduct on Partnership. (§16)

In line with Parliament recommendations, beside energy efficiency investments in housing (around EUR 6.5 billion), Cohesion policy also supports the energy efficiency of public buildings, the energy efficiency in industry, the investments in clean and resource efficient technologies as well as smart energy systems, including grids, hydrogen and storage and in renewable energy production. For 2021-2027 period, Cohesion policy allocated about EUR 45 billion to the energy sector, up from EUR 31 billion in 2014–2020 period. Less developed regions, together with territories affected by the energy transition (JTF areas), remain at the heart of the Cohesion policy support, with 75% of this allocation dedicated to them. (§22)

In line with Parliament recommendations, the Mid-term review Regulation (EU) 2025/1914 has also introduced increased co-financing for respective dedicated priorities (while the Commission proposed up to 100%, this was changed by the co-legislators to an increase of the co-financing rate by 10 percentage points above the applicable rate) and additional pre-financing. Furthermore, the amounts programmed for new strategic priorities (including affordable and sustainable housing) are taken into account for the purpose of thematic concentration requirements. The Mid-term review Regulation also provides flexibility in minimum climate contribution targets between the ERDF and Cohesion Fund, while respecting the overall requirements of Article 6 CPR (climate targets and climate adjustment mechanism). The climate contribution is calculated in line with the CPR Annex I/dimension 1, where energy efficiency intervention fields 041, 042 and 043 (with 40% and 100% climate coefficient) may be relevant to new specific objectives on housing, while the intervention fields 125 and 126 (with zero climate coefficient) can be used for measures beyond energy efficiency under these new specific objectives. (§23)

As regards housing eligibility, in the draft SGEI Decision in public consultation until 4 November 2025, the Commission included a proposed set of eligibility conditions for affordable housing SGEIs on which Member States and stakeholders are expected to provide their views. (§24)

The Commission agrees that simplification and transparency in the use of funds are essential and works closely with managing authorities and other relevant bodies to achieve this. Best practices and exchange of knowledge are promoted through the REGIO Transnational Network on Simplification, which has addressed topics such as selection of operations, risk-based management verifications, gold-plating, digitalisation (including AI), and collaboration between managing authorities and beneficiaries. For 2021-2027 period and when reprogramming under the mid-term review, the Commission has encouraged performance-based mechanisms, notably using simplified cost options and financing not linked to costs, to reduce administrative costs and burden. The Commission services have also developed a model for financing not linked to costs in energy efficient renovation of residential buildings, serving as an adaptable blueprint for Member States (available on p. 55 in Study on Performance-based schemes: from the RRF to possible approaches under the ERDF/CF and JTF). (§26)

The Commission recognises the need for comprehensive and integrated approaches to EU investment needs, including social and affordable housing. On 16 July 2025, it presented its proposal for the next Multiannual Financial Framework (MFF), combining an ambitious budget, with a simplified architecture for the sectoral programmes under shared management. Key priorities, across social policy, agriculture, fisheries, climate, environment, migration, and security, would be delivered through National and Regional Partnership Plans under a single Fund. Each Member State, in close cooperation with regional and local authorities, as well as other partners, will be responsible for preparing its plan, identifying priority investments with corresponding reforms. This will enhance coordination across policy areas, ensure integrated and more tailored responses to national and regional contexts, and at the same time provide coherent support for EU policy objectives. In its proposal, the Commission establishes a specific objective for social and affordable housing, recognising it as a key driver in support of sustainable prosperity across all regions and an area requiring targeted investment. This may include also investments in student accommodation and affordable housing for young people. Embedding social and affordable housing within such an integrated programming framework will ensure more coherent support for social cohesion, sustainability and resilience. The Commission acknowledges the significant potential of financial instruments to mobilise investment and enhance the Fund’s impact and remains committed to promoting their optimal use with sound financial management, transparency, and policy alignment. Its legislative proposal updates delivery models with a stronger focus on objective-based implementation, drawing on best practices and lessons learned from the current MFF, using tools such as milestones, targets, and ex-ante costing. This results-oriented approach shifts checks and controls from underlying costs to project deliverables, reducing administrative burden, strengthening reliance on national assurance systems, and ensuring faster implementation and access to funds, as well as a greater impact of the EU budget. (§29, 33)

The Commission encourages Member States to use their Social Climate Fund (SCF) allocations for the period 2026 and 2032 to finance measures and investments that increase the energy efficiency of buildings so that vulnerable households in energy poverty are supported in the green transition. Such measures and investments include support for building renovations and access to affordable energy-efficient housing, including social housing. Starting in 2028, the SCF will become a part of the National and Regional Partnership Plans, but Member States will be able to make a choice to implement the Social Climate Plans in accordance with the SCF regulation or fully under the Regulation establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509.

(§33)

The Commission's recalls that its proposal for the next MFF puts forward an overall 35% climate and environment target. Mainstreaming horizontal policies has already proven effective in prioritising climate-related spending under the 2021–2027 programmes and this approach will continue to guide EU investments in post-2027 in line with Commission proposal for a Regulation establishing expenditure tracking and performance framework. Moreover, all programmes and activities must comply with the 'do no significant harm' principle. (§31)

The Commission's proposal for a Regulation establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509, aims to reduce regional imbalances within the Union, support disadvantaged regions, and promote European territorial cooperation in line with the TFEU. This is complemented by a legislative initiative establishing the ERDF, including support for European Territorial Cooperation (Interreg) and the Cohesion Fund, which sets specific conditions for EU budget support and requires focus on the challenges faced by disadvantaged regions, including rural areas and islands. The proposals do not require budgetary resources to be concentrated on specific objectives providing greater flexibility to adjust National and Regional Partnership Plans when needs arise, including on the occasion of natural disasters. In addition, the Commission puts forward an EU Facility, which aims at increasing flexibility and catering for unforeseen crises. (§34)

The Commission's proposals for the next MFF reaffirms the Treaty's cohesion objectives to be advanced through the European Fund for economic, social and territorial cohesion, agriculture, rural development, fisheries, maritime affairs, prosperity, and security. By anchoring cohesion as a general objective, the proposal underlines EU's commitment to reducing regional disparities, addressing structural challenges, and promoting balanced territorial development, with a ring-fenced amount of EUR 218 billion allocated for investment in less developed regions. Specific objectives include support for sustainable prosperity across all regions, notably through social and affordable housing. Member States can also support local cooperation and integrated territorial and urban development strategies, with a focus on sustainable development, and on addressing environmental, energy and climate challenges - in particular the fair transition towards a clean climate-neutral and resilient economy by 2050 - paying special attention, inter alia, to housing. (§37)

In the draft SGEI Decision (public consultation closed on 4 November), the Commission proposes a specific minimum duration for availability of affordable housing for such purpose. The Commission's proposal for a Regulation establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509, includes a durability requirement whereby Member States must ensure that the fulfilment of any relevant milestones and targets is maintained for a minimum period of five years following the date of the Commission payment corresponding to the achievement of the milestone or target. Furthermore, in the context of the development of a European Affordable Housing Plan, the Commission is undertaking a revision of the SGEI Decision to offer more flexibility and clarity to Member States to support affordable housing while at the same time avoiding undue distortions in the commercial housing market as well as avoiding a detrimental effect on social housing. (§38)

The Commission's MFF proposal is built on flexibility and simplification, reducing fragmentation and ensuring the EU can better respond to future challenges. While the New European Bauhaus (NEB) is not presented as a separate programme, it remains a key initiative. Its goals are embedded in the specific objectives of the new "European Fund for economic, social and territorial cohesion, agriculture, rural development, fisheries, maritime affairs, prosperity, and security" to support sustainable prosperity across regions. Furthermore, within the proposal on the 10^{th} Framework Programme (COM/2025/543), the Horizon Europe 2028–2034 programme will support the R&I component of the NEB Facility, to ensure that NEB solutions continue to advance the Green Deal and the transformation of the built environment. (§40)