



OPINION

European Economic and Social Committee

EU Strategy for Housing Construction

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The European Strategy for Housing Construction: a more competitive and productive construction industry (COM(2025) 991 final)

TEN/872

Rapporteur: **Thomas KATTNIG**

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Advisor	Slavica UZELAC (to the rapporteur)
Referral	European Commission, 24/2/2026
Legal basis	Article 304 of the Treaty on the Functioning of the European Union
Section responsible	Transport, Energy, Infrastructure and the Information Society
Adopted in section	24/6/2026
Adopted at plenary session	15/7/2026
Plenary session No	607
Outcome of vote (for/against/abstentions)	193/2/9

1. Conclusions and recommendations

- 1.1 The EESC welcomes the Strategy for Housing Construction under the Affordable Housing Plan, but urges the Commission to swiftly present the announced initiatives and adopt far more ambitious measures to address the structural housing crisis: the necessary framework conditions for the construction to serve as a catalyst for affordable, sustainable and high-quality housing, a right to adequate and affordable housing in EU primary law, sufficient funding and a stronger focus on vulnerable groups such as people with disabilities, older people, young people and families with children and on sustainability. It criticises the lack of clear land-use and spatial planning guidance, the risks of urban sprawl and the limited role for cities, regions and local authorities. The EESC calls for an effective rural development strategy and proven tools, including mandatory shares of subsidised affordable housing.
- 1.2 Housing support must, depending on the case, prioritise conversions, renovations and new builds and promote climate-neutral and resource-efficient construction methods, collective housing and alternative mobility approaches that improve people's quality of life.
- 1.3 The EESC recommends increased public and private investment in affordable, social and limited-profit housing¹.
- 1.4 Regarding the simplification of procedures, it is important to check in each instance whether they are proportionate to the objective to be achieved. In general, simplifying procedures must never result in a lowering of social, environmental, safety or labour standards, but rather lead to the easier and better enforcement of existing standards.
- 1.5 Structural flaws and fragmentation in the construction sector undermine incentives for companies to invest in innovation, workforce development, and R&D, limiting the sector's capacity for productivity growth and technological progress. Promoting the enforcement of existing applicable rules on labour intermediaries and on full joint and several liability across the whole subcontracting chain and promoting direct jobs would significantly simplify construction site management, benefiting businesses, enforcement authorities and workers alike.
- 1.6 The EESC considers digitalisation a key driver for faster construction by reducing administrative burdens, increasing predictability, improving efficiency and supporting SMEs. Digitalisation in should not be limited to construction projects. It should also be leveraged to strengthen labour rights enforcement, job quality, working conditions and consumer interest. The EESC supports an EU framework for social ID card schemes linked to ESSPASS and an interconnected EU-wide digital companies register to improve cross-border cooperation and enforcement in areas such as labour standards, occupational safety and taxation.
- 1.7 Policies promoting labour mobility must be human-centred addressing both labour shortages and implementation of workers' rights, and considering their needs and aspirations. Worker mobility must be considered in conjunction with the discussion on 'right to stay'.

¹ As set out in the EESC opinions: OJ C, C/2025/771, 11.2.2025, ELI: <http://data.europa.eu/eli/C/2025/771/oj>; OJ C, C/2026/26, 16.1.2026, ELI: <http://data.europa.eu/eli/C/2026/26/oj> and OJ C, C/2026/3222, 2.7.2026, ELI: <http://data.europa.eu/eli/C/2026/3222/oj>.

- 1.8 The EESC considers innovation essential for faster, more sustainable, reliable and affordable construction, while increasing the attractiveness of skilled trades. The EESC therefore welcomes accelerated standards development under the new Construction Products Regulation and calls for a stronger EU role in international standardisation bodies.
- 1.9 New construction methods and technologies require scaling, standardisation and significant upfront investment, and must be consistently geared toward climate neutrality, resource efficiency, improvement of productivity and the circular economy – innovation and productivity are key to decarbonising the building sector.

2. Background

- 2.1 Europe is in a deep housing crisis. Since 2013, house prices in the EU have risen by more than 60.5%, while rents increased by 28.8% between 2010 and 2025. The housing cost overburden rate was 8.2% on average in the EU in 2024². This disproportionately affects vulnerable groups and young people.
- 2.2 The European Housing Strategy is the industrial pillar of the Commission's affordability package, focusing on strengthening competitiveness, productivity and innovation in construction. While harmonised rules for construction products and services can contribute to an EU framework, housing remains primarily a competence and responsibility of Member States, local and regional governments.
- 2.3 Several drivers of the housing crisis are specific to construction: changes in demand, rising construction costs and the resulting limited housing supply, as well as persistent productivity gaps. Housing meets fundamental social needs. As pointed out in the EESC opinion 'For a European Affordable Housing Plan – the contribution of civil society', the housing crisis is exacerbated by the insufficient supply of sustainable and affordable housing in relation to need³. In order to meet the demographic pressure in the EU over the next 10 years, the Commission considers that a further 650 000 homes per year will need to be added to the 1.6 million homes currently under construction.
- 2.4 A sustainable, cost-effective construction sector needs procurement methods that promote sustainability and cost-effectiveness and should encourage bidding companies to include maintenance and life-cycle costs, as well as environmental damage, in project costs.
- 2.5 Construction continues to have the highest shares of self-employed workers, accounting for 22% of the workforce⁴. Larger firms regularly subcontract work to small and micro-enterprises and self-employed individuals.

² [Housing cost overburden rate by age, sex and poverty status.](#)

³ OJ C, C/2026/26, 16.1.2026, ELI: <http://data.europa.eu/eli/C/2026/26/oj>.

⁴ [European Commission, European Construction Observatory \(2026\) - Analytical report on skills.](#)

- 2.6 The fragmentation of the sector and the small medium size of companies explain why the construction industry has fallen behind in innovation and digitalisation⁵. Some Member States try to address this issue partly with collective research centres that let companies benefit from research across an entire sector.
- 2.7 The EU construction sector is labour intensive, employing around 15 million workers. Its ageing workforce, labour shortages (acute in blue-collar occupations) and underrepresentation of younger workers and women coincide with a high share of mobile and migrant workers. While voluntary mobility of labour is essential for the single market's success, construction workers are already among the most mobile workers in the EU. Migrant workers are especially vulnerable due to language barriers, limited knowledge of labour rights, dependence on intermediaries and their concentration in temporary or subcontracted employment, which can increase the risk of exploitation, unsafe working conditions, and labour law violations^{6, 7, 8}, necessitating the full implementation and enforcement of worker protection regulations.
- 2.8 Energy renovation needs and retirements will increase labour demand by 1-2.5 million workers by 2030⁹. Yet the sector remains unattractive: wages are on average 15% below other sectors (compared to manufacturing), general poor perception of manual trades among the public, training participation excluding non-formal training is 40% lower¹⁰, and construction remains the most dangerous sector, accounting for about 24% of fatal workplace accidents in the EU¹¹.
- 2.9 The construction sector has enormous potential for reducing emissions. It accounts for more than 35% of waste generation in the EU and 5-12% of total GHG emissions¹². To achieve the EU's climate targets and to provide affordable high-quality housing, the EU must double the annual rate of energy renovation by 2030 and achieve a fully decarbonised building stock by 2050.
3. **General comments**
- 3.1 The strategy insufficiently links to the Affordable Housing plan and to the Renovation Wave, particularly regarding quality aspects such as comfort, affordability, health and living conditions. Every three euro invested in improving housing conditions returns around two euro within one year through lower public expenditure. Structural repairs and energy renovation of

⁵ [EIB Investment Survey 2024 - European Union overview.](#)

⁶ [Report of the European Centre for Social Welfare Policy and Research on Third-country companies and workers in the European construction sector.](#)

⁷ [ELA Strategic Analysis 2023: Construction sector.](#)

⁸ [COM/2024/320 final.](#)

⁹ [JTC-ITUC and EFBWW report 2023: Skills and quality jobs in construction.](#)

¹⁰ [European Commission, European Construction Observatory \(2026\) - Analytical report on skills.](#)

¹¹ [Eurostat \(2025\) - Accidents at work statistics.](#)

¹² [European Commission: Buildings and construction.](#)

the worst 20% of housing stock and lowest-income households deliver the fastest social, societal and economic returns, particularly through reduced health costs¹³.

- 3.2 The strategy does not properly reflect one of the root causes of low supply of new housing, linked to restrictive financing conditions. Tighter mortgage requirements, higher interest rates and stricter credit assessments have reduced access to financing for many households, further weakening demand. Improved access to private financing, including through fiscal measures, could strengthen demand, thereby supporting growth.
- 3.3 To tackle the housing crisis the EESC calls for more and smarter financing for affordable housing and long-term investment in social and limited-profit housing. Public and EU financing should prioritise housing systems that secure long-term affordability through cost-rent structures, reinvestment obligations and limited-profit governance, reflected in the MFF. It calls for the rapid establishment of a pan-European investment platform for affordable housing with a dedicated 2028-2034 MFF budget line. Member States should submit national housing plans with clear targets and monitoring. To ensure effective use of EIB, national and regional public development banks investments in social and affordable housing, national public guarantees and publicly managed platforms aggregating SME projects are needed so that non- and limited-profit providers, operating on a cost-rent basis and reinvestment obligations, can access financing. When public funds are utilised, clear social conditionalities must apply. EU financing should be strictly linked to projects dedicated to affordable rental stock so productivity gains benefit residents and market abuses are prevented.
- 3.4 Private investment must be mobilised through innovative mechanisms. The EESC acknowledges the role that public-private-partnerships (PPPs) can play, under certain conditions, in expanding the availability of affordable housing. Where they operate within a clear legal and fiscal framework, with mandatory *ex-ante* value-for-money analysis, full disclosure of liabilities, sharing of revenue, contractual affordability as well as social and environmental safeguards (e.g. sustainability criteria, rent stabilisation mechanisms and enforceable tenant protections), PPPs can deliver benefits for both business and society. The limited-profit housing model is a great example of this type of cooperation.
- 3.5 The EESC recommends incentives for private ‘rent-to-own’ models after five years of conscientious rent payment.
- 3.6 EESC insists that the housing construction strategy must focus on the needs of companies and workers. Modernising construction regulation or increasing investment alone will not be enough to deliver substantial change¹⁴. Productivity, competitiveness and innovation in the sector can only thrive when supported by sustainable, decent and high-quality jobs. The strategy must be closely linked to the Quality Jobs Roadmap and the Fair Labour Mobility Package.
- 3.7 The EESC recommends increased public investment in accessible, social and affordable housing, in accordance with the EESC opinions ‘Social housing in the EU - decent, sustainable

¹³ [Eurofound report 2016, Inadequate housing in Europe - Costs and consequences.](#)

¹⁴ [European Construction Sector Observatory, Analytical Report 2020 - Improving the human capital basis.](#)

and affordable'¹⁵ and 'For a European Affordable Housing Plan – the contribution of civil society'¹⁶. In this way, construction activity can be stimulated and affordability improved.

Simplifying and digitalising residential permitting and administrative procedures

- 3.8 Regarding the simplification of procedures, it is necessary to ask each time whether they are proportionate to the objective to be achieved. A systematic housing-friendliness check should be implemented on every EU regulation. In general, simplification must never result in lower social, environmental or labour and safety standards but rather lead to easier and better enforcement of existing standards in these areas.
- 3.9 The EESC welcomes the announcement that a study would be carried out to provide a comprehensive assessment of building permitting procedures across the 27 Member States.
- 3.10 The EESC considers digitalisation a key driver for accelerating housing construction by reducing administrative burdens, increasing predictability and improving efficiency and environmental standards, while ensuring adequate support for SMEs. At the same time, digitalisation in the construction ecosystem should be leveraged to strengthen the enforcement of labour rights with the aim of improving job quality and working conditions as well as consumers' interests. The EESC therefore looks forward to the forthcoming Mobility Package, which includes a Proposal for a European Social Security Pass (ESSPASS), and draws attention to the SIDE-CIC project by EFBWW and FIEC which assesses the feasibility of social ID cards in the construction sector, as well as an interconnected EU-wide digital companies register to improve cross-border cooperation and enforcement in areas such as labour standards, occupational safety and taxation¹⁷.

Supporting innovation and scaling up in construction

- 3.11 Accelerating innovation will enable faster, more reliable, more sustainable and cheaper construction, and will increase the attractiveness of the trades. The EESC therefore welcomes the plan to accelerate the development of standards for construction products under the new Construction Products Regulation outlined in Action 3. This must be accompanied by a stronger EU-representation in international norming and standard-setting bodies.
- 3.12 The Commission presents modular and off-site construction as the best chance of rapidly increasing the housing supply. Advantages may include lower costs, faster delivery, weather-independent work, more predictable prices and quality, less on-site disruption and dismantling instead of demolition, supporting circularity. Similar exterior cladding solutions as in traditional construction methods exist, respecting different building cultures. This can increase the trade's attractiveness. While studies indicate that the overall carbon footprint of off-site construction, including material production and transport, is not unfavourable, the issue of transporting

¹⁵ OJ C, C/2025/771, 11.2.2025, ELI: <http://data.europa.eu/eli/C/2025/771/oj>.

¹⁶ OJ C, C/2026/26, 16.1.2026, ELI: <http://data.europa.eu/eli/C/2026/26/oj>.

¹⁷ [EFBWW and FIEC call for digital enforcement 2021](#).

components potentially over longer distances must remain a matter of concern, unless supported by decarbonised transport.

- 3.13 The limited number of contractors specialising in prefabricated and off-site construction reflects the high initial investment needed for industrialised building methods. Standardisation can increase reliability, reduce risks and lower financing costs, while performance-based standards can provide the necessary flexibility to support innovation and ensure that construction methods can be tailored to local contexts, building traditions and climatic conditions. SMEs should be adequately represented in standard-setting, to ensure that rules support both innovation and diversity.
- 3.14 In connection with the 2028-2034 MFF, an operational plan to promote and increase building, renovation and conversion should be developed. Planning and monitoring would provide further insight into whether the initiatives have the desired effects.
- 3.15 As stated in TEN/866, housing support must prioritise, depending on the case, conversions, renovations and new builds, promote climate-neutral, energy efficient and resource-efficient construction methods, and ensure that construction works (and renovations) strongly mainstream circularity, collective housing and alternative mobility approaches that improve people's quality of life. New construction, apart from single-family homes built solely for the owner's needs, conversion and renovation must include mandatory affordability and accessibility requirements for vulnerable groups like persons with disabilities, older persons, young people and families with children. In rural areas, the upfront costs of switching to sustainable heating systems constitute a major barrier in the absence of targeted public support requiring dedicated financial instruments.
- 3.16 Cooperatives offer the public democratic participation opportunities. Authorities must therefore establish, develop and oversee these structures where they do not already exist. This would provide an opportunity to increase the housing stock in a socially responsible manner, involve the local population financially and democratise the housing sector.
- 3.17 To promote sustainable heating and cooling methods, the high initial investment costs must be considered from the start, with financial support provided. This would make heating and cooling more affordable for residents while also making buildings more sustainable.
- 3.18 The EESC notes that construction cartels, bid rigging and price-fixing undermine innovation and scaling up. The EESC stresses that proper application of competitive bidding rules in public procurement, anti-cartel enforcement and better controls in order to allow market entry for innovative firms and SMEs need to be part of the strategy.

Securing access to raw and secondary materials

- 3.19 The EESC demands that a coherent EU strategy for primary and secondary raw materials is developed throughout the value chain – exploration, extraction, processing, refining, recycling and reuse – while remaining consistent with the objectives of the Green Deal.

- 3.20 Circular economy practices must be further explored and systematically implemented, with end-of-life considerations included from the design phase and secondary materials targets in public procurement. Occupational health and safety (OSH) considerations must be reviewed in the context of circularity. There is an extensive EU acquis in the field of OSH. Efforts to promote circularity within strategy should therefore be accompanied by effective implementation and enforcement of the existing acquis that entail obligations to employers and where national Labour inspectorates monitor compliance. A European system of Digital Building Logbooks should include detailed information on OSH hazards associated with higher-risk activities (demolition, renovation, manual disassembly) and the handling of contaminated materials, including asbestos and legacy chemicals. In general, the development of Digital Building Logbooks must also be leveraged to empower consumers by providing specific technical information that allows for better traceability of materials and that facilitates informed decisions.

Ensuring access to services and skills

- 3.21 The EESC encourages strengthening the role of social dialogue and civil society at EU and national levels, including strategic housing councils. National governments and EU bodies should formally involve social partners, civil society, tenant's unions, consumer protection bodies and organisations representing all professions in the construction ecosystem.
- 3.22 Policies promoting labour mobility must be human-centred addressing both labour shortages and implementation of workers' rights, and considering their needs and aspirations. Worker mobility must be considered in conjunction with the discussion on the 'right to stay'.
- 3.23 Labour shortages in construction will not only be solved by increased labour mobility, as often poor working conditions continue to deter workers. Working conditions must be conducive to attracting and retaining workers in the sector. This includes wages, supplementary income support in cases of unemployment or sickness, pension provision, skilling and reskilling, and health and safety prevention measures. The best models are those based on social dialogue and the joint management of these schemes by the social partners.
- 3.24 Modernisation and industrialisation can make construction cleaner, safer and less physically demanding, creating new roles, attracting young people and improving gender balance.
- 3.25 The Skills Portability Initiative promotes mutual recognition of skills and qualifications. Recognition should cover comprehensive qualifications. Improved skills enable professional development that increase earnings according to qualification levels. Faster recognition procedures are important in addressing labour and skills shortages in accordance with labour law regulations. At the same time, any recognition mechanism must respect national and regional specificities.

- 3.26 The number of regulated professions in the construction is unlikely to constitute a barrier to cross-border service provision. Construction-related professions represent roughly 6-7% of all regulated professions¹⁸.
- 3.27 Any upskilling and reskilling measures must be embedded in comprehensive qualifications that lead to higher qualification levels and should respect the first principle of the European Pillar of Social Rights. A narrow focus on individual skills risks fragmenting qualifications such as micro-credentials. Thus, the EESC reiterates that micro-credentials can be important in helping adults upskill and reskill, or transition to new job opportunities when the quality standards of micro-credentials are well-defined and made clear to the learners.
- 3.28 Training measures reaching a broad range of workers must be embedded in a supportive framework ensuring real access to learning. This should include, in accordance with national legislation and collective agreements, paid educational leave, the right to access full qualifications, the validation of non-formal and informal learning and work experience, and access to free, high-quality career guidance and counselling.

Brussels, 15 July 2026.

The President of the European Economic and Social Committee
Séamus BOLAND

N.B.: Annex overleaf.

¹⁸ [EP briefing 2017 - Professional Qualifications Directive](#).

APPENDIX to the OPINION
of the
European Economic and Social Committee

The following amendments, which received at least a quarter of the votes cast, were rejected during the debate (Rule 74(3) of the Rules of Procedure):

AMENDMENT 1

Tabled by:

DE MÛELENAERE Robert

SÄKKINEN Teppo

TEN/872

EU Strategy for Housing Construction

Point 1.1

Rejected by the rapporteur

Amend as follows:

<i>Section opinion</i>	<i>Amendment</i>
The EESC welcomes the Strategy for Housing Construction under the Affordable Housing Plan, but urges the Commission to swiftly present the announced initiatives and adopt far more ambitious measures to address the structural housing crisis: the necessary framework conditions for the construction to serve as a catalyst for affordable, sustainable and high-quality housing, <i>a right to adequate and affordable housing in EU primary law</i> , sufficient funding and a stronger focus on vulnerable groups such as people with disabilities, older people, young people and families with children and on sustainability. It criticises the lack of clear land-use and spatial planning guidance, the risks of urban sprawl and the limited role for cities, regions and local authorities. The EESC calls for an effective rural development strategy and proven tools, including mandatory shares of subsidised affordable housing.	The EESC welcomes the Strategy for Housing Construction under the Affordable Housing Plan, but urges the Commission to swiftly present the announced initiatives and adopt far more ambitious measures to address the structural housing crisis: the necessary framework conditions for the construction to serve as a catalyst for affordable, sustainable and high-quality housing, sufficient funding and a stronger focus on vulnerable groups such as people with disabilities, older people, young people and families with children and on sustainability. It criticises the lack of clear land-use and spatial planning guidance, the risks of urban sprawl and the limited role for cities, regions and local authorities. The EESC calls for an effective rural development strategy and proven tools, including mandatory shares of subsidised affordable housing.

Reason
The amendment focuses on the objective of the Communication, which is to create the conditions for more competitive and productive construction for affordable, sustainable and quality housing, in accordance with the principle of subsidiarity.

Outcome of vote

Votes in favour: 70

Votes against: 118

Abstentions: 17

AMENDMENT 2

TEN/872

EU Strategy for Housing Construction

Tabled by:

DE MÛELENAERE Robert

SÄKKINEN Teppo

Point 3.3

Rejected by the rapporteur

Amend as follows:

<i>Section opinion</i>	<i>Amendment</i>
To tackle the housing crisis the EESC calls for more and smarter financing for affordable housing and long-term investment in social and limited-profit housing. Public and EU financing should prioritise housing systems that secure long-term affordability through cost-rent structures, reinvestment obligations and limited-profit governance, reflected in the MFF. It calls for the rapid establishment of a pan-European investment platform for affordable housing <i>with a dedicated 2028-2034 MFF budget line.</i> Member States should submit national housing plans with clear targets and monitoring. To ensure effective use of EIB, national and regional public development banks investments in social and affordable housing, national public guarantees and publicly managed platforms aggregating SME projects are needed so that non- and limited-profit providers, operating on a cost-rent basis and reinvestment obligations, can access financing. When public funds are utilised, clear social conditionalities must apply. EU financing should be strictly linked to projects dedicated to affordable rental stock so productivity gains benefit residents and market abuses are prevented.	To tackle the housing crisis the EESC calls for more and smarter financing for affordable housing and long-term investment in social and limited-profit housing. Public and EU financing should prioritise housing systems that secure long-term affordability through cost-rent structures, reinvestment obligations and limited-profit governance, reflected in the MFF. It calls for the rapid establishment of a pan-European investment platform for affordable housing. Member States should submit national housing plans with clear targets and monitoring. To ensure effective use of EIB, national and regional public development banks investments in social and affordable housing, national public guarantees and publicly managed platforms aggregating SME projects are needed so that non- and limited-profit providers, operating on a cost-rent basis and reinvestment obligations, can access financing. When public funds are utilised, clear social conditionalities must apply. EU financing should be strictly linked to projects dedicated to affordable rental stock so productivity gains benefit residents and market abuses are prevented

Reason
Housing is a national competence. There are many local contexts that must be respected. Additionally, the MFF is very limited in size, it would be difficult to dedicate a relevant budget for this purpose.

Outcome of vote

Votes in favour: 74
 Votes against: 124
 Abstentions: 11
