

# The European Responsible Housing Finance WG

Financing social and affordable housing in Europe

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IMPROVING ACCESS TO  
FINANCE FOR SOCIAL, PUBLIC,  
AND COOPERATIVE HOUSING  
PROVIDERS IN EUROPE

# Different faces of the housing challenge

- Increasing SH waiting lists
- Diversification of demand/needs: elderly, youth, migrants, homeless, key workers...

A range of housing options (from Housing First to affordable housing) adapted to local needs and social mix

Housing as social infrastructure (housing + services, trigger for neighbourhood regeneration)

Social, public & cooperative sector needs to respond to these common challenges but from very different starting points which imply different funding mix.





## NEXT GENERATION NEIGHBOURHOODS

The Covid-19 pandemic has highlighted the need for neighbourhoods to serve as hubs of opportunity, productivity, and safety, ensuring they are both healthy and accessible for all. **The Next Generation Neighbourhoods are inclusive, future-proofed areas from both social and green perspectives.**



© SPACE-S social housing in Eindhoven, the Netherlands

### The vision for Next Generation Neighbourhoods focuses on:

- Physical and financial accessibility for all age groups, career profiles, and backgrounds.
- Adapting homes to include work and study spaces, allowing for productive, flexible living without pricing people out.
- Reducing inequalities by improving housing conditions, as inadequate housing has worsened social divides, especially when people are required to "stay at home."
- Building sustainable homes and communities that become integral to the clean energy infrastructure, through energy savings, storage, and generation.

## Our Objective

A space where people can thrive

# EU funding is already there...

Increasing EU support for affordable housing:

Cohesion Policy dedicated € 6.6 billion to housing in 2014-2020

New countries receive EIB lending for social housing: Poland, Latvia. Between 2011-2016, the EIB landed in total € 7.06 billion for the sector.

Since 2015, the largest share of the EFSI social infrastructure support has been channelled to the sector (€ 2,2 billion)

An increased amount in 2021-27 is available:

Cohesion Policy already allocated beyond €7 billion to housing infrastructure, energy efficient renovation and provision of social services to citizens- through ERDF and ESF+;

The Just Transition Mechanism will assure that no one is left behind in the green transition;

Under its dedicated Window on social infrastructure, the € 16.6 billion InvestEU is going to support affordable social & student housing;

€ 57 billion from the RRP's allocated in the sector and the link is made with the NECPs and European Semester.



# The ingredients for optimal absorption

The WG provides a space to exchange on:

innovative financing schemes and to develop capacity in order to ensure a better absorption of these funds.

solutions to similar challenges faced by Member States, regions, cities, and social and affordable housing providers, whether public, cooperative or private.

The new WG brings together Ministries, cities, housing providers & other key stakeholders to exchange on post-Covid affordable housing strategies, innovative projects and financing.

# Two focus points



## Exchange on inspiring/replicable initiatives The Working Group will:

- ➔ **Provide successful examples from the ground** to help implement integrated projects with a strong social component;
- ➔ **Offer support to the gathering new initiatives**, building upon the Housing Evolutions Hub, the Housing Solutions Platform, the Housing2030 initiative.
- ➔ **Help Member States to deliver the Principle 19 of the EU Social Pillar Action Plan.** Ensuring *‘access to social housing for those in need’*.
- ➔ **Build on the Nice Declaration**, in which the Housing Ministers **asked the European Investment Bank Group, which is a major financier of social and affordable housing to continue and develop further its financing and advisory services** for sustainable social and affordable housing.



## Capacity building to mobilise finance in the sector The Working Group will:

- ➔ **Organise an annual European Responsible Housing Finance Summit** to exchange on housing systems and how to optimise absorption and social impact of EU funding for Housing;
- ➔ **Complement the work of the newly established European Taskforce on housing** by giving feedback to shape better regulation;
- ➔ Ensure that **social considerations** are integrated into the '**New European Bauhaus**' & '**Renovation Wave**', as financing a fair energy transition that does not increase living costs is a challenge that all Member States should deal with.



## HOUSING EUROPE PARTNERS



#### CO-FOUNDERS OF THE INITIATIVE

Housing Europe Members and Partners and...





# Launched in Sept 2023 in Paris

- In order to create **our Next Generation Neighbourhoods** where people can thrive, an intensive exchange is needed on innovative financing schemes and governance.
- That is why, [in June 2023](#), **Housing Europe** launched its **Housing Finance Working Group** to develop capacity across Europe to create healthy housing ecosystems that are able to provide sustainable, long-term solutions.
- The Annual Responsible Housing Finance Summit is **one of the activities of this Working Group** besides the identification of investment needs, peer-to-peer learning, local workshops and mentoring. **The Summit is also fulfilling the goals of the [Liege Declaration](#)** agreed in March 2024 which called for a European platform for exchange on housing systems.



# Activities 2023-2027

<b>European Responsible Housing Finance Summit</b>	<b>Organised annually</b> Gather 200 stakeholders from 15 countries
<b>Organisation of 4 local workshops in different Member States</b>	2 workshops in 2025 (Prague) 1 workshop in 2026 1 workshop in 2027
<b>Interviews and desk-research on the investment needs in the 27 Member States and preparation of recommendations on how to improve access of social and affordable housing providers to public and private finance</b>	Published in 2026
<b>Project Pitching sessions</b>	<b>Organised annually</b> 20 projects pitched so far

# First results

<b>Better Governance</b>	<ul style="list-style-type: none"> <li>• <b>financial strategies in line with evidence on people's needs;</b></li> <li>• necessity for <b>tailored policies for vulnerable groups</b> (young people, low-income families, individuals with disabilities), ensuring that social housing programmes address their specific needs;</li> <li>• <b>support the promotion of long-term housing affordability</b> (e.g. through direct investment, legal frameworks, financial incentives)</li> <li>• <b>expand technical support and capacity-building initiatives</b> to prepare projects for investment and strengthen governance frameworks</li> </ul>
<b>Better Finance</b>	<ul style="list-style-type: none"> <li>• create <b>dedicated funding streams</b> for social housing providers, with a focus on energy efficiency and structural reforms;</li> <li>• <b>simplify access to EU funding</b> by reducing bureaucracy;</li> <li>• <b>develop a Social Investment Framework</b> emphasising the social value of investments to incentivise investments with positive narratives;</li> <li>• <b>adapting EU funding mechanisms</b> to support long-term investments in social and affordable housing</li> <li>• <b>possibility to combine</b> the grant &amp; loan parts under the RRF/new instrument</li> <li>• <b>enhance advisory and technical support</b> to help providers prepare projects and navigate funding opportunities</li> <li>• encourage <b>tailored financial solutions to regional needs</b></li> <li>• <b>scale up the Social Climate Fund</b> (e.g. the national government could use the ETS-2, or the EU could match funding to meet the challenge)</li> <li>• attract <b>private capital</b> and achieve cost-effective, scalable decarbonisation</li> </ul>
<b>Better Knowledge exchange</b>	<ul style="list-style-type: none"> <li>• need for <b>a collaborative approach</b> at all levels of government, from local to European, and with a range of stakeholders;</li> <li>• establish <b>clear regulatory frameworks to facilitate cooperation</b> between public and private actors in financing new housing projects;</li> <li>• need for <b>EU-wide framework</b> to complement financial investments, emphasizing the importance of not only having a housing Commissioner but also the <b>necessary legal safety measures to establish long-term affordability</b></li> </ul>

# Checklist for a new EU Investment Platform

## Checklist on the EU's side:

- **Earmarking** from the new Fund for our sector;
- **Risk-sharing mechanisms:** a higher risk taken by the EU will enable faster use of resources and generation of the multiple socio-economic benefits;
- **Existence of a grant component:** Grants are key component for accompanying tenants (+ enables longer maturity and interest);
- **Long maturity** (20,30 yrs) instruments at **fixed rate** (providers are long-term regulated institutions and need stable financing);
- **Lower min loan threshold:** Min threshold of 10 million;
- **Free Advisory** for entities of public interest to build capacity;

## Checklist on the MS side:

- **Stable regulatory framework** (strong policy and public interest)-for example conditionality of State subsidy to the commitment of long-term affordability;
- **Existence of long-term housing providers** (Social, cooperative, public) established for SGEI;
- **Strong independent supervision** of housing providers (example ARA);
- Strong **tenant protection** (Finland, Germany);
- **Existence of long-term financing institutions** (geographic and/or thematic investment platforms (example Munifin, CDC) or **Closed circuit housing finance with reduced risk** (example Bausparkassen)).

# Added value from the Housing TaskForce



Implement the Liege Declaration asks for better coordinate:

- An EU annual Summit on social and affordable housing (TaskForce to co-organise with the Housing Finance WG which is already filling in this gap)
- Take better account of the repercussions of EU policies on access to housing and housing exclusion in its impact assessments (TaskForce to be consulted by each DG when policies have an impact on housing)
- Support national local partnerships to end housing exclusion
- Implement a toolbox for MS on housing focal points
- Complement EPOCH work (for now their funding stream does not include the providers or NPBs...no Housing First without housing)
- EIB to reinforce its support to social and affordable housing (BUT keep the subsidiarity principle, NPBs should be reinforced otherwise only big scale can benefit from EIB products)
- Channel private finance into long-term stable frameworks (get HE on board to discuss about systems that already work- Danish Housing Fund, Munifin, NWB, Cdc)





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