

Future challenges of housing affordability

Alice Pittini
Housing Europe Research Director

5 October 2023, UNECE, Geneva



Social and affordable housing

Facing a threefold challenge

striking a balance is becoming increasingly difficult



Affordability

Producing homes that are aligned with the financial means of the people in need.



Sustainability

Providing homes, within the limits of the natural resources that we have at our disposal (natural and energy resources, amongst others).



Availability

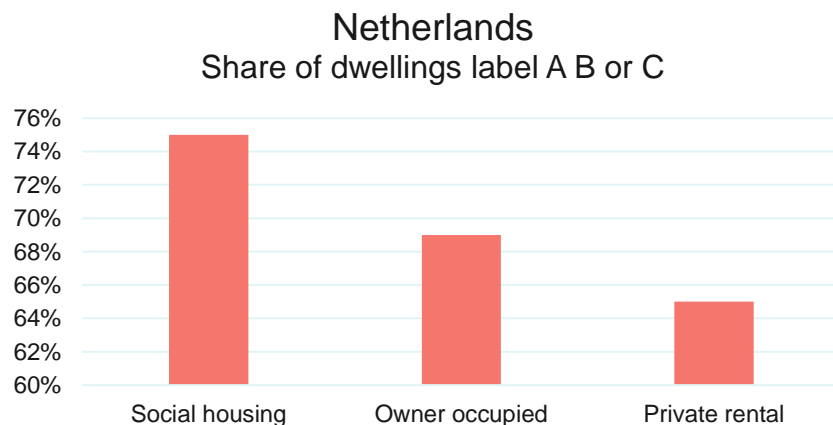
The capacity to meet the growing demand for affordable homes.



Public, cooperative, and social housing

and the fair energy transition

- Strong commitment from the sector, showing significant improvement over the past decade
- Often better performance than purely privately owned stock but **huge effort still required**

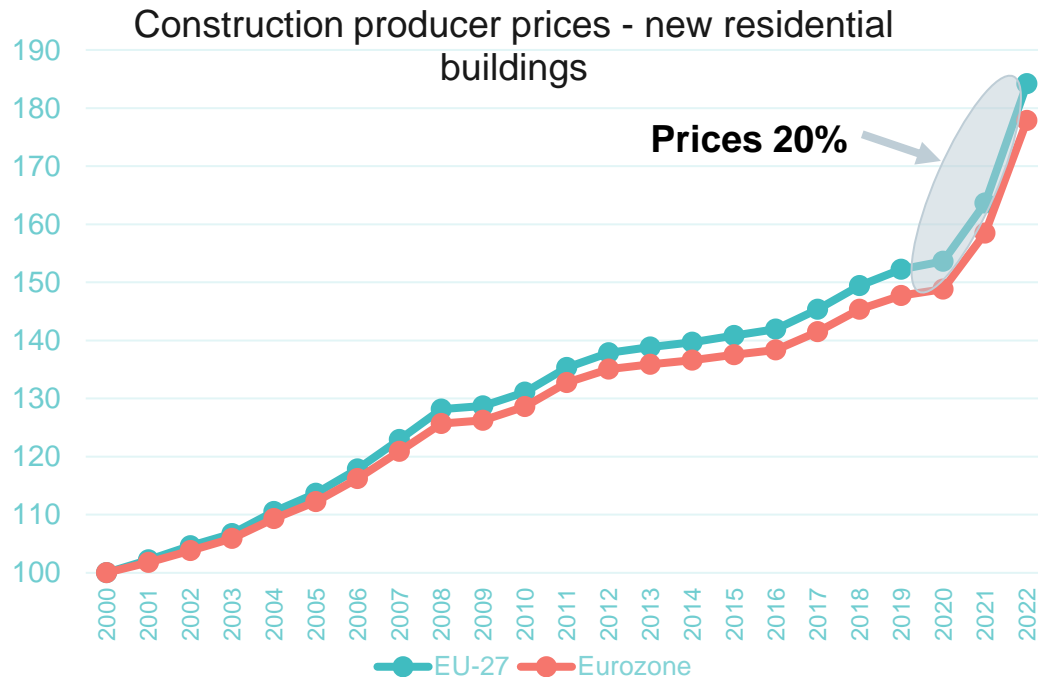


Some examples

- **France: 46% of social housing is A,B or C**
Vs only 25% among the total housing stock
- **Austria: 96% pre-1980 was renovated**
Vs 60% among total housing stock
- **Estonia: renovation of apartment buildings**
Started much earlier and progressing more rapidly than private houses

Increasing efforts in uncertain times

- Current context is marked by increasingly unsustainable **costs for construction and renovation**, to which lately the increasing **cost of financing** has been added
- Uncertainty about future developments – challenges/opportunities



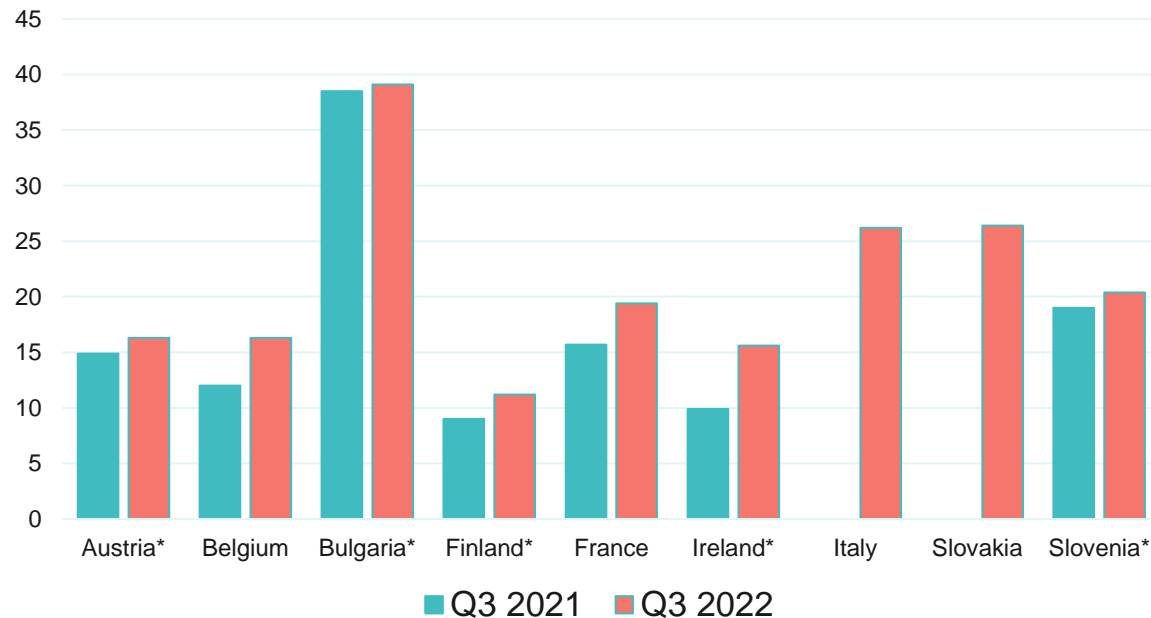
Some examples

- **France:** 1.8 million dwellings to renovate by 2034 investment from €5 billion to at least €7.5 billion
- **Germany:** risk renovation projects cut by 1/4 and new construction by 1/3
- **Austria:** cost of materials increase by 38% from 2020 to 2022

Risk of backlogs at times of increasing cost of living

- Hardest hit have been households on low incomes
- Growing social housing demand
- Increasing housing exclusion

Ability to make ends meet 'with difficulty or great difficulty'



Some examples

- **France:** 10% increase in rent arrears from end 2021 to end 2022, waiting lists reached 2.4 million
- **Denmark:** the number of warnings before eviction increased by 22% from 2021 to 2022
- **Netherlands:** number of households living in energy poverty increased by 90,000 from 2020 to 2022

Future-proof housing

- Especially in the current uncertain geopolitical and economic context, this will require a **concerted effort** with local, national, European and global institutions to **increase investment, and implement different approaches reflecting the different starting points**
- ‘An era of renewed public action on housing’
- Cooperation with UNECE spreading evidence and good practices





THANK YOU

