



Build Europe

Av. des Arts 20

1000 Brussels

Brussels, 7 April 2025

Dear Commissioner Jørgensen,

By means of the present letter, we would like to react to the letter that was addressed to you by the Dutch House of Representatives on 21 March 2025 in relation to the housing crisis in Europe.

In its letter, the Dutch House of Representatives points out that there is a severe market failure in the housing sector in the Netherlands. According to the Dutch House of Representatives, this housing crisis not only affects people relying on social housing, but also prevents middle-income groups from accessing affordable and energy-efficient housing. The Dutch House of Representatives therefore urgently calls the Commission to give more room in the EU state aid rules for affordable housing. At the same time, it is underlined that this issue should be addressed in a way that does not distort the market and takes due account of the local context.

As indicated in our previous letter of 5 December 2024, Build Europe fully shares the importance of balanced state aid rules that enable both public and private sectors to work together to address Europe's housing challenges. In addition, Build Europe acknowledges that national housing markets vary significantly. A uniform approach that disregards these differences may therefore lead to inefficiencies and disrupt the balance between public and private contributions.

In view of these leading principles, we believe there is no need for a drastic revision of the SGEI framework in relation to social housing. As a matter of fact, it should be underlined that Recital 11 of the SGEI Decision already responds to the concerns raised by the Dutch House of Representatives. Indeed, by limiting the scope of social housing to disadvantaged citizens or socially less advantaged groups unable to obtain housing under market conditions, Recital 11 is a cornerstone of ensuring that state aid remains focused on addressing unmet social needs

in the national or local housing markets while maintaining fair competition and market dynamics.

That being said, we would also like to underline that a possible relaxation of the state aid rules for affordable housing for the middle-income households, as advocated by the Dutch House of Representatives, should be closely monitored to avoid exacerbating the housing crisis.

In this context, it should first of all be pointed out that a broadening of the target group of Recital 11 risks diluting the focus on the most vulnerable. This concern has also been raised by the European Federation of National Organisations working with the Homeless (FEANTSA) in the Study on Market Trends in healthcare and social housing and EU State aid implications prepared by Ernst & Young. We believe that this concern cannot be disregarded, all the more so because the latest figures suggest that almost 900,000 people are currently homeless in Europe. Therefore, before even thinking of broadening the scope of social housing, it is in our view necessary that Member States first address the blatant housing needs of the most vulnerable groups.

In addition, it should be guaranteed that a possible broadening of the scope of social housing and/or an opening for affordable housing does not (further) undermine the level playing field on the housing markets in Europe. This is a crucial element. At this moment, many Member States are still characterised by so-called 'closed' systems, where social housing can only be provided directly to the peer group on the market by a number of public, semi-public or few private operators which are traditional recipients of state aid. It can of course not be accepted that the award of state aid for housing for middle-income groups would be limited to these social operators. Such aid should be equally available to all public and private operators that provide housing for the middle-income households. Even more so, we believe it is necessary that if the social operators would be authorised to expand their activities towards the middle-income segment, the private operators should likewise be able to enter the subsidised social market under the same conditions as the social operators. In addition, the aid measures should not only be equally available to all actors providing social and affordable housing, but should also be designed in such manner that all actors on the housing market can actually benefit from the aid.

By way of conclusion, we would like to emphasise that private developers are well-positioned to deliver diverse housing solutions efficiently and sustainably, without the need for excessive state intervention or SGEI classification. Rather than focusing on expanding the definition of state-supported housing, we therefore encourage the Commission to prioritise measures that will unlock supply efficiently and effectively. We greatly value the ongoing dialogue with the Commission, in particular the engagement with the Taskforce led by Mr. Baldwin, and we are fully committed to working together in a spirit of trust and cooperation. As our Managing Director, Filiep Loosveldt, highlighted at the Kick-Off Conference on Affordable Housing Policy co-organised by the European Commission and the European Parliament on 24 March 2025, Build Europe stands ready to move forward shoulder to shoulder with the European institutions – as a team – to tackle the housing affordability crisis across Europe.

We are of course gladly available for further discussion and collaboration.

Kind regards,



Andreas Ibel
President,
Build Europe



Filiep Loosveldt
Managing Director,
Build Europe

Annex 01: the letter from the Dutch House of Representatives