



Association Européenne des Institutions Paritaires

European Association of Paritarian Institutions

AEIP Position Paper on the European strategy for housing construction (2025)

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European Association of Paritarian Institutions (AEIP)

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[The European Association of Paritarian Institutions \(AEIP\)](#) welcomes the European Commission's Call for Evidence on the European Strategy for Housing Construction. Housing is a central pillar of social and economic inclusion across the European Union. Access to affordable, sustainable, and resilient housing is key to achieve the EU's broader goals on cohesion, carbon neutrality, and competitiveness.

AEIP represents non-profit social protection institutions jointly managed by employers and trade unions through collective agreements. Our members operate across 13 European countries, covering over 118 million people, and provide services including occupational pensions, healthcare, vocational training and education (VET), unemployment protection, and support for posted workers. With direct ties to the construction sector through occupational paid leave schemes and training funds, AEIP and its members have a long-standing role in supporting housing-related employment and skills development.

The ongoing housing crisis across Europe highlights the need for an ambitious and coordinated EU strategy that respects local realities while aligning with EU-level social and climate objectives¹. By incorporating the expertise of paritarian institutions, the European Strategy for Housing Construction can play a key role in achieving the EU's 2030 social targets and its 2050 climate goals.

1. Regional and Local Realities in Housing

Housing challenges across Europe vary significantly depending on regional and local contexts. A successful strategy must therefore avoid one-size-fits-all solutions and instead enable Member States and regions to design responses adapted to their economic, environmental, and demographic realities. Key factors shaping housing policy include:

- **Promote differentiated investment strategies** by taking into account the varying capacity of public and private actors across regions to finance housing construction and renovation.
- **Adapt policies to climate and geography**, ensuring that building and renovation programmes respond to the specific needs of maritime, continental, mountainous, and densely urbanised areas.
- **Tailor housing strategies to the urban environment**, recognising that industrialised, rural, and metropolitan areas require different investment priorities and policy approaches.

For example, while certain urban areas suffer from overcrowding and soaring housing prices, other regions are facing an accelerated depopulation. These differing realities need to be acknowledged, and flexibility must be provided at sub national level to adapt to those situations. For example, Vienna offers a good example of how long-term political commitment can shape a housing regime centred on public interest. About 43 % of the city's housing units are social housing, managed through a mix of municipal council housing and limited-profit associations.

In contrast, many rural regions across Spain and Italy are facing population decline. Responses for these different problems vary: some offer €1 housing schemes on the condition that buyers commit to renovating the property and residing in the town for a specified period; grant regional tax incentives, or have improved digital infrastructure or mobile services. Others involve preferential resettlement immigrants in these areas, or foster tourism-related development. EU action should support thus sub

¹ <https://www.europarl.europa.eu/topics/en/article/20241014STO24542/rising-housing-costs-in-the-eu-the-facts-infographics>

national and local initiatives by providing a coherent framework for sustainability, affordability, and resilience, while avoiding duplication or distortion of well-functioning systems.

2. Sustainability and Climate Objectives

The housing sector plays a key role in the EU's commitment to carbon neutrality by 2050². With a large share of Europe's building stock ageing and energy inefficient, energy renovation and sustainable construction practices are indispensable. AEIP supports the following priorities:

- **Deep renovation of existing buildings** to reduce energy consumption, increase climate resilience and thus the population's quality of life.
- **Improved insulation and facade modernisation**, including innovative solutions such as adding living spaces during renovation.
- **Demolition and reconstruction, where renovation is not feasible**, aligned with sustainability and affordability criteria.
- **Densification strategies**, such as subdivision of large housing units, vertical extensions, or infill construction to optimise existing urban space. These interventions should aim to increase access to first homes, support local commerce and businesses, and provide essential services to local communities, within a mixed-use development framework that promotes non-motorized mobility. This is to ensure that the increase in urban density contributes to the well-being of businesses and resident citizens, improving the quality of life in neighbourhoods. It is also to ensure that it does not lead to greater speculation, such as an increase in tourist housing units while large segments of the population still lack access to a permanent residence.

These approaches can simultaneously address shortages, improve energy performance, and adapt housing stock to evolving social needs. We can highlight the case of Germany's [KfW Energy-Efficient Refurbishment Program](#), an initiative to promote energy-efficient renovation through the "Efficiency House Standard." Homeowners, landlords, and housing companies receive loans or grants for thermal retrofitting if they meet high energy standards. The government targets retrofitting 2% of the building stock annually, aligning with its broader CO₂ emissions reduction goals by 2050.

Estonia's case is also notable, the [KredEx programme](#) offers long-term, low-interest loans plus grants for comprehensive energy efficiency renovations in apartment buildings. The grants range from 15% to up to 35% of project costs, depending on energy performance improvements achieved. The scheme has effectively used EU Structural Funds and set a model for scaling deep renovation in multi-unit housing. EU-level instruments and funding must thus incentivise both public and private investment in sustainable renovation and construction, with particular attention to SMEs and social housing providers.

3. Skills Development and Training

The availability of skilled workers is a critical factor in the successful delivery of Europe's housing ambitions. Persistent labour shortages and mismatches in skills across the EU threaten both the pace and quality of construction and renovation projects. Ensuring a stable and adaptable construction workforce is central to achieving the European Union's housing objectives. In 2022, approximately 7.6 million

² https://energy.ec.europa.eu/topics/energy-efficiency/energy-performance-buildings/nearly-zero-energy-and-zero-emission-buildings_en

individuals were employed as construction workers, accounting for nearly 4 % of total EU employment. Looking ahead, the sector faces significant replacement demand, with projections indicating some 4.2 million job openings will need to be filled between 2022 and 2035, driven by both sectorial growth and retirement of workers³.

These figures highlight the urgency of targeted training programmes. Paritarian training funds have historically been instrumental in bridging training gaps and aligning workforce skills with market needs. For instance, Constructiv, the Belgian Social Security and Welfare Fund, allocates an annual training budget of approximately €29 million, funded by a 0.4% charge on the total wages in the sector. Its remit includes initial training for young people, retraining for unemployed individuals, and the continuous upskilling of current workers.

An estimated 35–45 % of the building renovation workforce, both existing and incoming, requires specialised energy efficiency training⁴. Moreover, there is a pressing requirement for basic training in climate literacy, energy efficiency, and circular economy principles across all renovation-sector roles. Indeed, over 50 % of construction companies view energy efficiency skills as critically important for leadership roles. To elevate these national best practices to the EU level, AEIP recommends that the housing strategy:

- **Supporting continuous professional training** in key areas such as energy-efficient renovation, emerging sustainable materials, and climate-resilient building designs.
- **Strengthening partnerships** among vocational education and training (VET) providers, sectoral training funds, and industry stakeholders, mirroring the successful cooperations found in national paritarian systems.
- **Promoting lifelong learning and modular education**, with flexible programmes adapted to the needs of older workers transitioning to modern techniques and technologies.

In addition to improving training programmes, it is essential to guarantee continuity of funding in order to sustain a consistent training offer that enables workers to pursue long-term careers in the sector. Funding must be stable and predictable over time, allowing individuals to build a professional path rather than facing uncertainty. Designing excellent lifelong learning programmes serves little purpose if those wishing to enter the sector cannot rely on accessible training, either because it is unavailable in certain years or not offered in a manner that is geographically or temporally feasible.

4. Construction Workforce Mobility

The mobility of construction workers is indispensable for delivering Europe's housing ambitions, particularly in regions with acute labour shortages or high demand for renovation and new housing projects. Ensuring that this mobility is fair, transparent, and efficient requires strong coordination mechanisms. In EU member states, cross-border and interregional worker mobility is already a reality. Given the central location of many AEIP members, the mobility of construction workers is essential to

³ <https://www.cedefop.europa.eu/en/data-insights/construction-workers-skills-opportunities-and-challenges-2023-update>

⁴ https://www.ituc-csi.org/IMG/pdf/230630_-_jtc_study_report_may_2023.pdf

maintaining capacity and productivity. However, mobility must be supported by fair and coordinated conditions, such as:

- **Recognition of qualifications** across Member States should be streamlined to prevent bottlenecks and ensure the efficient deployment of skilled labour.
- **Fair working conditions** and enforcement of rights are critical, especially in cross-border contexts where oversight is fragmented.
- **European coordination mechanisms** should facilitate cooperation between labour inspectorates, social partners, and paritarian institutions to close enforcement gaps and ensure compliance.

In this respect, AEIP sees the proposed [Single digital declaration portal for posted workers](#) (e-Declaration) as highly relevant to the European Strategy for Housing Construction. In the construction sector, worker posting is frequent. The e-Declaration has the potential to complement existing tools by reducing administrative burdens, making procedures more transparent for SMEs, and strengthening compliance across borders. By integrating information from A1 certificates and linking with initiatives such as ESSPASS and DC4EU, the system can close loopholes, limit fraud, and ensure alignment between declarations and actual employment conditions.

For workers, making the transmission of declarations mandatory would increase transparency and awareness of their rights. For paritarian funds, which in many countries manage key elements of remuneration such as holiday pay for posted workers, appropriate access to declaration data would support effective enforcement, prevent duplicate payments, and enhance cooperation across borders. To meet the needs of the housing sector, where workforce mobility is directly tied to the timely delivery of construction and renovation projects, it is vital that the e-Declaration strengthens enforcement without undermining robust national systems, that data retention is proportionate to enforcement realities, and that subsidiarity is respected so that Member States can adapt digital tools to their contexts.

5. Social Inclusion and Demographic Responsiveness

As of January 2024, over 21,6 % of the EU population was aged 65 or older, with the median age being 44.7 years⁵. In several Member States, the ratio of working-age individuals to older persons is shrinking, increasing pressure on social systems and highlighting a need for housing that accommodates aging-in-place through accessible design features.

Household structures are also evolving. In 2024, the EU had over 75 million single-adult households, a 16,9 % increase since 2015, far above the overall household growth of 5,8 %⁶. Many of these households are older single individuals: the number of single adults over 65 increased by nearly 20 %⁷. Moreover, single-parent families are an increasingly prominent group. Around 12,7 % of households with children are headed by single parents, with particularly higher shares in countries like Estonia, Lithuania, Latvia, and Denmark.

⁵ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population_structure_and_ageing

⁶ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Household_composition_statistics

⁷ <https://ec.europa.eu/eurostat/statistics-explained/SEPDF/cache/29071.pdf>

Ensuring equitable access to decent housing is essential for reducing poverty and social exclusion, consistent with the European Pillar of Social Rights. Across the EU, 16 % of people live in overcrowded households, with rates as high as 41 % in Latvia and 35 % in Bulgaria. Meanwhile, 8,8 % of people are considered housing cost-overburdened, spending 40 % or more of their disposable income on housing, peaking at 28,5 % in Greece and exceeding 13 % in Germany and 15 % in Denmark. To respond to these trends, housing models must evolve:

- **Subdivision of primary housing existing units** helps unlock under-occupied housing stock in urban areas, increasing supply without expanding footprints.
- **Co-living and shared housing**, particularly among young professionals and students, optimise resources and energy use, making housing more affordable and sustainable.
- **Flexible housing design** that can adapt over time, modular layouts or easily convertible spaces, enables shifting household composition, from single individuals to blended or ageing families.
- **Social and not-for-profit providers**, including housing cooperatives, are vital for delivering affordable options for vulnerable groups. Germany offers a strong example: housing cooperatives represent over 2,000 organisations, providing more than two million apartments through non-profit, community-based ownership.

6. Financing, Governance, and EU-Level Coordination

The European Union must play a central role in strengthening alignment and collaboration. One key issue is to enhance coordination mechanisms on worker mobility, the recognition of qualifications, and working conditions in the construction sector. This is particularly important given that 1 in 10 EU construction workers is already engaged in cross-border employment. Housing-related measures also need to be aligned with broader EU strategies, notably the European Green Deal, the European Pillar of Social Rights, and the EU's 2030 climate and social targets. These include the significant objective of reducing by 15 million the number of people at risk of poverty or social exclusion.

Paritarian funds also invest already in social housing in some countries, contributing to affordable housing investment in several countries. In Germany, for example, where required by urban planning rules, 10–15 % of housing project are dedicated to social housing, which is integrated within larger residential complexes to avoid segregation and ensure social inclusion. In this situations, SOKA-BAU invests in high-quality, affordable housing to generate stable returns for social partners, benefiting employers, employees, and pensioners in the construction sector. This model illustrates just one example of how paritarian institutions can combine financial sustainability with a strong social contribution.

However, sustainable and affordable housing requires significant and sustained expansion in investment from both public and private actors. The European Commission estimates that achieving the [Renovation Wave's](#) targets alone will require €275 billion in additional investment per year until 2030, a figure that illustrates the scale of the financing challenge in housing and construction. To mobilise these resources, the European Strategy for housing construction should:

- **Develop accessible financial instruments** to support renovation and new construction, with specific measures for SMEs and social housing providers, which often face higher barriers to finance. measures. Innovative financing models, such as pooled or grouped renovation projects,

could be one mechanism to help reduce costs, and make renovation more accessible for households with limited capacity to invest individually.

- **Ensure that EU funds**, including cohesion policy instruments, the Social Climate Fund, and the European Investment Bank, systematically **prioritise housing projects that advance both social and climate objectives**. In 2022, EU households already spent an average of 24,4 % of their consumption expenditure on housing and energy, highlighting the urgent need for affordability
- **Simplify administrative and permit awarding processes**, which remain a key barrier to investment and timely project delivery across many Member States.
- **Provide platforms for exchange of best practices**, particularly in areas such as energy renovation, densification, and social housing provision, to enable mutual learning and faster scale-up of successful approaches.

Conclusion

The European Strategy for Housing Construction is a crucial opportunity to ensure affordable, sustainable, and resilient housing while advancing the EU's broader goals of climate neutrality, social inclusion, and competitiveness. AEIP stresses that success will rely on integrating regional realities, strengthening skills and workforce mobility, supporting social and not-for-profit housing providers, and encouraging innovative solutions such as energy renovation, adaptive reuse, and densification. Paritarian institutions stand ready to contribute their expertise in training, social protection, and cross-border worker mobility, working with EU institutions, Member States, and social partners to deliver a housing strategy that is fair, inclusive, and future-proof.



AEIP Disclaimer

AEIP represents its members' values and interests at European and international level and is the leading body for the promotion of paritarian social protection in Europe. The Association has 16 Associate and Affiliate members – all leading large and medium sized Social Protection Institutions and 17 Task Force Members. All AEIP members are not-for-profit organizations. AEIP deals – through dedicated working groups – with Coordinated retirement schemes, Occupational pension funds, Complementary healthcare insurance, Longterm care, Health and Safety at work & Paid holidays, and Unemployment benefits funds. AEIP advocates and develops policies aiming at the sustainability of paritarian social protection systems at local level considering the national specificities, ensuring social cohesion in Europe.

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