

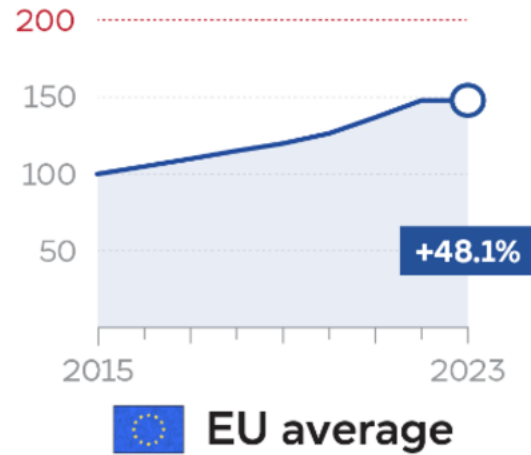


EIBG Affordable and Sustainable Housing Action Plan

Presentation at Bausparkassen, 9 April 2025

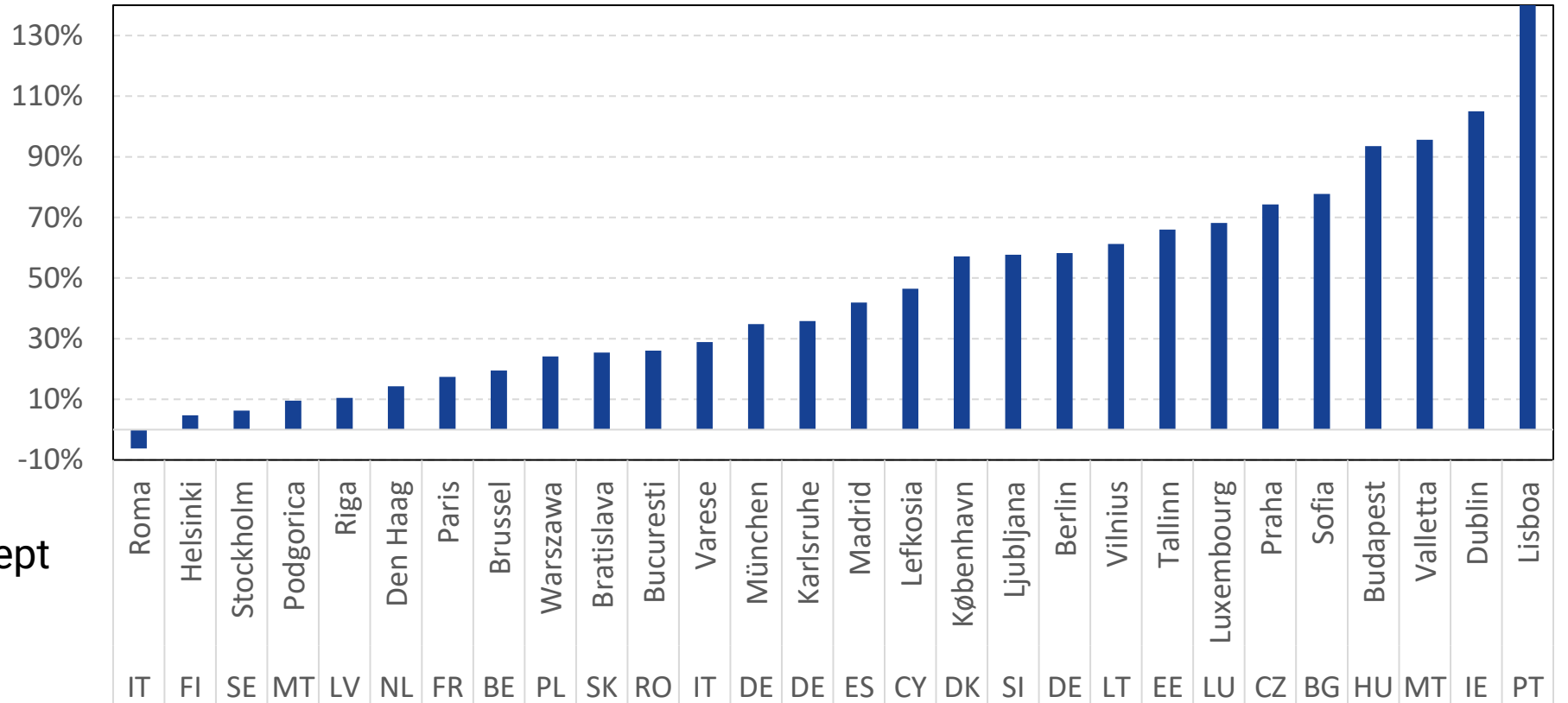
Housing prices have increased across the EU with large cities seeing the highest rent increases

Housing prices (2015-2023)



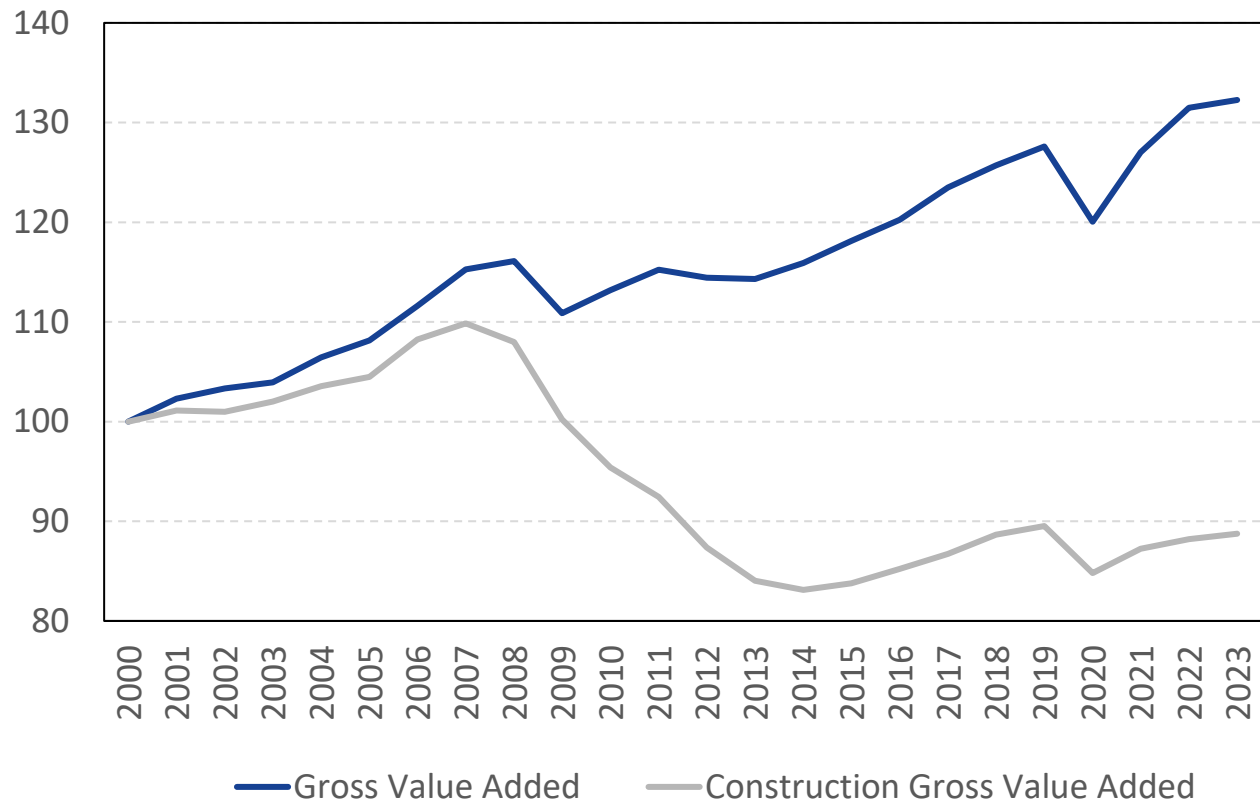
Housing supply has not kept up with the demand

Rent increases (2013-2023) for selected cities

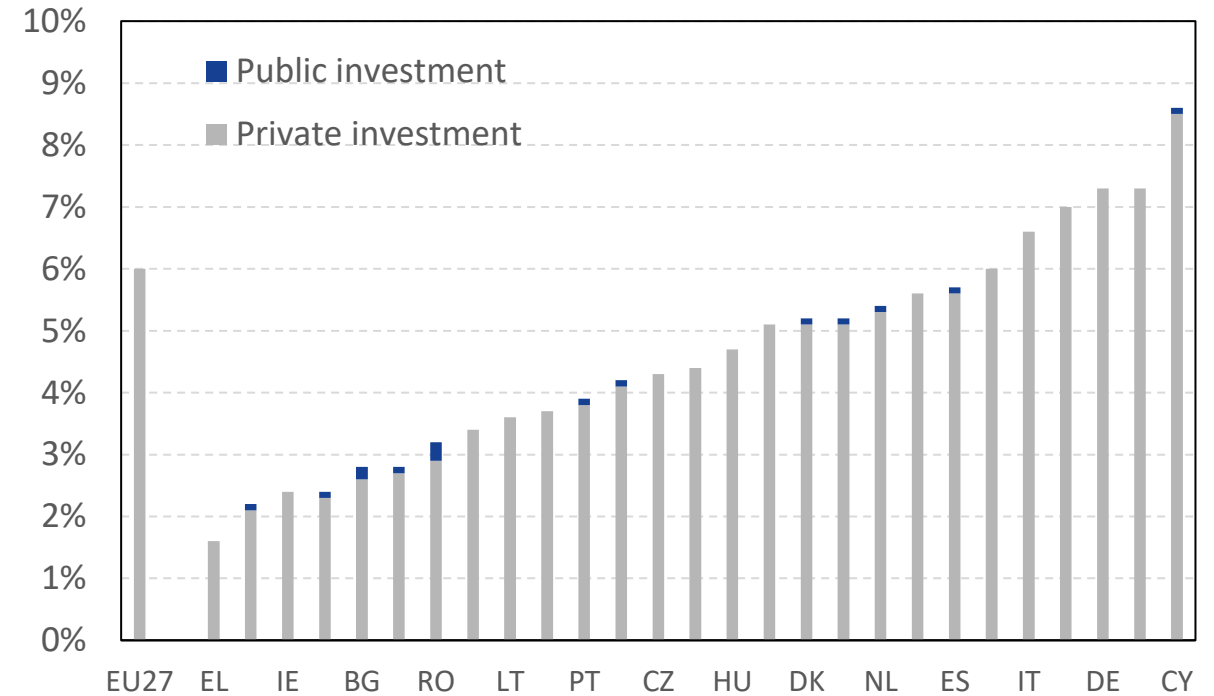


Construction production dropped in the last decade and public housing investment decreased

Gross value added in the construction sector



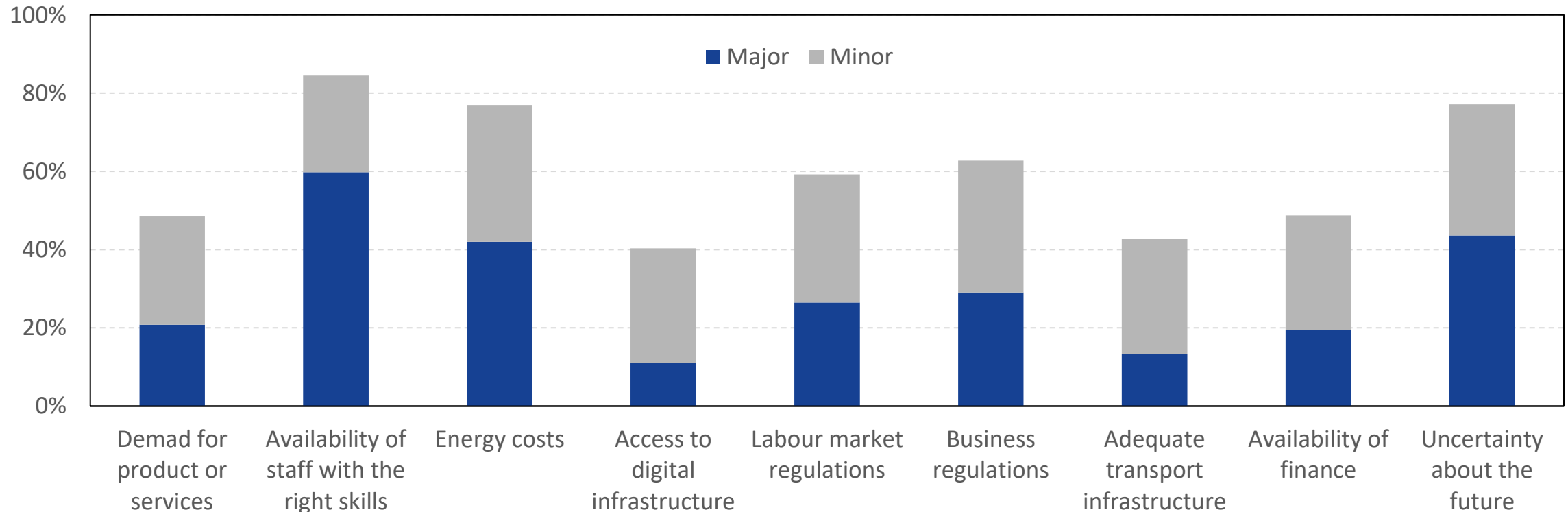
Residential investment (share of GDP, 2022)



Investment gap estimated at €300 bn/year:
 need for **1 million new housing** units and to
 renovate **5 million additional units** each year.

Investment in construction is held back by skills shortages, energy costs, red tape, finance.

Long-term obstacles to investment for firms in the construction sector (2023, EU, share of firms)



- Other obstacles for the majority of firms include **uncertainty about the future, business regulation**.
- **Energy costs** as an obstacle linked to the energy crisis in Europe.
- **Availability of finance** is a constraint for 50% of the firms interviewed.

EIB Group 8 strategic priorities for 2024-2027



Consolidating the EIB as the **climate bank**



Developing innovative financing for **agriculture and the bioeconomy**



Accelerating technological **innovation and digitalisation**



Gearing up investment in **social infrastructure**



Stepping up investment in **security and defence**



Pioneering the **Capital Markets Union**



Contributing to a **modern cohesion policy**



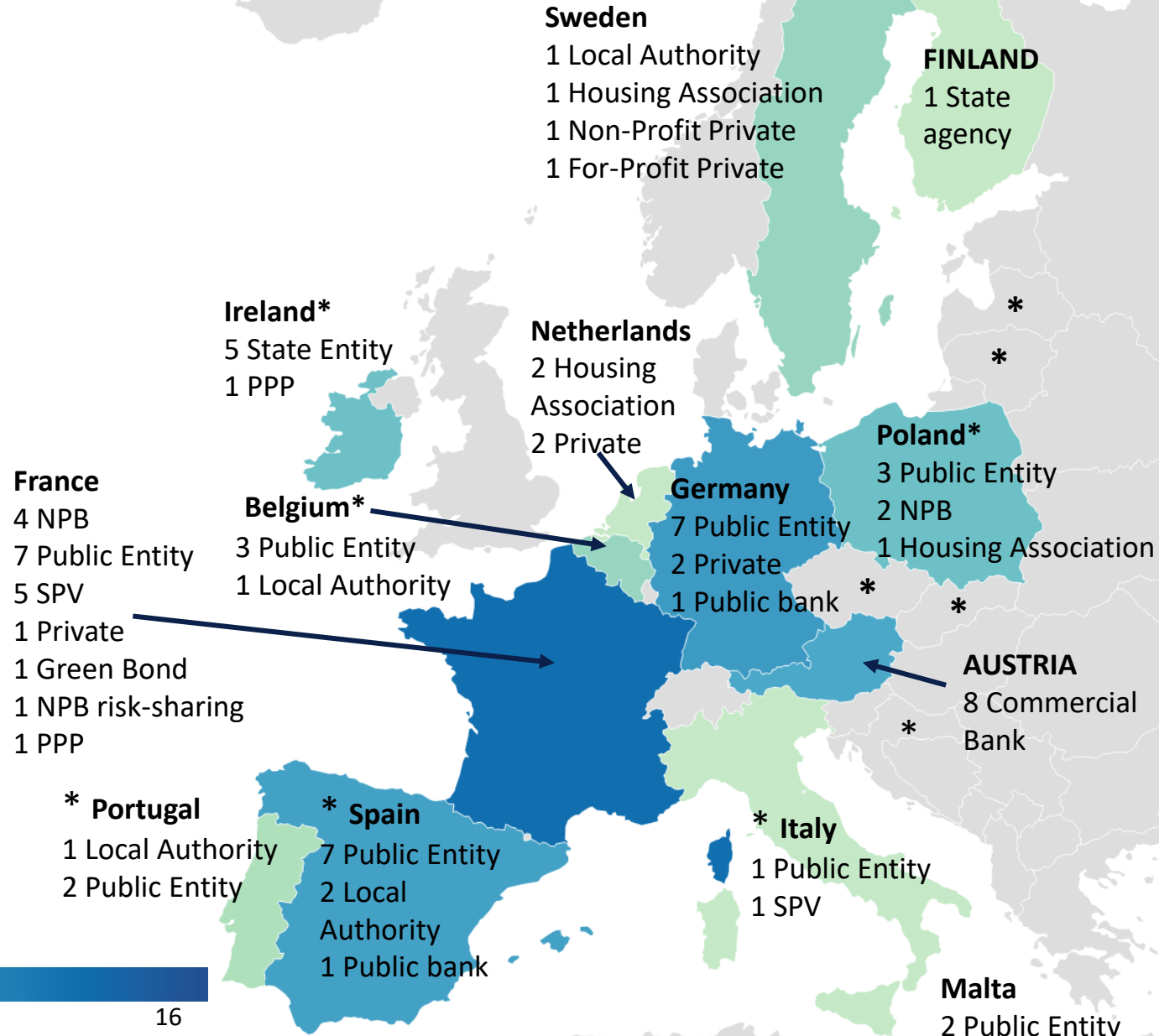
Focusing activities **outside the EU** on the Global Gateway strategy, **Ukraine** and successful enlargement.

EIBG financing & advising support for housing

Sustained and substantial support to affordable and sustainable housing across the EU, with **financing of over EUR 15.6 bn between 2020 and 2024**

A comprehensive set of financial products:

- **Direct lending** to local authorities, public entities, housing associations, private promoters, SPVs, PPPs
- **Indirect lending** through NPBs, agencies, public and commercial banks (incl. NPB risk-sharing)
- **Risk sharing (banks, NPBs)** : guarantees and contingent loans
- **Capital markets instruments** : Green bonds, Covered Bonds, RMBS/ABS
- **Equity** infrastructure funds
- **Advisory*** on policy, regulatory, technical and financial matters



EIB HOUSING PROJECT EXAMPLES

- **2024 Spain: €490m loan (InvestEU)** for the construction of 4,000 affordable & energy efficient homes in Catalonia
- **2023 Ireland: €500m for Home Energy Upgrade Loan scheme** – renovation loans to households from €5,000 to €75,000 on an unsecured basis for a term of up to 10 years
- **2024 CEE: EIF invests €50 million (under InvestEU)** to the **CEE Student Housing Fund** to finance construction of new housing for 3,500 students in PL, CZ, SK, LT, LV, EE
- **2024 Portugal: securitisation with Santander** to support new investments in **energy efficiency worth €183 million** (retrofitting & new construction) for individuals, SMEs, and mid-caps, with loans of up to € 12.5 million/ project
- **2024 Ukraine: €400m for municipal social housing** construction in Ukraine & €4.2bn solidarity programme loan to cities/regions in MS receiving Ukrainians (PL, CZ).



The EIBG Action Plan for Affordable & Sustainable Housing - *Thematic priorities*

Objective

- **increase the supply** of affordable & sustainable housing units across the EU

Innovation

- Support the **construction value chain** to develop and scale up **innovative building technologies**.
- Reduce construction costs and accelerate project delivery.

Sustainability

- Scale up **energy-efficient renovations** while maintaining momentum in new builds.
- **Reduce carbon footprint** and **living costs** through energy savings.

Affordability

- Direct and intermediated **EIBG financing** to support **new construction** and renovation of affordable housing.
- **Increase housing supply below market prices** in Europe.



Innovation in construction

Innovation can reduce **costs**, speed up **processes** and increase **productivity**, but needs **incentives** & upfront **capital**

Barriers to invest in innovation

Lack of **predictable demand** for innovative projects

Building **permits bottlenecks**

Slow standardisation and industrialisation: innovation on individual part made progress, however industrialisation does not reach construction sites

Slow technology uptake, not focused on productivity and cost efficiencies: prefabrication and Modular is the most frequently adopted technology, yet **not delivering at large scale**

Tender dynamics (lowest bid criteria) discourage innovation

Possible solutions

Expand EIB financing for RDI & adoption of innovation:

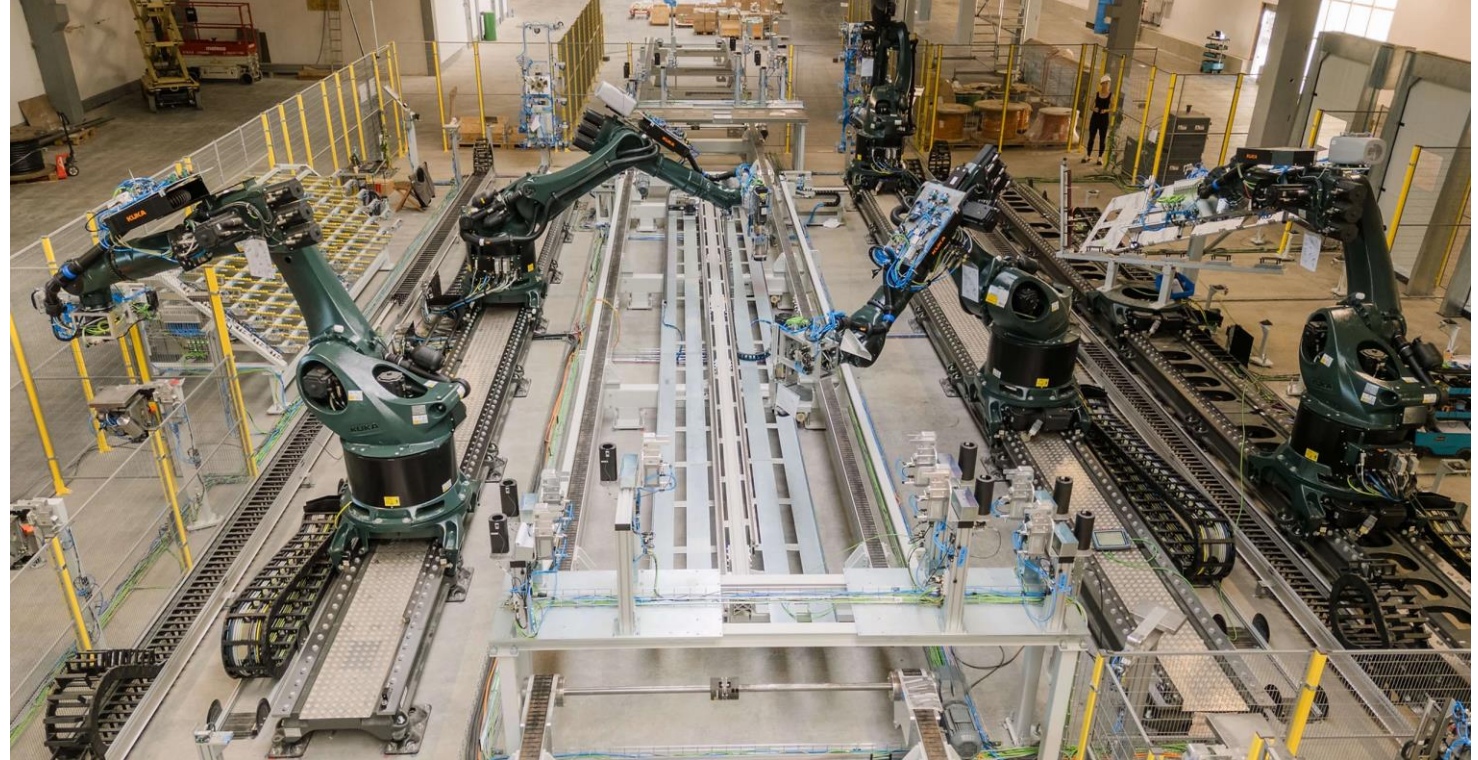
- **Digitalisation** of construction firms
- RDI projects in **manufacturing and construction**
- **Intermediated financing** of innovation for firms in the construction supply chain
- **Scale up support** for innovative firms to **bring solutions to the market**

Advisory support for uptake of existing technologies:

- Advise on **innovation in procurement**
- **New RDI facility to pilot new solutions** and technologies in the housing sector
- **Finance demonstration/incubators** such as demonstration parks for industrialised affordable housing concepts

EIB RDI FINANCE EXAMPLES

- **2024 GROPYUS:** EIB venture debt loan of €40 million (backed by InvestEU) to **automate production of wooden pre-fabricated modules** for multi-level apartment blocks.
- **2023 HEIDELBERG materials sustainable RDI: €100 million** for developing new materials, products & processes to lower energy consumption, boost circular economy, reduce emissions & costs.



Public

EIBG Action Plan for Affordable & Sustainable Housing

Enablers & dependencies



Increased EIBG Financing

- Increase financing from the current EUR 3bn per year



Fast-Tracking Operations

- Aim for **fast-track approvals** for housing projects



EIBG Advisory Services

- Develop **affordable housing policy frameworks**
- Prepare **scalable financing models**



Strong Partnerships and Additionality

- Collaborate with and complement **EC, NPBIs, Member States, and regions, housing networks**



EIBG Permanent Task Force & One-Stop Shop

- Dedicated support for **housing clients**



New EIBG Website (potentially future Pan-European Platform)

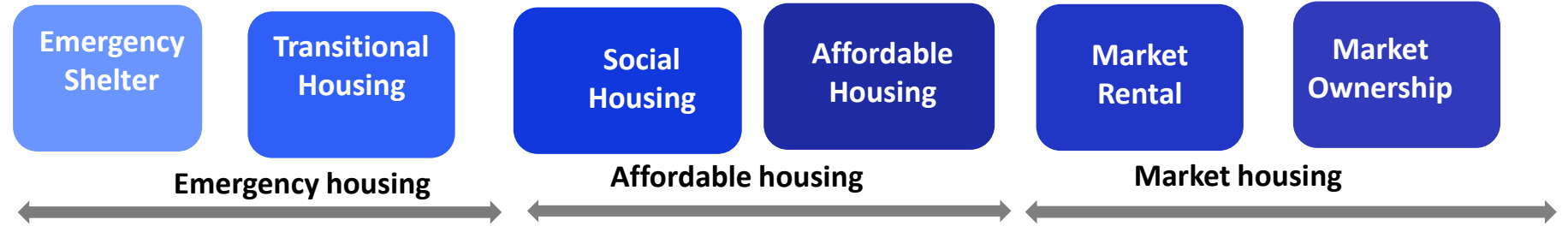
- Centralized hub for **affordable & sustainable housing**
(potentially co-hosted with EC & NPBIs)

Critical dependencies

- **EC Model Financial Instrument (DG REGIO)**
- **InvestEU – Social Infrastructure & Skills Window** (additional funds to be allocated)
- **State Aid Review** (exempt affordable housing schemes from notification)
- **Public Debt for Housing** (exemptions from deficit criteria)

EIB Intervention in affordable and sustainable housing

Housing continuum

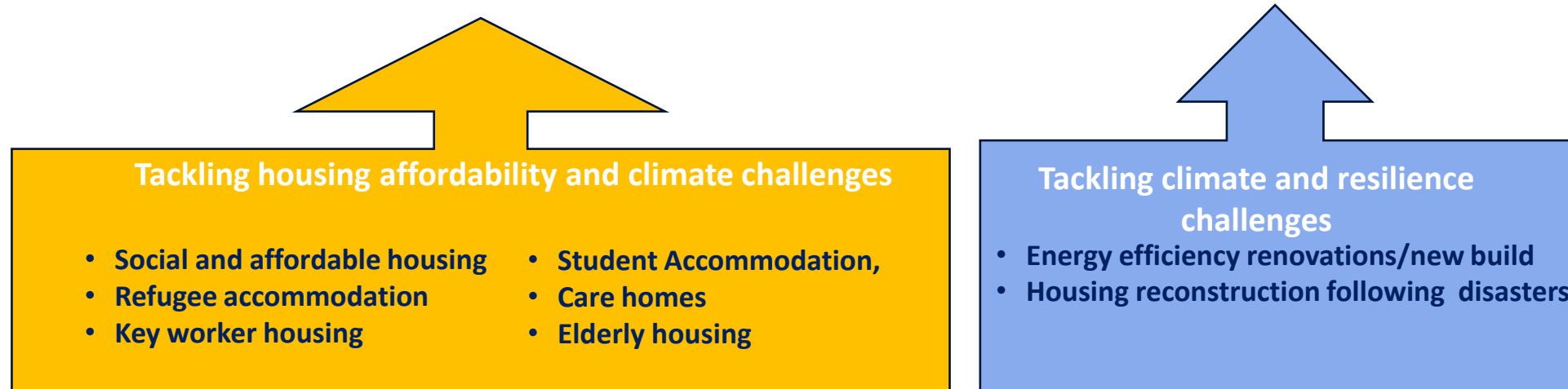


Market failures

Insufficient market provision of decent, safe, energy efficient housing for citizens who cannot secure housing at market conditions

Markets alone are unable to fill the energy efficiency gap

EIB financing



EIBG Definition and Criteria for Affordable Housing

Proposed Definition:

Residential accommodation that meets a suitable quality standard, is provided at below market prices, and is aimed at supporting citizens who, due to income or social constraints, are unable to secure housing at market conditions.

EIB Eligibility Criteria

- **Minimum regulatory framework:**
 - National policy and regulatory framework OR
 - Local housing plan or equivalent (eg. Strategic Local Plan for Affordable and Sustainable Housing-SPLASH) OR
 - Suitable governance framework (eg. via a service contract, housing company governance, or financial instrument)
- **Paris alignment** (EU EPBD & EIB CBR are met – per current EU EE legislation)
- **Integrated into the urban environment** – part of an approved urban development or housing plan
- **Transparent, inclusive and fair allocation mechanism** in place
- **Rental preference;** ownership housing eligible subject to public policy safeguards

To note:

- where sound national policy framework exists, EIB applies national definitions
- Discussions underway with DG Competition and member states to seek a harmonized definition linking also to potential revisions to the State Aid approach for housing under SGEI

EIB Forum – Launch of EIBG Web Platform



EIBG Web-platform: [More homes. Better homes](#)

The screenshot shows the homepage of the EIBG Web-platform. At the top left is the European Investment Bank logo. To the right, there is a language dropdown set to 'EN' and a 'CLIENTCONNECT' button. Below the logo, the text 'PAN-EUROPEAN PLATFORM FOR AFFORDABLE AND SUSTAINABLE HOUSING' is displayed. The main navigation menu includes 'WHAT WE OFFER', 'PARTNERS', 'KNOWLEDGE', and a prominent blue 'GET IN TOUCH' button. The breadcrumb trail reads: HOME → OUR WORK → WHAT WE DO → SUSTAINABLE CITIES AND REGIONS → URBAN DEVELOPMENT. The main heading is 'More homes. Better homes', followed by the subtext 'The EU's initiative for more innovative, energy-efficient and affordable housing in Europe'. Below this are 'PRINT' and 'SHARE' icons. The central image shows a family on a balcony of a modern apartment building. The footer contains links for 'OUR ACTION PLAN', 'OUR IMPACT', 'FEATURED PROJECTS', and 'NEWS'.

FEATURES

- One Stop Shop entry point
- Knowledge hub
- Interactive tools
- Case studies
- Links to partners

THANK YOU



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