



COUNCIL OF THE EUROPEAN UNION

Topic 2: Balancing Property Rights and the Right to Affordable Housing in European Urban Centers

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Committee overview

The Council of the European Union (CoEU), is one of the main legislative and decision making bodies of the European Union, comprising a total of 27 national ministers, each from their respective EU member state. Alongside the European Parliament, the Council acts as a co-legislator for the European Union to pass laws, coordinate policies, approve EU budget, and participate in international agreements on behalf of the European Union. Meetings and ministers can vary depending on the subject matter; for housing and urban affairs, ministers are responsible for housing, spatial planning, or urban development.

The Council of the EU acts as the institutional voice of sovereign member states within a supranational framework, unlike fully operated intergovernmental bodies, the CoEU operates within a binding legal architecture through EU regulations and directives that pass through the Council have the force of law across member states. Its decisions on housing, urban policy, and social rights have therefore directly impacted the living conditions of over 450 million EU citizens. On the global level, EU policies on housing affordability and urban sustainability serves as a model for international frameworks, such as the UN Habitat programmes, the New Urban Agenda, and the Sustainable Development Goals.

Background on the topic

European cities are facing a growing tension between two fundamental rights: the right to property (EU Charter, Art. 17) and the right to adequate housing (ICESCR, Art. 11; UDHR, Art. 25). Around the 1960s, public property units in the EU began to move into private investors by officials favouring open-market logic. Investors placed large investments into living spaces not meant for residence but profit after central banks started to ease borrowing following the 2008 financial crisis, as a result, places like Amsterdam, Berlin, Barcelona, and Dublin saw sharp cost increases. Entry of digital services such as Airbnb pulled more properties away from individuals who stay permanently. Across the EU, property values climbed more than 60 percent after 2013, with urban rental costs having increased sharply during the same period and with social housing accounting for only 6-7 percent of total properties (European Commission). To combat this growing issue, the EU appoints its first Commissioner for Housing in 2024 and launched the European Affordable Housing Plan in December 2025, which calls for building 650,000 additional homes per year and reforming state aid rules to unlock public investment (European Commission, "Commission Takes Action").

Key statistics and case studies

- Since 2010, buying a house has become 53% more expensive in the EU, rents have risen 25%, and construction costs have increased 56% (EUobserver).
- In Finland, Spain, and Sweden, low-income tenants spend over 40% of their disposable income on housing (European Policy Centre).
- Southern Europeans now leave their parental homes past age 30, a direct consequence of housing unaffordability (European Policy Centre).
- France mandates a minimum of 20-25% affordable housing in municipalities with over 200,000 inhabitants under the Solidarity and Urban Renewal (SRU) Act (CIDOB).
- The Netherlands maintains the highest social housing ratio in the EU around 30 percent; Amsterdam's social housing constitutes nearly 50 percent of its total housing stock (CIDOB).
- Germany's Bündnis für bezahlbares Wohnen und Bauen (Alliance for Affordable Housing and Construction) tripled federal social housing funds to over €1.5 billion (CIDOB).
- Barcelona reinvests rental income from public housing into new developments and leverages public land for long-term leases to cooperatives and non-profit developers (Eurocities).
- Budapest created a Housing Agency to provide affordable housing and renovate privately-owned apartments (Eurocities).

Key terms and definitions

Affordable Housing: Housing that costs less than 30% of a household's gross income, including the coverage of rent or mortgage and household utilities.

Social Housing: Government-owned or subsidised housing rented below market rates, mostly used by lower income populations such as students.

Security of Tenure: Legal protection preventing the arbitrary eviction or displacement from one's home; associated with the right to adequate housing under international law.

Right to Adequate Housing: A fundamental human right under Article 11 of the ICESCR and Article 25 of the UDHR, requiring housing to be habitable, affordable, accessible, and secure.

Property Rights: The legal entitlement to ownership, use, and profit from real estate, protected under EU Charter Article 1.

Rent Regulations: Government-imposed limits on how much landlords can charge or increase rents, aimed to protect tenants from rapid price increases and ensure affordability.

Short Term Rental: The temporary renting of homes via platforms like Airbnb, widely associated with reduction of long-term housing amount in larger cities.

Relevant unbodies and resolutions

Key UN Bodies

UN-Habitat: UN agency on sustainable urban development; joint administer to the UN Housing Rights Programme with OHCHR to help governments advance the right to adequate housing.

OHCHR /Special Rapporteur on the Right to Adequate Housing: Monitors and reports on housing rights violations globally, with a focus on land commodification and the financialisation of housing.

Committee on Economic, Social and Cultural Rights (CESCR): Oversees state compliance with the **ICESCR**; General Comment No. 4 (1991) sets out the core components of the right to adequate housing.

Key Treaties and Resolutions

- UDHR (1948), Art. 25: recognises the right to an adequate standard of living, including housing.
- ICESCR (1966), Art. 11: obliges states to progressively realise the right to adequate housing.
- EU Charter of Fundamental Rights: Art. 17 protects property rights; Art. 34(3) guarantees the right to housing assistance.
- SDG 11, Target 11.1: ensure access to adequate, safe, and affordable housing for all by 2030.
- OHCHR Guidelines on the Right to Adequate Housing (2020): direct states to regulate speculative investment, maintain rent frameworks, and adopt Housing First

Major Actors and their relevance

Countries

Germany: Has enacted rent control legislation (Mietpreisbremse) and tripled federal social housing funds to over 1.5 billion euros, though a 2021 court ruling struck down Berlin's rent cap, highlighting the tension between property rights and affordability. Germany has advocated for an EU-level coordination on housing supply, looking at many perspectives on behalf of the EU.

Netherlands: Holds the EU's highest social housing ratio at approximately 30 percent, with Amsterdam at nearly 50 percent. Despite strong public provision, housing availability excludes many middle-income earners. A vocal advocate for EU regulation of institutional investors and short-term rental platforms.

France: Mandates 20-25 percent of affordable housing in large municipalities (SRU Act) and has implemented rent caps in Paris. Supports EU affordability frameworks while defending national competence over housing policy.

Spain: Currently Facing crises in Barcelona, Madrid, and tourist zones; Introduced rent controls in 'stressed zones' via its 2023 Housing Law. A leading voice for strong EU regulation of short-term rentals and institutional investors.

Ireland: Amongst the most severe housing crises in the EU, driven by institutional investor activity, slow planning, and high construction costs. Supports state aid reforms at EU level to unlock public housing investments.

Hungary and Poland: Prioritise home ownership programmes and resist EU-level housing regulation, viewing it as an infringement on national competence and incompatible with Central and Eastern European housing traditions.

Non-state actors

NGOs: Housing Europe advocates for EU investment in social and public housing. FEANTSA promotes Housing First policies and frames homelessness as a structural housing rights failure. Both have actively lobbied the Council and European Commission.

Private Sector/Corporations: Institutional investors (e.g. Blackstone, Vonovia) and short-term rental platforms (e.g. Airbnb) are the largest drivers of housing unaffordability. The EU's Short-Term Rental Regulation (2024) requires platforms to share data with authorities. The construction lobby (FIEC) advocates for planning deregulation to boost supply.

Regional Organisations: The European Committee of the Regions (CoR) and Eurocities network push for cities and regions to receive adequate tools and funding to address housing shortages. The European Investment Bank (EIB) finances affordable and social housing projects under the EU Affordable Housing Plan.

Guiding questions

1. How can the Council design a legislative framework that balances the legally protected right to property with the right to adequate housing, without breaching the principle of subsidiarity?
2. To what extent should the EU restrict the purchase of residential real estate by institutional investors, and what mechanisms would be compatible with EU internal market rules?
3. How should the Council regulate short-term rental platforms to restore long-term housing supply in urban centres, while respecting property owners' rights to commercial use of their assets?
4. What financial instruments and state aid reforms are needed to meet the Commission's target of 650,000 additional homes per year, and how can investment be directed toward the most vulnerable populations?
5. How should the Council assess the impacts of rent control on housing supply and investment, and what safeguards can prevent tenant-protection measures from worsening housing shortages?
6. What accountability mechanisms should the Council require to ensure member states progressively realise the right to adequate housing in line with EU Charter obligations and ICESCR commitments?

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