

Board of Directors
European Investment Bank
100 Bd Konrad Adenauer
L-2950 Luxembourg, Luxembourg

Subject: The EIB's Action Plan on housing

27 January, 2025

Dear Board of Directors,

We, the undersigned Members of the European Parliament, are writing to you regarding the EIB's upcoming action plan on housing, and ahead of the launch of a pan-European investment platform for affordable and sustainable housing by the European Commission.

We appreciate the EIB's housing investments to date, and welcome that the bank puts housing as one of its priorities, including by creating a new dedicated Task Force. Indeed, the housing crisis has become severe. In the EU in 2023, housing costs exceeded 40% of disposable income for 10.6% of households in cities and 7% in rural areas. Between 2010 and 2022, rents rose by 18% on average.¹ Over 1.3 million people face homelessness.

To address the crisis, the EU has appointed a new Commissioner in charge of housing for the first time. In this role, Commissioner Jørgensen is tasked with preparing a European affordable housing plan to assist cities and Member States, help ensure a just transition, and address energy poverty. He will also propose a pan-European investment platform for affordable and sustainable housing, developed together with the EIB and other financial institutions.

While comprehensive measures beyond the remit of the EIB are required to tackle the larger housing crisis in a structural manner, the bank can play a key role in helping address current pressing needs in affordable and social housing with a strong action plan for investments and technical assistance in this sector.

Such a plan should be based on prioritising projects that offer clear public benefit to those most in need. To ensure the quality of the EIB's housing finance, investment decisions should not be determined by the amount of private finance mobilised through derisking of investors like private equity funds and real estate companies, who look to capitalise on the crisis to pay out dividends to shareholders.²

In this vein, a comprehensive housing investment action plan should take into account the differentiated burden of housing costs on different income groups and family structures. Research shows that low-income groups are at risk of marginalisation in development of

¹ [Rising housing costs in the EU: the facts \(infographics\)](#), European Parliament (2024).

² [My home is an asset class: study about the financialization of housing in Europe](#), Daniela Gabor. The Greens/EFA (2022).

housing projects aimed at the middle class.³ To avoid such risk, the EIB should set concrete targets for the share of projects on housing for the most vulnerable and low income groups, and to earmark a concrete investment capacity for non-profit, high quality energy-efficient social housing for those groups. In addition, the bank should clearly report social versus affordable housing ratios in projects they finance.

To help guarantee public funds support quality housing, the EIB's housing action plan should refer to the UN framework on the right to adequate housing, including the characteristics underlined by the UN Committee on Economic, Social and Cultural Rights, where affordability is one of the seven criteria that define the right to adequate housing as a human right, along with security of tenure, availability of services, habitability, location, accessibility, and cultural adequacy.⁴

We encourage the EIB to collaborate with other European public investment banks, local public financial institutions, cities and local governments, and cooperative and social housing companies to finance such solutions. These actors are well positioned to create inclusive packages for overarching solutions, where affordable and social housing is combined with provisions of public services and meeting local socio-economic needs. In this context, the EIB's investment loans should be allocated to projects supporting housing quotas according to predefined local needs, as reflected for example by the social housing waiting lists.

On the other hand, the bank should avoid engaging in risky financing schemes such as securitised loans, bundling loans for housing renovation and selling them on to other investors. A similar strategy with 'sub-prime' mortgage loans in the United States led to the catastrophic crash of 2008, when banks collapsed as homeowners defaulted on their mortgages. As the greatest social need in terms of housing renovation is among lower-income households, such financial products are not fit for the purpose.

As the housing sector undoubtedly plays a key role in a just transition, housing should be sustainable. This can be achieved with specific investment targets for supporting socially responsible renovations⁵, projects aiming at reuse of buildings and materials, and reuse of vacant buildings. Moreover, the construction sector is rife with subcontracting leading to exploitation and other forms of labour abuse. The EIB should ensure that its clients work with housing construction companies who limit subcontracting and provide quality jobs with decent salaries and working conditions and respect workers' rights.⁶

We hope that the Board of Directors will endorse an action plan for housing of the EIB that reflects these priorities.

Yours sincerely,

³ [Affordable for whom?](#), Feantsa (2024).

⁴ [The human right to adequate housing](#), UN OHCHR.

⁵ [European Manifesto to Lead the Way out of the Housing Crisis](#), Housing Europe (2024).

⁶ [Better European rules for subcontracting in the construction sector](#), European Federation of Building and Woodworkers.

Members of the European Parliament

1. Maria Ohisalo (Greens/EFA)
2. Estelle Ceulemans (S&D)
3. Vicent Marzà i Ibáñez (Greens/EFA)
4. Majdoline Sbaï (Greens/EFA)
5. Jaume Asens Llodrà (Greens/EFA)
6. Cristina Guarda (Greens/EFA)
7. Sebastian Everdin (the Left)
8. Vladimir Prebilic (Greens/EFA)
9. Rasmus Andresen (Greens/EFA)
10. Klára Dobrev (S&D)
11. Csaba MOLNÁR (S&D)
12. Mounir Satouri (Greens/EFA)
13. Ilaria Salis (the Left)
14. Lena Schilling (Greens/EFA)
15. Merja Kyllönen (the Left)
16. Gordan Bosnac (Greens/EFA)
17. Lynn Boylan (the Left)
18. Kathleen Funchion (the Left)
19. Oihane Agirregoitia Martínez (Renew Europe)
20. Joanna Scheuring-Wielgus (S&D)
21. Krzysztof Śmiszek (S&D)
22. Dario Tamburrano (the Left)
23. Nora Mebarek (S&D)
24. Murielle Laurent (S&D)
25. Elena Kountoura (the Left)
26. Marie Toussaint (Greens/EFA)
27. Villy Søvndal (Greens/EFA)
28. Ville Niinistö (Greens/EFA)
29. Martin Schirdewan (the Left)
30. David Cormand (Greens/EFA)
31. Sara Matthieu (Greens/EFA)
32. Katrin Langensiepen (Greens/EFA)
33. Nela Riehl (Greens/EFA)
34. Nicolae Ștefănuță (Greens/EFA)
35. Kim Van Sparrentak (Greens/EFA)
36. Alex Agius Saliba (S&D)
37. Catarina Vieira (Greens/EFA)
38. Tineke Strik (Greens/EFA)
39. Bas Eickhout (Greens/EFA)
40. Anna Cavazzini (Greens/EFA)
41. Elisabeth Grossmann (S&D)
42. Marit Majj (S&D)
43. Kira Marie Peter-Hansen (Greens/EFA)
44. Aurore Lalucq (S&D)
45. Benedetta Scuderi (Greens/EFA)
46. Leila Chaibi (the Left)
47. Pär Holmgren (Greens/EFA)
48. Isabella Lövin (Greens/EFA)
49. Alice Kuhnke (Greens/EFA)