April 2025
WG HOUSING

EUROPEAN CONSTRUCTION INDUSTRY FEDERATION

Topic: EU housing crisis – affordable and sustainable housing

Brief description and main aims:

The EU is suffering from a widespread housing crisis**.** House prices and rents have grown in the last decade, with a significant acceleration during the pandemic. In addition, in many Member States, the rental market is not sufficiently developed. The observed increases in house prices can be attributed to several factors, with an increasing failure of housing supply to respond where housing demand is strong. According to FIEC figures, new construction and renovation of housing fell by 2.6% in 2023 and was expected to fall another 5.7% in 2024. The housing challenges are particularly acute in urban areas, where three quarters of the EU population live.

While housing policies are under the competency of Member States, the European Commission offered to play a role to boost housing supply and respond to demand needs wherever possible.

Why FIEC is dealing with this topic:

In its position paper of December 2024, FIEC stressed that, while housing policy remains under Member States' jurisdiction, there is an urgent need for a coordinated EU response to address the shortage of affordable and sustainable housing. In particular, more consideration should be given to the option of reviewing EU rules, funds and policies that have an effect on national housing markets, with the aim of promoting simplification, streamlined processes, fair competition and economic growth to the benefits of all.

In particular, FIEC focuses on the supply side of the issue, namely how to increase the construction of affordable housing and the renovation of existing ones to the new standards. This is a multifactorial issue linked to construction material and building costs, labour shortage, zoning and permitting procedures, productivity of the sector, digitalisation, role of off-site construction, credit and financing aspects, and many more.

In any case, the construction industry has a key role to play in promoting tailored solutions to help solving the crisis.

Actions and key dates:

September 2024 – Ursula von der Leyen appoints the Dane, Dan Jorgensen, Commissioner for Energy and Housing (later confirmed by the European Parliament). His mission letter announces the launch of a European Affordable Housing Plan.

November 2024 – FIEC sets up new WG Housing, later chaired by Joël Schons (LUX)

16/12/2024 – FIEC publishes position paper “Towards a new European Affordable Housing Plan

January 2025 – European Parliament creates Special Committee on housing crisis in the EU (HOUS), chaired by MEP Irene Tinagli (S&D-IT)

February 2025 – European Commission sets up Task Force dedicated to affordable and sustainable housing, chaired by Mathew Baldwin (Director DG ENER)

05/03/2025 – European Investment Bank and European Commission launched a Pan-European Investment Platform for affordable and sustainable housing

December-April 2025 – FIEC meets key stakeholders in the European Commission and in the European Parliament, in the European Investment Bank and in the European Economic and Social Committee, and participates in several relevant meetings, conferences and hearings on the issue.

Q1 2026 – expected publication of the European Affordable Housing Plan, including a Housing Construction Strategy, by the European Commission

Working Group Sustainability

Brief description and main aims:

In the context of the 2019 *European Green Deal*, the sustainable growth strategy aiming to put the EU on a path to climate neutrality by 2050 and to transform it into a circular economy, the European Commission developed the *EU Taxonomy for Sustainable Activities*. It is a classification system that provides economic and financial actors with a common understanding of what should be considered sustainable economic activity, while preventing greenwashing. The construction sector is at the heart of the ongoing transformation towards a more sustainable future. The *Working Group Sustainability* is a horizontal forum and focuses on the broader *transition pathway for construction* and also touches upon topics that are discussed elsewhere within FIEC, e.g. housing, industrial decarbonisation, green public procurement, and circularity. Unlocking synergies to deliver on these objectives is the main aim and includes addressing mechanisms for financing (reporting) the sustainable transition, as well as EU implementation and simplification to enable the construction industry to grow.

Why FIEC is dealing with this topic:

The built environment plays a vital role in the EU economy, and it is important to ensure that the sector remains competitive, resilient, and aligned with the continent's ambitious climate goals. Therefore, FIEC is working closely together with EU decision-makers to safeguard a balanced approach to policies and legislation by providing expertise and insights into the construction sector. Vice versa, FIEC is also coordinating the work of its national member federations at the European level to actively shape the future of construction by sharing insights into the evolving policy landscape.

In the *Working Group Sustainability*, advocacy action is organised to ensure that technical criteria for sustainable construction activities are realistic and usable *(EU Taxonomy)*, that incentives for companies to invest in climate-friendly activities are balanced with an appropriate level of detail when it comes to sustainability reporting *(CSRD/ESRS/VSME)*, and to facilitate access to finance for contractors that are leading the way in sustainable business practices. To do this, FIEC representatives have been involved in the work of the *Platform on Sustainable Finance* (advisory body to the European Commission) and the *European Financial Reporting Advisory Group* (EFRAG) SME Community.

To guide members through the complex sustainable finance and reporting framework, supporting documentation has been developed and is available on the FIEC Intranet. This includes overviews about *"The EU Taxonomy for Sustainable Activities: Financing Buildings and Infrastructure in a Sustainable Way"*, *"The European Green Deal and its Impact on European Contractors explained"*, and *"The CSRD and ESRS explained: The EU's new Sustainability Reporting Framework and Construction"*.

Another aspect that was identified by members as a big challenge is the fragmentation and huge variety of rating systems that banks are using to assess companies' progress on their sustainable transition path. It is often not clear what obligations are to be fulfilled. FIEC is therefore involved in identifying a user-friendly tool for companies to benchmark their decarbonisation efforts. One goal could also be to propose and recommend a European reference tool/system for the construction industry.

Actions and key dates:

22/06/2020	→ Publication in the *EU Official Journal*: EU Taxonomy for Sustainable Activities – Regulation (EU) 2020/852 enters into force on 12 July 2020
16/11/2021	→ FIEC Publication on *"Driving and Supporting Sustainability in Construction – Strategic Vision"*
18/12/2022	→ Publication in the *EU Official Journal*: CSRD – Directive (EU) 2022/2464 enters into force on 5 January 2023
15/03/2023	→ European Commission Publication on *"Transition Pathway for Construction"*
27/11/2023	→ FIEC Position Paper (update) on *EU Taxonomy* and new Circular Economy Criteria
20/03/2024	→ FIEC Publication on *"Taking Stock of the European Green Deal 2019 - 2024"*
31/01/2025	→ FIEC Position Paper on the first Omnibus Simplification Package (OSP): *"A pragmatic Omnibus Simplification Package to put the EU at the forefront of Corporate Sustainability while ensuring the Competitiveness of Businesses"*

EUROPEAN CONSTRUCTION INDUSTRY FEDERATION

FIEC-EIC Task Force "Ukraine"

Brief description and main aims:

Shortly after the start of the war started by Russia against Ukraine, in June 2022, FIEC and EIC decided to set up a joint *Task Force "Ukraine"* with the aim of centralising and coordinating information and initiatives in view of the future reconstruction of Ukraine once the war will be over. It is comprised of FIEC's member federations and has been enlarged to other concerned stakeholders (engineers, construction products and machineries manufacturers, etc.).

The Task Force is chaired by Kjetil Tonning, FIEC Honorary President, and our Ukrainian member federation CBU (Confederation of Builders of Ukraine) is actively involved in the discussions, as well as local and national authorities. External speakers such as representatives of the Mission of Ukraine to the EU, other concerned stakeholders and European Commission's officials regularly participate in both the Task Force and bilateral meetings with FIEC.

Why FIEC is dealing with this topic:

Russia's war of aggression in Ukraine has devastated the country, with direct damage estimated at USD 152 billion (RDNA - Rapid Damage and Needs Assessment 3 of February 2024), with housing and transport being the most affected sectors. Reconstruction and recovery needs are estimated that USD 486 billion (RDNA 2).

The Task Force therefore mainly focuses on issues related to the reconstruction phase. Given the variety of stakeholders that have expressed their interest to assist Ukraine in its reconstruction efforts, providing a coordinated approach through FIEC is especially important. A lack of coordination could lead to undesired outcomes, e.g., duplication of efforts, which is what we hope to avoid.

FIEC is also committed to assist its Ukrainian member federation, CBU, in terms of learning needs. A contribution that is important not only in terms of the reconstruction efforts but also in the Ukraine's path to EU accession.

Actions and key dates:

29/06/2022 → FIEC welcomes in Brussels a delegation of authorities from the city of Irpin.

08/07/2022 → Kick-off meeting of the Task Force "Ukraine".

11/10/2022 → Meeting with the Ambassador of the Mission of Ukraine to the EU (Press Release).

19/04/2023 → Publication of *Recommendations for the Future Reconstruction of Ukraine* endorsed by several EU stakeholders.

14/09/2023 → FIEC/EIC send a letter to the European Commission outlining their position on the proposed Regulation on establishing a "Ukraine Facility", which entered into force in February 2024.

18/10/2023 → Kjetil Tonning, Chairman of *Task Force "Ukraine*", chairs the meeting from Kyiv.

14/11/2023 → FIEC participates in the *Recovery Construction Forum 2.0* in Warsaw. The first conference took place on 15/02/2023.

16/11/2023 → FIEC and EFBWW sign a *Memorandum of Understanding on the Sustainable Reconstruction of Ukraine*.

17/04/2024 → FIEC President Philip Crampton participates in a panel discussion on Ukraine's circular reconstruction at the *World Circular Economy Forum 2024* in Brussels.

13-14/11/2024 → 2024 edition of *ReBuild Ukraine* is held in Warsaw.

05/03/2025 → Kjetil Tonning moderates a panel on infrastructure and housing at a conference in Milan (*event "On the Road to URC2025"*).

11/04/2025 → Intervention of FIEC President Piero Petrucco at the EU-Ukraine Business Summit in Brussels

Construction 4.0 Working Group

Brief description and main aims:

In 2016, FIEC launched a BIM Working Group to tackle the subject of *Building Information Modelling* (BIM) and its impact on contractors in the EU. This group quickly became a working group focused on the wider aspects of digitalisation, under a new name, the "*Construction 4.0 Working Group*". The main aim of this group is to follow relevant policy developments, inform member federations and select priority issues for more in depth research and discussion, in order to foster the implementation of digitalisation within construction companies and in particular among SMEs. The group also aims to encourage members to network, identify initiatives of common interest and present their findings to the rest of the group. It also facilitates sharing best practices in implementing digital technologies in construction.

In 2025, the Construction 4.0 Working Group refocused its strategy around three main thematic priorities, with the objective of delivering concrete outputs. These are: **Housing and productivity, Artificial Intelligence (AI)** and **Key Performance Indicators (KPIs)**.

Why FIEC is dealing with this topic:

The construction industry is undergoing significant change, including revolutionary new approaches such as digitalisation and automation. But while other industries are quite advanced in embracing digital processes, for the construction industry there is a need to speed up this process, and there is a business case for doing so, as digitalisation can improve productivity and coordination on construction sites.

However, the adoption of digitisation poses several challenges for construction companies, such as unfavourable conditions related to software suppliers, which need to be addressed. In particular, we need an appropriate regulatory framework that would allow our companies to reap the benefits of digitalisation.

Lastly, we must stress that digitisation is not an end in itself, but rather a means to accelerate the path to other goalsl (e.g. better energy efficiency of buildings, predictive maintenance of infrastructure, improving safety on worksites, facilitating training, etc.).

Actions and key dates:

19/02/2020 → *A European Strategy for Data* COM(2020)66/final is published.
24/02/2020 → FIEC Position Paper on the relationship between users and software companies/editors/service providers.
26/06/2020 → Webinar on "*Ensuring a clear and fair relationship with software companies*".
09/06/2021 → Follow-up webinar with software companies.
09-10/11/2022 → Former FIEC Vice-President, Joël Schöns, and FIEC President, Philip Crampton, participate in the *Conference on Digital Construction* in Prague.
12/10/2023 → Former FIEC Vice-President, Michail Daktylidis, participates in the 4th BIM Conference in Athens.
24/10/2023 → 1st FIEC thematic Workshop on Cybersecurity.
10/12/2024 →FIEC, CICA and FIIC co-organise a webinar on "AI and Satellites for Infrastructure Maintenance", focusing on digital tools and innovation in predictive infrastructure management.