

Rethinking the Roots of the EU's Housing Crisis: The Case of Italy

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Housing in Italy, as in other EU countries, is becoming a pressing issue for national government, local authorities and even EU institutions. The key argument, highlighted in this paper, is that to avoid market distortions, which push up the price of buying or renting accommodation and give rise to the mixed effects of short-term lets and high ownership costs, there is a need for a multi-layer market-oriented approach, balancing individual freedom and competition with social responsibility and citizens' well-being. Strategies should be national, and there is limited space for EU legislation given the diversity of the EU housing trends.

- ▶ Unlike the EU average, in Italy, 7 out of 10 citizens own a home. However, the majority of owners (76%) are experiencing high management costs, especially as a result of the energy crisis of recent years. Meanwhile, house prices have fallen as compared to the EU average.
- ▶ When it comes to short-term lets, Airbnb listings represent 4.9% of the total amount of accommodation at national level but the level of penetration is uneven. In major cities such as Rome, Bologna, Naples, and Venice, Airbnb accounts for an average of 25% of total accommodation. Milan stands out with a significantly higher penetration rate, reaching 56%. This trend is a rising concern for many city mayors.
- ▶ Given the multi-layered nature of the issue, which encompasses high management and rental costs, with varying percentages across cities and even European countries, the EU should act as a coordination platform for mapping the varied nature of the problems. This should help national governments to address the issue by creating a level playing field, while considering the different challenges faced by local authorities and regions.

Content

1	Introduction.....	3
2	Home sweet home? Mapping Italian housing problems.....	3
3	Touristification of the housing market	5
4	What policies lies ahead?	6
4.1	The Italian political response.....	6
4.2	The European political response	8
5	Conclusions.....	9

1 Introduction

Access to housing, recognized in the Universal Declaration of Human Rights of 1948¹ and also highlighted in the European Pillar of Social Rights Action Plan², is directly linked to the concept of human dignity, health, and well-being. The problem of affordable housing is so widespread that even Kamala Harris mentioned it as a key point of her campaign, in her public debate with US Presidential candidate, Donald Trump.³ As in the US, the European Union and its institutions are also concerned about the issue, and Commission President Ursula von der Leyen made it one of the points of her political program for the new Commission, while appointing the very first EU Commissioner with direct responsibility for housing.⁴ Against this backdrop, the paper aims to analyse the issue from an Italian perspective, attempting to determine the roots of the problem and whether the solution lies in a high-level European approach or with national governments and local administrations. The argument is that the multifaceted aspects of the housing problem, ranging from high house prices to the effect of short-term lets on the market, require multiple political and regulatory approaches. These should tackle different drivers, ranging from the concentration of housing demand in a small number of cities, construction to energy costs, management costs and salary levels, among others issues such as rising interest rates.⁵ As the paper highlights, the housing problem, at least in Italy, is not just about finding a house at a reasonable price, which, at present, affects a younger minority of the population, but mostly about covering the related ownership costs. On the other hand, as in many other European cities, the use of flats and houses for tourists is blocking access to affordable rental property for many people. Yet, tourist lets, at least in Italy, where 74.3% of the population owns a private home, provide many Italians with a source of extra income. In this respect, the paper will be structured as follows. The first part will provide some data about housing and related problems in Italy. The second part will focus on the current Italian and EU political initiatives for addressing the housing crisis. In conclusion, findings will be filtered to attempt to provide a clear picture of the main issues affecting the Italian market and the political initiatives that may be most effective.

2 Home sweet home? Mapping Italian housing problems

As in many other European countries, housing in Italy is becoming an increasingly problematic and worrying issue. Indeed, the increasing concentration of people in cities, together with the proliferation of short-term tourist lets and the rise in energy prices are all factors affecting the housing market to varying degrees.⁶ Since the post-war period, homeownership in Italy has always been considered an indicator of social progress and a source of security, outweighing mere financial considerations. For 92% of Italians, homeownership remains the cornerstone of economic and existential security and 54% wish to help their children or grandchildren to buy their own home.⁷ Yet, the widening gap between the value of having a house in terms of social status and family related responsibilities and its rising economic cost has led to growing social discontent, as a number of Italians, especially the younger generation, are not capable of buying or even renting a house. Even many home owners are struggling

¹ [UN Universal Declaration of Human Right](#), art.28

² [The European Pillar of Social Rights Action Plan](#)

³ Alfonseca K. (2024) [Where do Trump and Harris stand on housing policy?](#)

⁴ Housing Europe. (2024). [The very first EU Commissioner with responsibility for housing. From surreal thinking to a fact](#)

⁵ The paper does not tackle the problem of the financialization of the housing market, which would require a separate study per se.

⁶ European Parliament. (2024). [Social and youth housing in the EU](#)

⁷ ISTAT (2022), [Gruppo di lavoro sulle politiche per la casa e l'emergenza abitativa](#)

to pay bills and mortgages. In particular, 76% of Italians experience high housing management costs (utilities, service charges)⁸, with the average monthly cost for homeowners at around € 250.⁹ Those trends are alarming considering that in 2023, the average gross annual wage in Italy was € 30,844, less than Germany (€ 45,414) and France (€ 41, 012).¹⁰ Another important indicator of housing problems is the number of citizens (5.9%) living in accommodation with minimum standards of liveability, structural issues and inadequate heating. This is not to mention the overcrowding rate which also needs to be taken into account. In Italy, 25.1% of households, compared to the 16.8% in the EU, live in houses that are not big enough for the number of inhabitants.¹¹ This percentage rises to 33.4% for families at risk of poverty, also higher than the European average (28.3%). This factor is not only related to housing costs per se but also to the low level of salaries and stable contracts, especially for young people, who are often obliged to share accommodation or remain living with their parents. However, unlike other European countries, in Italy 74.3% of the population owns a house (in the EU the average is 69.1%)¹² and, as of January 2022, it would take an average citizen 10.5 years to buy a 75m² flat in Rome, 12.3 years in Berlin, and 23.1 years in Paris, assuming all income goes into the purchase.¹³ Nonetheless, in 2023, the number of house sales decreased by 14.6% compared to 2022. The trend is uneven, with cities like Milan, Rome, and Bologna experiencing a contraction while still recording a significant number of transactions.¹⁴ This decline can be attributed to several factors, including high interest rates, implemented to combat inflation, which have also made it increasingly difficult to access credit. The rise in interest rates has in fact caused a spike in variable mortgage rates and pushed banks to tighten lending conditions.¹⁵ Moreover, the conflict in Ukraine has led to higher energy prices and utility bills, further driving up housing construction costs. In addition to rising energy costs, there is also the impact of legislation on energy efficiency, such as the European Energy Performance of Buildings Directive (EU/2024/1275), which aim to push citizens to seek properties with low energy consumption. Unfortunately, the supply of such energy-efficient homes, particularly in Italy, remains insufficient to meet demand.

Despite the drop in house sales, prices in Italy continue to rise, although at a slower pace compared to other countries. In 2023, Italy ranked 33rd in the Global House Price Index, showing a 2% price increase.¹⁶ On the other hand, only 25.7% of Italians live in rented accommodation, compared to 30.9% of citizens in the EU.¹⁷ Renting is more common among lower-income families, foreigners, young couples without children and students.¹⁸ In the case of students living off-campus, however, the problem of housing is becoming particularly acute. With available beds covering only 8% of the demand for off-campus student housing, a number of young people are finding themselves left without access to proper accommodation. Indeed, finding a rental property in the main Italian cities is becoming problematic. From north to south, renting a 70-square-meter two-room apartment currently costs an average of € 945 per month, excluding fees, with cities like Rome and Milan reaching € 1,365

⁸ CENSIS (2022), *Casa: gli italiani, un popolo di proprietari*

⁹ Facchini A. (2023). [La casa è diventata un lusso per pochi: l'emergenza abitativa in Italia](#)

¹⁰ See [OECD data set](#). See also Confesercenti. (2024). [Economia: Confesercenti-CER, l'inflazione riporta in negativo i redditi reali delle famiglie](#)

¹¹ Eurostat.(2023). [Housing in Europe – 2023 edition](#)

¹² Ibidem

¹³ Pena P (2022). [Europe's governments inflate housing prices with huge tax privileges for real estate](#)

¹⁴ Nomisma.(2023) [Osservatorio Mercato Immobiliare](#)

¹⁵ Housing Anywhere. (2023). [Previsioni mercato immobiliare Italia 2023-2030: tendenze e prospettive](#)

¹⁶ [Global House Price Index](#)

¹⁷ Ibidem

¹⁸ CENSIS, FEDERPROPRIETA'. (2023). [La casa nonostante tutto, 2 Rapporto.](#)

and € 1,300 respectively. One of the causes of the current housing crisis could be linked to the touristification of cities, which is leading to an increasing number of houses and flats being rented to tourists for short periods, possibly pushing up not just rental prices but also property prices, at least in the main Italian cities.¹⁹ The following section will analyse whether this is a factor in the Italian housing crisis.

3 Touristification of the housing market

In Italy, short-term lets are normally managed by online platforms such as Airbnb, Booking or Vrbo, as well as by property managers such as Halldis, Italianway, CleanBnb, Wonderful Italy, or directly by private owners. Since Airbnb it is one of the most popular platforms, the analysis of its databases combined with those of the national statistical office, ISTAT, can help provide a picture, even if incomplete, of the percentage of short-term lets in Italy compared to the total amount of accommodation. The data in Table 1 relates to 2023 and reflects the general trend at national level, as well as in the biggest cities in Italy, namely Rome, Milan, Bologna, Florence, Naples, and Venice, based on a north-south, east-west geographical axis.

Looking at the combined data, the number of Airbnb listings in Italy appears to be relatively limited, representing only 4.9% of the total accommodation. However, in major cities such as Rome, Bologna, Naples, and Venice, in 2023, Airbnb accounts for an average of around 25% of the accommodation. Milan stands out with a significantly higher penetration rate, reaching 56%.²⁰ This trend is likely having a negative impact on the amount of accommodation available for residents to buy or rent.²¹ For instance, in Rome, between 2016 and 2021, the population in the city centre—where 50% of Airbnb short-term rentals are located—decreased by 5 percent, while it increased in more peripheral areas.²²

Table 1: Airbnb short-term lets penetration

Main Italian Cities	Number of properties (full flat or rooms) on AirB&B in 2023	Number of flats and houses in 2023	% of Airbnb in 2023
Rome	32,243	137,021	23%
Milan	24,346	42,980	56%
Bologna	4,785	22,149	21%
Florence	12,246	31,070	39%
Naples	10,760	40,755	26%
Venice	8,110	34,994	23%
Total	608,000	12,187,698	4.9%

Source: Airbnb²³, JFC²⁴ and Istat²⁵

¹⁹ Chen, W., Wei, Z., & Xie, K. (2022). The battle for homes: how does home sharing disrupt local residential markets?. *Management Science*, 68(12), 8589-8612. Barron, K., Kung, E., & Proserpio, D. (2021). The effect of home-sharing on house prices and rents: Evidence from Airbnb. *Marketing Science*, 40(1), 23-47.

²⁰ [Airbnb data](#), JFC. (2024). [Airbnb in Italia 2024 – I Numeri del Fenomeno](#), Istat. (2024). [Edifici residenziali](#)

²¹ Facchini A. (2023). [La casa è diventata un lusso per pochi: l'emergenza abitativa in Italia](#)

²² Comune di Roma. (2022). [Bollettino Statistico](#)

²³ [Airbnb data](#)

²⁴ JFC. (2024). [Airbnb in Italia 2024 – I Numeri del Fenomeno](#)

²⁵ Istat. (2024). [Edifici residenziali](#)

At the same time, the reduction in the housing supply for long-term lets or for purchases, driven in part by the profitability of short-term lets, has contributed to rising rental costs in many cities. In Milan, between May 2019 and May 2024, housing rents increased by 16%, while the number of Airbnb listings grew by a third. Although the rise in rents cannot be attributed solely to short-term lets—factors such as inflation and rising living costs also play a role—the competition created by the higher profits from short-term lets, which often exceed those of long-term lets, is undoubtedly a contributing factor that cannot be overlooked.²⁶ Indeed, according to Tortuga, a 1% increase in Airbnb listings in a specific area of Italy generally corresponds to an average increase of 6.7% in house prices and 5.7 % in rental prices.²⁷ On the other hand, however, in 2022, on average, Italian short-term lets generated a gross income of around € 31,200 per property²⁸, while in 2023 the state received € 167.6 million euros in tax revenues.²⁹ In this respect, the financial benefits for both private actors and the public sector are significant, especially considering that, in 2022, an Italian family's average net income was € 32,812.³⁰ At the same time, as highlighted by Pagella Politica, platforms such as Airbnb have invested in promoting development projects in Italy. For instance, in 2017 Airbnb launched the "Italian Villages Plan" (Piano Borghi Italiani), which, in collaboration with the National Association of Italian Municipalities and the Ministry of Culture, promoted the revitalization of over 40 Italian villages.³¹ In this respect, while house prices and rents are certainly affected by the presence of short-term lets, they also provide increasing benefits for house owners, who in Italy are in a majority.

4 What policies lie ahead?

4.1 The Italian political response

To curb the perceived negative impact that tourist lets are having on the number of houses and accommodation for citizens and students living in cities as well as on house prices and rents, some Italian mayors have been taking action. For instance, following the example of the Barcelona³², Sara Funaro, mayor of Florence, announced her intention to reintroduce a measure to block new licenses for short-term property lets in the historic centre of Florence. Former Florence mayor, Dario Nardella, had already tried to pass such a measure, which was however blocked as it would have affected competition by advantaging those who already had an apartment listed on the short-term letting platforms. At national level, by contrast, the government seems to have no interest in blocking or reducing short letting activities. In December 2023, Law 191/23 came into effect. The law does not control or limit the number of private houses or flats that are rented to tourists but introduces a national identification code (CIN) to ensure market transparency on data across state, regional, and local administrations, and to combat irregular forms of hospitality.³³ According to Minister of Tourism, Daniela Santanchè, the law is intended to regulate rather than criminalize short-term lets because in

²⁶ Pagella Politica. (2024). [Gli affitti brevi stanno rovinando le città italiane?](#)

²⁷ Tortuga. (2023) [Airbnb e il mercato immobiliare italiano](#)

²⁸ Airbnb. (2022). [Nuovo sondaggio: gli host di Airbnb in Italia utilizzano i loro guadagni per coprire i costi in crescita, gli ospiti si ridistribuiscono oltre le città e rimangono più a lungo](#)

²⁹ JFC. (2024). [Airbnb in Italia 2024 – I Numeri del Fenomeno](#)

³⁰ Facchini A. (2023). [La casa è diventata un lusso per pochi: l'emergenza abitativa in Italia](#)

³¹ Airbnb. (2017). [Il piano "Borghi italiani"](#). Also quoted in Pagella Politica. (2024). [Gli affitti brevi stanno rovinando le città italiane?](#)

³² In July 2024, the mayor of Barcelona in Spain, Jaume Collboni, declared that by the beginning of 2029, licenses for short-term lets will not be renewed, in order to make housing more accessible to residents. To implement this measure, the mayor will rely on the Decree Law 3/2023 of the regional parliament of Catalonia, which regulates the number of properties with tourist-use licenses in cities where housing pressure is higher.

³³ See Art. 13ter, [LEGGE 15 dicembre 2023, n. 191](#)

many areas of Italy, where hotels are scarce, short-term lets are essential for accommodating tourists, while in cities they help to ease congestion.³⁴ Yet, the law did not assuage rising tensions between the government and the mayors of big cities, such as Milan, who have been asking for national regulation of the sector to rebalance the supply of housing for families and students.³⁵ When it comes to students, however, the government is planning to use resources from the National Recovery and Resilience Plan to provide accommodation for 60,000 students by 2026. In addition, it will also be possible to change the use of properties and transform them into student accommodation with a minimum commitment of 12 years.³⁶

When it comes to other housing issues, the Italian government has not come up with a comprehensive new package of policies. So far, there is only one fund that, under specific circumstances, can support young people or families with limited income to buy their first house.³⁷ Yet, looking at the statistics, the main problems in the Italian housing sector, apart from rents, are related to the affordability of maintaining a house. In this respect, the "Save-Home Plan" launched by the Italian Minister of Infrastructure, Matteo Salvini, seems not to have tackled any of the issues. The Plan changes the requirements for making a property "habitable," reducing the minimum surface area requirement to 20 square metres, from the previous 28 square metres, and lowering the ceiling height requirement from 2.7 to 2.4 metres. While these reforms may increase the amount of living accommodation available, they also compromise living standards.³⁸ One of the most significant measures to assist homeowners with maintenance costs was the Superbonus 110%, introduced by Decree No. 34/2020. The Superbonus provided a 110% tax deduction for property owners undertaking structural improvements to enhance energy efficiency and secure buildings against seismic risks. While the merit of this incentive was its ability to help homeowners to make their houses and buildings more sustainable, especially in light of rising energy prices, it also had a considerable impact on public finances, with estimated costs of €122.6 billion in tax deductions (equivalent to 6% of GDP). For this reason, the program was halted in March 2024. Interestingly, had the government allocated this amount for financing the construction of houses at an average cost of €100,000 per unit, approximately 1.2 million new homes could have been built.³⁹ This could have significantly improved social welfare, considering that only 4% of housing in Italy is social housing, while the EU average is 20%.⁴⁰ At the same time, as highlighted by Minister of Finance, Giancarlo Giorgetti, the Superbonus was an effective measure for boosting the post-Covid19 economy, but it should only have been applied to a limited number of cases, such as new owners or citizens in the lower to middle income bracket. This could also have limited the rise in construction prices, partially related to the increasing demand, as well as other factors such as the energy crisis.⁴¹ Considering that rising housing management costs are one of the biggest issues affecting Italians, a more structured intervention should be promoted to address, for instance, the low salaries of Italian workers. The government could tackle this by

³⁴ CorCom. (2024). [Affitti brevi, a regime la piattaforma nazionale delle strutture ricettive](#)

³⁵ La Repubblica. (2024). [Affitti brevi, scontro Sala-Santanché: "La ministra non ha intenzione di fare nulla". E lei replica: "Il sindaco mente sapendo di mentire"](#)

³⁶ Ministero dell'Università e della Ricerca. (2024). [Università, ecco il 'pacchetto' housing: procedure semplificate e bando da 1,2 mld per 60mila nuovi posti letto](#)

³⁷ Camera dei Deputati. (2024). [Politiche Abitative](#)

³⁸ Ocis (2021). [Politiche per la casa e per i senza dimora in Italia. Sfide e prospettive in prospettiva comparata](#)

³⁹ CGIA. (2023) [SuperBonus: come un Robin Hood al contrario](#)

⁴⁰ Facchini A. (2023). [La casa è diventata un lusso per pochi: l'emergenza abitativa in Italia](#)

⁴¹ Stampa. (2024). CONFCOMMERCIO: "Pil al Palo, Giorgetti: Il Cuneo ci aiuterà."

intervening on high labour taxes, in order to allow citizens to have higher incomes and reduce the cost of welfare policies.

4.2 The European political response

Without direct authority over housing, and only limited jurisdiction in social policy, the EU is used to playing a limited role in housing issues. So far, the EU has been supporting Member States through recommendations, funding, data collection, and the exchange of best practices, and it can, if only indirectly, influence housing provision through fiscal, competition, and state aid measures. For instance, the Recovery and Resilience Facility (RRF) fund and the REPowerEU have recently become important instruments for supporting a housing renovation wave across the EU.⁴² Moreover, between 2014 and 2020, 28 000 housing units were renovated and the energy performance of more than 550 000 households was improved through the EU's Structural and Investment Funds (the ESI Funds), which is the largest investment toolbox within the 2014-2020 multiannual financial framework.⁴³ In this vein, in 2021, the Commission launched the European Bauhaus, an EU policy and funding initiative to foster solutions for sustainable living in Europe. The initiative's Guidelines were launched in July 2024 with the aim of transforming the quality of all types of buildings, including social and affordable housing. Finally, the Regulation on short-term lets, approved by the European Parliament in February 2024 and to be adopted by the Council, is not intended to interfere with the management of short-term lets but is just aimed at regulating the use of data by online platforms.⁴⁴

However, the revised European Energy Performance of Buildings Directive (EU/2024/1275), which entered into force in May 2024, could result in an even more worrying scenario when it comes to housing costs. According to the Directive, which was amended to send a "stronger political signal on the EU's commitment to improving and modernising the buildings sector"⁴⁵, in line with the Green Deal objectives, Member Countries will have to reduce the energy consumption of residential buildings by 16% by 2030 and by 20-22% by 2035. 55% of such a reduction will have to be achieved by renovating 43% of the worst-performing buildings, to be defined by a common methodology. Moreover, by 2030, all new residential buildings will have to have net-zero emissions. It will be up to the individual Member States to define how to pursue such a goal, and whether to apply any sanctions in case of noncompliance. In Italy, however, 70.4% of buildings are within the less efficient energy categories (E, F and G) and only 11% are in the higher categories. This means that, in a few years, 5 million private buildings will need to be renovated, with a minimum cost of € 20-30 thousand per family, up to a maximum of € 50-60 thousand .⁴⁶ Considering that the prospect of these expenses would be unsustainable for most people, Italian Minister of Finance Giancarlo Giorgetti, voted against the Directive, together with Hungary and other eastern European Member States, as, according to him, it is not clear who will pay for such a green transition.

Nevertheless, a growing ambition to tackle the complex and multifaceted housing issues seems to be emerging in Europe. With the recent appointment of an ad hoc Commissioner to develop a first-ever

⁴² European Parliament. (2024). [Social and youth housing in the EU](#)

⁴³ European Commission (2024). [Report from the Commission to the European Parliament, The Council, the European Economic and Social Committee and the Committee of the Regions. European Structural and Investment Funds 2023. Summary report of the annual programme implementation reports covering implementation in 2014-2020](#), pp.18.

⁴⁴ European Parliament. (2024). [New rules for a responsible and transparent short-term rental sector](#)

⁴⁵ European Commission. (2024). [Energy Performance of Buildings Directive](#)

⁴⁶ Biblus. (2024). [Direttiva "case green": guida completa a tutte le novità](#). See also Housing Europe. (2023). [The State of Housing in Europe](#)

European Affordable Housing Plan, the Commission President Ursula von der Leyen appears willing to challenge the status quo. In fact, in her Policy Guidelines, Von der Leyen underlined how “the crises of recent years have had a direct impact on the quality of life of many Europeans” and housing is one of the problems highlighted, generating inequalities for “millions of families and individuals”.⁴⁷ Furthermore, “the percentage of household income spent on housing has risen dramatically. Rents and house prices are soaring. There is also a significant and growing investment gap in social and affordable housing.”⁴⁸ In this respect, her plan is to address the structural drivers of the issue by developing a strategy for housing construction, offering technical assistance to cities and Member States and focusing on investments. Thus, the European Commission will cooperate with the European Investment Bank to develop a pan-European investment platform for affordable and sustainable housing in order to attract more private and public funding. To inject liquidity into the market, Member States will be allowed to double the planned cohesion policy investments in affordable housing, and state aid rules will be revised to enable housing support measures, especially for developing affordable energy-efficient and social housing, thanks also to the Social Climate Fund. Detractors however argue that the housing problem should be dealt with at national level since it involves national social and economic policies.⁴⁹ Moreover, the differences in the housing needs within European countries are huge, as is the trend in prices and rents. According to aggregate data from Eurostat, there are clear differences across Europe in the price rises for buying and renting. Between 2010 and 2022 house prices increased by 47%. Yet, in countries like Italy (-9 %), Cyprus (-5 %), average prices decreased. Rents show a similar trend, which between 2010 and 2022 increased by 18 %. Such an increase has affected almost all Member States but to a varying degrees. In Estonia (+210%), Lithuania (+144%) and Ireland (+84%) prices are skyrocketing, while in Greece they have fallen (-25%) and in Cyprus the rise was only 0.2%.⁵⁰ In this respect, there is no one-size-fits-all solution. The EU can certainly act to coordinate and map policies at national level and promote funding initiatives, which nevertheless need to be administered nationally by the Member States and possibly local authorities. A good example are the January 2024 initiatives of the Belgian EU Presidency, that together with 40 major European cities launched the "Brussels Declaration" for the development of an ambitious European urban policy to promote the right of affordable, quality and sustainable housing.⁵¹

5 Conclusions

National governments within the EU should be primarily responsible for deploying adequate measures to solve the housing crisis while fully respecting market competition and citizens' well-being. However, there is a clear need for coordination at the European level, both between governments and local authorities and among Member States. In this context, the EU can play a pivotal role by continuing to map the issue across European cities, regions, and countries, providing comparable data and connecting countries facing similar housing challenges in order to promote evidence-based policymaking and the sharing of best practices. In Italy, while the levels of social housing are particularly low compared to other European countries, the majority of Italians already own their own homes. Thus, while minimal state intervention in investing in social housing may be welcome, the

⁴⁷ Von der Leyen U. (2024). [Europe's Choice, Political Guidelines for the Next European Commission \(2024-2029\)](#).

⁴⁸ Ibidem

⁴⁹ Politico. (2024). [What's the point of a housing commissioner?](#)

⁵⁰ Eurostat. (2023). [Housing in Europe](#)

⁵¹ Belgian Presidency of the Council of the European Union. (2024). [40 major European cities unite and sign the "Brussels Declaration" for the development of an ambitious European urban policy](#)

priority is certainly to help property owners face the rising cost of utilities. The Italian Superbonus was an attempt by the government to address this, as the tax deductibility of interventions to make buildings more sustainable would also reduce energy consumption. However, the cost to the state has been high and market distortions have also been created in the construction industry. Thus, in the case of Italy, considering that the level of salaries is lower than another EU countries, there is a need for more structural reforms to increase wages, such as by reducing taxation on labour. Alternatively, state funding could be used to renovate unused public buildings, which could then serve as accommodation for citizens, students, or start-up businesses. Regarding short-term lets, the Italian measures do not significantly affect free competition or the use of private properties. However, it may be beneficial for the government to cooperate with mayors in major tourist cities to get an idea of what actions could be taken to control, if not reduce, the number of short-term lets which, among other problems, are contributing to a lack of affordable housing for citizens. In summary, while the EU, through its new Commissioner, can play a pivotal role in coordinating efforts by Member States, it is ultimately up to national governments to address the housing issues by developing strategic cooperation with local authorities and implementing targeted intervention as well as tailored plans at local level, thus adopting a differentiated approach to effectively tackle the various issues affecting housing



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