

EPS Industry Recommendations on the European Affordable Housing Plan and the Strategy for Housing Construction

Executive Summary

The European Commission's commitment to addressing Europe's growing housing crisis through the forthcoming European Affordable Housing Plan and the European Strategy for Housing Construction is both timely and essential.

To define "affordable housing" responsibly, the EU must go beyond upfront costs and **focus on long-term affordability, social inclusion, and climate resilience**. This means prioritising:

- **Deep renovation** of the existing building stock.
- **Energy-efficient solutions** that lower operational costs.
- Scalable support for social and cooperative housing.
- **Durable, recyclable materials** such as Expanded Polystyrene (EPS) that lower total cost of ownership while contributing to the EU's environmental goals.

The EPS industry stands ready to contribute practical, cost-effective insulation solutions that deliver both affordability and sustainability at scale.

1. Affordability Must Be Long-Term and Holistic

Affordability is not just about acquisition or construction costs. True affordability must consider:

- **Energy efficiency** that directly reduces utility bills.
- **Durability** to ensure reliable performance over decades.
- **Low maintenance and operating costs** that benefit residents and public budgets alike.

EU housing policy must avoid short-term fixes and focus instead on delivering **resilient, low-cost living conditions** for the long term—especially for vulnerable populations. EPS insulation systems are proven **to lower heating and cooling needs significantly**, making homes **more affordable** to live in—especially for vulnerable groups at risk of energy poverty.

Policy Recommendations:

- Define **affordability using whole-life cost** and performance metrics.
- Promote **energy-efficient renovation** as a core affordability tool.
- Support **durable materials like EPS** that provide stable, **long-term insulation** and **moisture protection**



2. Renovation of Existing Buildings: Europe's Fastest Path to Affordable, Sustainable Housing

Europe's existing building stock offers the greatest potential for rapidly addressing the housing crisis. Most buildings were constructed before energy performance standards were in place — over 75% are energy inefficient, and up to 95% will still be in use by 2050.

Deep renovation of these buildings delivers:

- Faster impact than new builds.
- **Lower environmental footprint** by avoiding demolition-related emissions.
- **More accessible investment opportunities**, especially at the local and regional levels.

When supported by high-performance insulation and simplified permitting processes, **deep renovation** can unlock substantial **energy savings**, improve comfort, and reduce long-term housing costs — particularly for low- and middle-income households.

Policy Recommendations:

- **Prioritise deep renovation** of the existing building stock in all national and regional housing strategies under the European Affordable Housing Plan.
- **Require energy efficiency standards and whole-life carbon and cost assessments** in all EU-supported housing programmes.
- Promote the use of **durable and cost-effective insulation materials** that ensure thermal performance and **long-term affordability**.
- Integrate **renovation-first principles** into urban planning and land-use policies, ensuring faster housing delivery without expanding land use.

3. Support Social and Public Housing through Strategic Investment

The market alone cannot deliver enough affordable, climate-resilient homes. Public investment must lead the way—especially for **low-income, vulnerable and young populations**.

Social housing must also lead by example in **sustainability**, avoiding short-term fixes that lock in higher future energy or maintenance costs.

Policy Recommendations:

- Allocate **InvestEU, Social Climate Fund, and cohesion funds** toward high-efficiency social housing.
- Offer **technical assistance and financial incentives** for local authorities to apply **high-performance, low-cost solutions** like EPS.
- Enable **public-private cooperation** to deliver scaled, rapid renovation.

4. Promote Durable, Circular, Low-Carbon Solutions

EPS insulation contributes to a resilient building stock with:

- **Decades of high thermal performance.**
- **Recyclability** through established and expanding circular loops.

- **Lightweight construction benefits, reducing transport emissions** and structural load.
- **Moisture resistance** and long-term **dimensional stability**.

With growing investment in **EPS recycling**, our industry is committed to circularity and waste reduction — provided **End-of-Waste (EoW)** criteria are implemented coherently across the EU.

Policy Recommendations:

- Ensure **practical and harmonised EoW** criteria to unlock EPS recycling investments.
- Adopt **performance-based procurement rules** that reward **longevity, recyclability**, and thermal performance.
- **Avoid overly prescriptive recycled content quotas** that disregard lifecycle realities of durable materials like EPS.

5. Build Smarter: Productivity, Digitalisation, and Modernisation

To effectively address Europe's housing shortage, the productivity of the construction sector must improve. This requires both **technological innovation** and **capacity building** across the value chain.

Modern insulation solutions like EPS are particularly well-suited to:

- **Offsite prefabrication**, enabling faster and higher quality construction.
- **Robotic installation processes**, reducing errors and addressing skilled labour shortages.
- **Digital design and permitting systems**, which streamline project approvals and reduce costs.

In addition, upskilling the workforce — from installers to architects — is crucial to ensure high-quality implementation of energy-efficient solutions, particularly in renovation projects.

Policy Recommendations:

- **Support the robotisation and automation** of construction sites, especially for insulation and façade works, **to increase productivity** and **reduce dependency** on manual labour.
- **Invest in offsite prefabrication solutions** using EPS systems, particularly for social and multi-family housing where scale and speed are essential.
- Develop and expand **training programmes** focused on **energy renovation skills**, including the correct use and installation of EPS-based solutions.
- **Digitalise and harmonise building permitting procedures** across Member States to reduce lead times, cut costs, and accelerate housing delivery.
- **Promote innovation in construction through EU funding and industrial policy**, prioritising high-impact, scalable materials and methods.

6. Unlock Funding Through Clear, Accessible Mechanisms

Despite the availability of substantial EU-level funding for housing and renovation, many potential beneficiaries — especially municipalities, **SMEs**, and social housing providers — face **barriers due to complex application procedures, inconsistent criteria across Member**



States, and burdensome administrative requirements. This hampers delivery, delays much-needed projects, and limits the impact of EU initiatives.

Additionally, **Green Public Procurement (GPP)** must become a more effective tool to drive the uptake of sustainable, high-performance solutions — but without creating new compliance burdens or excluding cost-effective materials.

Policy Recommendations:

- **Simplify and harmonise EU funding access rules** across Member States, ensuring predictable and transparent processes for all eligible stakeholders.
- Introduce **standardised templates and clear guidance** for funding applications, tailored to different stakeholder types (e.g., **SMEs**, local governments, cooperatives).
- Deploy **one-stop shop models** to help guide applicants through administrative, technical, and financial aspects of housing renovation and construction projects.
- Ensure **faster and more transparent evaluation** of applications with defined timeframes and **simplified** documentation requirements.
- Strengthen **technical assistance** at the local and regional levels to build capacity for implementing EU-funded housing initiatives.
- Embed **Green Public Procurement (GPP) criteria** that are:
 - **Performance-based**, rewarding **thermal performance, durability, and lifecycle efficiency**.
 - **Simplified**, with clear reference to EU-wide standards to avoid fragmentation.
 - **Supportive of local and EU-based products**, reducing environmental transport impacts and reinforcing supply chain resilience.
- **Align GPP criteria** with **circular economy goals, without imposing rigid recycled content thresholds** that may undermine performance or feasibility.

Conclusion: Resilient Affordability Requires Strategic Policy Design

The EU has a unique opportunity to define “affordable housing” as more than just cost-effective construction — but as a model for **social equity, climate responsibility, and economic resilience**.

To deliver this promise vision, policy must be guided by four core principles:

- **Renovate first:** Prioritising the deep renovation of Europe’s inefficient building stock is the fastest, most sustainable path to making housing truly affordable and climate resilient.
- **Think in lifecycles:** Affordability must reflect not just purchase or build costs, but the long-term cost of living — including energy bills, maintenance, and renovation needs.
- **Invest in proven, scalable solutions:** Durable, energy-efficient materials like Expanded Polystyrene (EPS) play a key role in delivering low-cost, low-emission housing — at scale and with circular potential.
- **Enable local delivery:** Unlocking EU funding, streamlining permitting, deploying Green Public Procurement (GPP), and supporting public housing requires clear rules, practical support, and empowered local actors.



The EPS industry is ready to contribute to this transformation by offering **durable, recyclable, and affordable insulation systems** that can be deployed rapidly across Europe – supporting national housing strategies, local renovation projects, and EU climate targets alike.

Now is the time to act. The European Affordable Housing Plan and Housing Construction Strategy must ensure that every euro invested delivers renovated or newly built homes that are **cost-effective to construct, affordable to live in, and sustainable for generations to come.**

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About EUMEPS

EUMEPS, the unified European voice of the Expanded Polystyrene (EPS) industry, is the premier advocate for EPS solutions. Representing every link of the EPS value chain, from large companies to SMEs, we are committed to fulfilling European environmental objectives. Through our 23 national associations and numerous recycling initiatives, we strive to elevate the circularity of our industry.

As a contributor to making Europe climate-neutral and resource-efficient, we showcase EPS as a smart choice in packaging and insulation. Stand by us in building a more resilient and sustainable tomorrow. www.eumeps.eu.