EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

Housing Task Force - DG ENER
Submitted electronically

Brussels, 28 May 2025

SUBJECT:
Call for Evidence for the European Affordable Housing Plan

Dear Sir/Madam,

The European Public Real Estate Association (EPRA) is the voice of Europe's listed real estate companies, their investors, and suppliers. With more than 290 members covering the entire spectrum of the listed real estate industry, EPRA represents over EUR 880 billion in real estate assets and 95% of the market capitalisation of the FTSE EPRA Nareit Europe Index.

EPRA's mission is to promote, develop, and represent the European publicly listed real estate companies. We achieve this by providing better information to investors and stakeholders, actively engaging in public and political debates, promoting best practices, and fostering cohesion and strength within the industry. In this role, we welcome the opportunity to provide our feedback on the call for evidence regarding the upcoming European Affordable Housing Plan.

Europe's housing markets are under severe strain. There is a sharp shortage of available homes, much of the existing stock needs investment to meet quality and energy efficiency standards, and housing costs—whether for renting, buying, or development—have drifted far beyond what most households can afford. The cost of addressing this challenge across seven European markets is estimated at EUR 12 trillion.[1] This puts the solution beyond the scope of most parliamentary cycles and the financial capacity of public authorities alone.

Therefore, the European housing crisis demands not only urgent and coordinated action but also a long-term strategy to deliver lasting results. While public investment is essential, private capital is crucial to scaling delivery at the speed and volume required. There is no one-size-fits-all solution; Europe's housing crisis is of pandemic proportions, and this emergency calls for a multi-stakeholder response to develop practical and lasting solutions. In Germany alone, 2.6 million homes are needed by 2030, while only 200,000 are being built each year. The public sector, alongside other long-term stakeholders, must align their objectives and jointly formulate a policy roadmap that can be delivered over the next decade and beyond.

As the European Commission undertakes its work, EPRA and its members stand ready to contribute.

Listed property companies unlock access to global capital, expertise, and a proven track record needed to help scale affordable, energy-efficient housing across Europe. However, unlocking their full potential requires a supportive regulatory framework, one that reduces red tape, enables faster access to capital, and removes remaining barriers to cross-border investment. We present targeted industry solutions in this call for evidence to help fuel the EU's housing response.

[1] See on this topic, INREV research paper - Solving Europe's Housing Challenge, page 28: https://www.inrev.org/system/files/2024-11/INREV-Solving-Europe%E2%80%99s-housing-challenge-paper-2024.pdf.

LISTED PROPERTY COMPANIES

Listed property companies are playing a tangible and growing role in addressing Europe's housing shortage and affordability crisis. With access to deep pools of institutional capital, long-term investment horizons, and strong ESG commitments, listed property companies are already delivering social value across several dimensions of the housing ecosystem. Their approach is grounded in sustained community development and neighbourhood-building. Their strategies prioritise stability, durability, and social impact over short-term returns, aligning more closely with public policy objectives around housing quality, infrastructure, and urban resilience.

Expanding housing supply where it's most needed

Listed property companies are actively managing or converting assets into residential units, including new projects in supply-constrained urban areas and the transformation of office buildings into mixed-use or residential spaces. This expansion targets major metropolitan areas where housing shortages are most acute, offering diverse housing types such as social, mid-market, student, and assisted-living units.

Supporting affordability and inclusion

Many listed property companies maintain price-controlled rent levels in parts of their portfolios, particularly in countries where regulatory frameworks or public partnerships incentivise affordability. Others implement long-term leasing models with public or non-profit partners, ensuring stable rent structures and prioritising vulnerable populations such as low-income households, people with disabilities, students, and the elderly. **These efforts are illustrated through concrete case studies provided in the annex to this document.**[2]

Engaging in public-private partnerships (PPPs)

Listed property companies increasingly operate within or alongside PPP frameworks, working with municipalities, universities, and social housing agencies. These models enable scale without compromising social impact. Long-term agreements with public bodies help bridge the gap between institutional investment and public housing goals, while also easing pressure on public budgets through private co-financing and risk-sharing.

Enhancing energy efficiency and sustainability

Energy-efficient retrofits and the shift towards sustainable building practices are embedded in the investment and development strategies of listed property companies. Many use green financing instruments to improve building performance and reduce tenants' energy costs. Key environmental initiatives—such as cutting greenhouse gas emissions, lowering water consumption, and increasing recycling—are positioned as both ESG priorities and cost-efficient strategies aligned with long-term affordability.

Addressing diverse and evolving housing needs

Beyond general housing supply, listed property companies also support segments often overlooked by traditional policy, including student housing, healthcare-related accommodation, and senior or co-living residences. These investments respond to demographic trends and help reduce pressure on conventional housing stock.

Balancing impact with financial viability

Listed property companies operate under a dual mandate: delivering consistent returns to shareholders while addressing public needs. Their ability to combine stable financial performance with social outcomes makes them well-positioned partners in delivering long-term housing strategies.

[2] See annex I.

KEY PERSPECTIVES AND RECOMMENDATIONS

EPRA welcomes the EU's commitment to addressing the housing crisis and supports the work of the Commission in shaping a sustainable, affordable and inclusive housing future for the EU. Listed property companies contribute private capital from both institutional and retail investors, along with the expertise and scale needed to drive impact. We call for policy and regulatory frameworks designed around three action pillars to fully leverage our role in delivering the solutions Europe urgently needs.

PILLAR ONE: Enabling scalable housing investment through a competitive framework

The right financial and regulatory conditions must be in place to mobilise the full potential of listed property companies in addressing the housing crisis. Real estate is a capital-intensive sector that depends on predictable financing tools and efficient development processes. Yet, current rules undermine project viability and delay new supply. A more supportive framework is needed to ensure housing investments can scale up quickly, efficiently, and sustainably.

1. Ensure regulatory balance and predictability: Inconsistent and unpredictable regulatory environments are a major barrier to housing investment. In countries like Spain, Belgium, or Ireland, planning approvals—urban and non-urban—can face judicial reviews that may overturn decisions even decades later. This legal fragility fuels uncertainty and discourages long-term investment. A constructive step forward would be to follow France's example, where ongoing discussions around new legislation aim to streamline legal timelines and reduce delays in housing development. Furthermore, in countries like Ireland and Germany, the excessive nature and aggravation of rental regulations have driven institutional investors out of the residential sector.

Similarly, year after year, the accumulation of regulatory and technical requirements—while providing only marginal improvements in comfort—continues to raise construction, maintenance, and operational costs. Real estate projects span several decades, and regulatory uncertainty increases perceived risk. Ensuring regulatory balance and predictability is also essential to enable the energy-efficient renovation of the EU's building stock and to deliver socially and environmentally impactful projects. To unlock large-scale housing delivery aligned with the climate reality of the 21st century, the EU and its Member States must provide both legal certainty and regulatory stability to attract long-term capital.

2. Align tax and financial frameworks to enable greater private sector participation in housing delivery: To reflect the capital structure of real estate better, the ATAD I interest limitation rules[3] should be adjusted to eliminate the asymmetrical tax treatment of listed property companies engaged in genuine economic activity, where borrowing is a legitimate and necessary part of funding large-scale projects. Furthermore, the current EU de minimis threshold[4] (€300,000 over three years) is structurally incompatible with large-scale housing delivery. This cap should be lifted for both renovations and new construction. Applying de minimis rules to real estate projects blocks access to essential public support and obstructs the delivery of affordable housing at scale. A tailored exemption for housing is needed to align state aid rules with the scale and impact of urban investment.

In addition, examples from across Europe—including Scotland's low-interest loans for mid-market rentals, Denmark's covered bonds backed by state guarantees, and tax-exempt savings products in Finland and France—show how smart public financial tools can lower financing costs and seed long-term private investment.

[3] Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market.

[4] Regulation 2023/2831 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

3. Enhance capital-raising flexibility for listed property companies: Despite recent amendments under the EU Listing Act, practical constraints—such as market norms and internal governance limits—continue to restrict equity issuance. Listed property companies need greater flexibility to use instruments like Accelerated Bookbuilds (ABBs) without undue regulatory or market constraints. Encouraging broader use of equity alongside debt would strengthen balance sheets and accelerate investment in housing.

4. Reduce planning bureaucratic barriers and accelerate permitting: Zoning and planning delays are repeatedly identified by stakeholders as key barriers to new supply. Through the Urban Agenda or other EU initiatives, Member States should be encouraged to implement maximum permit timelines (e.g., six to nine months) and adopt digital one-stop-shop systems to simplify and accelerate approval processes.

5. Encourage office-to-housing conversions and smarter urban land use: Urban regeneration presents major untapped housing potential. Many listed property companies are converting commercial properties into diverse housing types—such as social, senior and co-living units. This trend should be supported by targeted tax incentives and streamlined permitting. Public authorities can further accelerate regeneration by releasing publicly owned or underused administrative buildings and transforming dormant land into productive residential assets.

6. Support industrialised and modern construction methods at the EU level: Labour shortages, regulatory delays and rising costs are hindering housing delivery across Europe. Modern, productivity-focused construction methods—such as modular and serial construction—offer faster and more affordable alternatives. These methods should be formally recognised under EU funding mechanisms. Member States should also standardise module approval processes and reduce technical inconsistencies that prevent cross-border scalability, enabling industrialised methods to operate efficiently across the EU.

7. Ease procurement procedures for housing PPPs and promote Urban Planning Partnerships: Public authorities often lack the capacity to deliver large-scale housing alone. Listed property companies are increasingly working with municipalities, universities and housing agencies through public-private partnerships. However, complex procurement rules often delay progress and restrict flexibility. The EU should streamline procedures and introduce targeted exemptions for urgently needed housing. At the same time, encouraging Urban Planning Partnerships that actively integrate planners into the process can reduce red tape, accelerate urban regeneration and help shape more sustainable urban growth.

PILLAR TWO: Aligning green transition policies with real estate sector realities

Europeans spend an average of 25% of their income on housing.[5] Alarmingly, between 2010 and 2023, house prices in the EU rose by 48%, while rents increased by 22%.[6] At the same time, buildings are responsible for over 30% of the EU's total environmental footprint, making the built environment the single largest contributor to environmental impact in the bloc. This places the sector at the heart of the EU's transition to a low-carbon economy and society. To address these challenges, the EU has established a comprehensive legislative framework for buildings. It aims to achieve a fully decarbonised building stock by 2050 and to double the annual renovation rate by 2030. These efforts are intended to improve energy efficiency, reduce energy poverty, and lower overall housing costs.

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[5] See on this topic: European Environment Agency Report Addressing the environmental and climate footprint of buildings, September 2024:
https://www.eea.europa.eu/en/analysis/publications/addressing-the-environmental-and-climate-footprint-of-buildings.

[6] See on this topic: Housing in Europe, 2024 edition, Interactive publications, Eurostat:
https://ec.europa.eu/eurostat/web/interactive-publications/housing-2024.

Decarbonising the operation of existing buildings is essential to meeting the EU's net-zero target by 2050. It is also key to delivering decent, affordable housing, where energy efficiency and access to renewables contribute directly to quality of life and long-term affordability. However, while listed property companies already embed top-tier energy efficiency standards in their operations and play a leading role in upgrading Europe's building stock, the drive toward ever-higher performance thresholds must be balanced against the urgent need for affordable housing. High sustainability ambitions are important, but applying the most advanced standards across all projects can be cost-prohibitive. A pragmatic, flexible approach that prioritises both environmental impact and economic viability is essential to avoid setting unrealistic or exclusionary expectations.

8. Make sustainability reporting fit for the real estate sector to unlock long-term investment in regeneration and retrofit: To mobilise investment in energy-efficient housing, we recommend improving the coherence and usability of the EU sustainable finance framework. As policymakers review the Sustainable Finance Disclosure Regulation (SFDR), particular attention should be given to supporting transition finance by integrating relevant and practical indicators that enable the disclosure of progress towards energy efficiency targets. We also support the creation of a dedicated category within the framework to facilitate transition strategies in real estate. This could include binding elements, such as: acquiring properties with the intention to renovate and improve Energy Performance Certificate (EPC) ratings, or committing to emissions reductions aligned with science-based pathways or other clearly defined greening objectives.

Further improvements should include alignment between SFDR, the European Sustainability Reporting Standards (ESRS), the Energy Performance of Buildings Directive (EPBD), the Corporate Sustainability Reporting Directive (CSRD), and the EU Taxonomy. Harmonising these frameworks would streamline reporting, foster a common language between investors and companies, and improve transparency, comparability and credibility. Lastly, we encourage alignment with external standards such as the UK's Sustainability Disclosure Requirements (SDR) to support cross-border consistency and boost investor confidence.

9. Harmonise EPCs to reflect buildings' real energy performance: The implementation and content of EPCs vary significantly across Member States.[7] The recent revision of the EPBD did not adequately address these discrepancies. We therefore call for a unified and comprehensive EPC system, alongside harmonised criteria for nearly zero-energy buildings (NZEBs), to ensure consistency in standards and terminology across the EU. We also advocate for greater alignment between the EPBD and the EU Taxonomy Regulation to ensure that the EPBD's 'worst-first' principle is fully reflected in Taxonomy-aligned investment criteria.

10. Clarify and simplify EU State aid rules: We propose targeted incentives for sustainable development, including direct subsidies and tax benefits for energy-efficient and renewable energy projects. Greater support for R&D in low-carbon innovations is needed, alongside a shift away from fossil fuel subsidies and the introduction of green financial instruments for environmentally beneficial investment. Regulatory reforms should prioritise green projects in state aid allocations and promote capacity-building for stakeholders. In addition, we call for strengthened public-private partnerships focused on sustainable housing to reinforce the EU's commitment to a resilient and climate-aligned housing market.

11. Promote property technology (PropTech) to decarbonise housing: Currently, 89% of European buildings are not meeting their green targets.[8] This presents both a challenge and an opportunity for

[7] See the factsheet on this topic, jointly produced by EPRA and the World Green Building Council: https://www.epra.com/application/files/1016/9710/0002/EPRA__WGBC_Factsheets_on_the_EU_Taxonomy.pdf.

[8] See Yardi X EPRA Proptech Survey 2024, The Adoption of Proptech in European Listed Real Estate, October 2024: https://go.yardi.eu/epra-proptech-survey-2024.

innovation. Property technology offers a powerful avenue to deploy smart solutions that drive energy efficiency, monitor building performance, and accelerate sustainability outcomes. Promoting PropTech will be key to creating a smarter, greener housing sector.

12. Align current EU policies with the next multiannual financial framework: Housing must be fully integrated into Europe's broader priorities—competitiveness, resilience, climate and energy policy, cohesion, and territorial development—recognising its essential role in achieving social and environmental goals. We call on policymakers to improve coordination across EU funding streams, particularly those linked to the Renovation Wave, to reduce fragmentation and ensure housing is treated as a core priority. The EU can also serve as a platform for exchanging best practices among stakeholders, particularly for local authorities, to strengthen political will and collective action on housing.

13. Develop a unified strategy for buildings through the EU Affordable Housing Plan: EU policy currently addresses housing through fragmented regulations on energy, construction products, climate, and finance. We recommend developing a unified housing strategy that covers all lifecycle stages, integrates environmental and financial dimensions, and encompasses the full housing ecosystem. This approach would foster synergies, uncover investment opportunities, and avoid counterproductive trade-offs.

14. Facilitate the participation of the listed real estate sector in the Affordable Housing Dialogue: EPRA, as the voice of Europe's listed property companies, has an important role in sharing our sector's perspectives, strengths, and commitment to contribute to housing and sustainability targets in Europe. Given the specificities of our sector and its pivotal role in these issues, EPRA would welcome the possibility of participating in expert or working groups, allowing us to share our industry inputs on key files such as SFDR, CSRD, EU Taxonomy, EPBD, as well as the upcoming initiatives on the Whole Life Carbon (WLC) in the building sector.

PILLAR THREE: Unlocking REITs' full potential to accelerate Europe's housing transformation

Over the past decades, 13 Member States have established national regimes for Real Estate Investment Trusts (REITs), creating a European success story. REITs are professionally managed listed property companies that own, operate, and develop real estate assets over the long term to generate returns from rental income and capital appreciation. They are required to distribute a high share of earnings as dividends to shareholders. Currently, more than 240 REITs operate across Europe, managing over EUR 326 billion in assets. They play a key role in upgrading the EU's building stock to meet net-zero targets while providing essential assets to the EU economy, including social and affordable housing. REITs are among the most effective and widely recognised vehicles for attracting institutional capital—particularly from pension funds—into the property market. They operate under a tax-transparent model, under which taxation occurs at the investor level rather than at the vehicle level, making them well-suited for long-term investment.

However, the lack of harmonisation and mutual recognition among Member States limits the potential of REITs to benefit the European economy and its citizens fully. In comparison, the US REIT framework, a single and unified regime, greatly increases the sector's impact. It gives US REITs a competitive edge in pursuing opportunities, leaving the EU market far behind.

15. Ensure mutual recognition of REIT regimes across the EU to enable further cross-border investment: The lack of interoperability between national REIT regimes poses a significant barrier to cross-border housing investment, adding legal complexity and restricting scalability. At present, REITs based in one Member State are unable to access or operate under the REIT frameworks of others, limiting capital mobility within the Single Market. Harmonising core REIT rules across the EU would enable REITs to operate on equal terms across borders, unlock greater investment flows, and direct capital toward underserved and high-need housing markets.

16. Remove barriers preventing REIT investment in existing residential stock: Outdated regulatory restrictions—such as Germany's prohibition on REIT investment in residential buildings constructed before 2007—hinder much-needed retrofitting and urban regeneration. Removing such constraints would unlock capital for existing housing, particularly in dense urban areas, where land is scarce and sustainability gains are most impactful.

17. Promote PPPs as a scalable model: Effective partnerships between REITs and public actors—such as municipalities, universities, and social housing providers—already exist in some Member States. These long-term lease models have demonstrated the potential to balance long-term affordability with financial viability. However, the adoption of such frameworks remains uneven. Standardising PPP models across EU REIT regimes would help scale their impact and provide cities with the investment capacity they urgently need.

18. Expand REIT regimes to include infrastructure and renewable energy investments: Most REIT regimes in the EU still limit investment in infrastructure, including renewable energy, despite growing demand for sustainable, energy-efficient housing. Some Member States, like Belgium, have already updated their REIT framework to allow investments in utilities and energy-related assets. Extending this flexibility across other REIT regimes would support decarbonisation goals and enable integrated investment in housing and its supporting infrastructure.

POLICY RECOMMENDATIONS

We invite the European Commission to include listed property companies as strategic partners in the upcoming European Affordable Housing Plan.

Listed property companies serve as effective vehicles for channelling both institutional and retail capital towards housing development. They combine financial scale with operational expertise to enhance local capacity and support municipalities in addressing urgent housing needs, making them powerful allies in the effort to build sustainable, inclusive cities.

1. Enabling scalable housing investment through a competitive framework

- Ensure regulatory predictability to reduce risk and attract long-term housing capital.
- Exempt housing from the de minimis aid cap and align EU tax rules with real estate economics.
- Expand capital-raising flexibility for listed property companies, including ABB usage.
- Set EU-wide permitting deadlines and create digital one-stop shops to accelerate approvals.
- Support office-to-housing conversions through tax incentives and fast-track permitting.
- Promote strategic reuse of underutilised public land and vacant buildings for housing.
- Support industrialised and modern construction methods at the EU level.
- Simplify procurement rules for housing PPPs and promote Urban Planning Partnerships.

2. Aligning green transition policies with real estate sector realities

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- Align SFDR, EPBD, CSRD, and EU Taxonomy to simplify ESG reporting and enable transition finance.
- Standardise EPCs and NZEB definitions across Member States to enable comparability.
- Prioritise green projects in State aid rules and support subsidies for sustainable development.
- Promote PropTech adoption to improve building performance and decarbonisation.
- Integrate housing as a strategic priority in the next EU budget and across funding programmes.
- Develop a unified housing policy strategy that integrates financial and climate goals.
- Include listed real estate as a strategic partner in the Affordable Housing Plan and upcoming expert groups.

3. Unlocking REITs' full potential to accelerate Europe's housing transformation

- Harmonise REIT regimes across the EU to enable increased cross-border housing investment.
- Remove outdated barriers limiting REITs' investment in existing residential stock.
- Standardise PPP frameworks for REITs to scale affordable housing delivery.
- Broaden REIT eligibility to include infrastructure and renewable energy assets.

We are confident that implementing these recommendations can bring meaningful relief to housing market pressures and support durable, future-proof outcomes. In the meantime, EPRA is readily available to provide any additional information you may need. You can reach us directly at publicaffairs@epra.com.

About EPRA

For 25 years, the European Public Real Estate Association (EPRA) has been the voice of Europe's listed real estate companies, investors, and their suppliers. EPRA achieves this through providing better information to investors and stakeholders, active involvement in the public and political debate, promotion of best practices, and the cohesion and strengthening of the industry. With more than 290 members (companies, investors, and their suppliers), EPRA represents over 880 billion EUR of real estate assets (European companies only) and 95% of the market capitalisation of the FTSE EPRA Nareit Europe Index. Find out more about our activities on www.epra.com.

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Annex I – Case Studies: How Listed Property Companies Are Shaping the Affordable Housing Market

VONOVIA

Case Study: Vonovia (www.vonovia.com) – A scalable approach to housing supply and affordability

Vonovia, Germany's largest residential real estate company, provides homes to over one million people across nearly 500,000 units. As a long-term neighborhood developer, Vonovia goes beyond housing by investing in social infrastructure and climate-resilient urban ecosystems. Its comprehensive approach addresses Germany's acute housing shortage while aligning with the European Union's sustainability agenda.

A HOLISTIC APPROACH TO COMMUNITY-CENTRIC HOUSING

Vonovia adopts a "neighborhood-first" development model that integrates housing with modern infrastructure and essential services. Across its portfolio, the company delivers not just homes but also kindergartens, care services, and shared mobility hubs. This model ensures access to affordable living while fostering community cohesion. As Germany struggles to meet the target of 400,000 new homes annually, Vonovia positions itself as a key player in bridging this gap through high-volume, socially anchored development.

ADDRESSING SYSTEMIC CHALLENGES IN THE BUILDING SECTOR

Germany's real estate sector faces rising costs, regulatory instability, and interest rate pressure. Between 2020 and 2023, building costs surged over 42%, while interest rates quadrupled. Vonovia advocates for a stable, investment-friendly policy environment that supports long-term planning and rent-based returns. With €100 billion annually required for new builds and up to €250 billion for retrofitting existing stock, Vonovia emphasizes the need for coordinated public-private funding models to make housing development viable.

MODERNISING THE BUILT ENVIRONMENT FOR A LOW-CARBON FUTURE

As a major emitter, the building sector stands central in EU climate policy. Vonovia is deeply engaged in decarbonizing its portfolio, supporting the revised Energy Performance of Buildings Directive (EPBD) and Mortgage Portfolio Standards (MPS). It has cautioned against defining the EPBD's "worst-first" principle too narrowly, arguing that focusing solely on the least efficient buildings may overlook the significant energy savings achievable through renovating mid-efficiency stock. Vonovia advocates for a broader, more flexible framework that recognizes the value of integrating renewable energy sources across the efficiency spectrum. In parallel, it pushes for harmonized rules on zero-emission definitions and taxonomy alignment. The company also promotes industrialised and serial construction methods to cut costs, improve speed, and boost scalability.

ADVOCATING FOR SUSTAINABLE FINANCE AND MARKET ACCESS

Vonovia sees capital markets as pivotal to delivering on Europe's dual mandates of affordable housing and climate neutrality. It calls for a robust EU taxonomy that supports emissions-reduction investments, streamlines aid rules for large developers, and aligns financing with long-term climate and social targets. By advocating for clearer, more predictable regulatory frameworks, Vonovia aims to unlock large-scale private capital for sustainable development.

Vonovia combines execution at scale with long-term vision. By modernising housing delivery and driving climate resilience, it plays a central role in solving two of Europe's biggest challenges—affordable homes and a sustainable built environment.

Case Study: Inclusio (www.inclusio.be) – A social impact listed property company model tackling the housing crisis in Belgium

Inclusio positions itself as a mission-driven real estate company directly addressing Belgium's housing crisis. It combines social impact, financial accessibility, and environmental sustainability within a scalable and profitable investment model. Inclusio actively develops, acquires, and manages a growing portfolio of social-purpose housing. As of the end of 2024, their portfolio included 1,364 affordable housing units, 155 residential units and care facilities for individuals with disabilities, and 14 social infrastructures such as reception centres for asylum seekers and homeless people. Their investment focus is on urban areas with populations over 50,000 and strong public transport access. Long-term leasing agreements (15+ years) are preferred, particularly with public and nonprofit partners.

GUARANTEED AFFORDABILITY THROUGH B2B LEASING

Inclusio offers below-market rents (typically 30% to 40% lower) by leasing properties long-term to social housing agencies (AIS), municipalities, CPAS (Public Social Welfare Centers), and non-profits, who then sublet them to target populations. This model ensures affordability for tenants and income security for Inclusio, with no vacancy or unpaid rent risks.

COMMITMENT TO SOCIAL INCLUSION

Inclusio's target groups include low-income households. people with disabilities, asylum seekers and homeless individuals, and foster children and vulnerable families. Beyond residential assets, Inclusio invests in community-focused facilities like care centers and local infrastructure.

ENVIRONMENTAL SUSTAINABILITY

Inclusio prioritises energy efficiency through the acquisition of high-performance buildings, renovations (insulation, efficient boilers, solar panels), as well as the Implementation of circular economy principles, including material reuse and CO_2 reduction goals.

IMPACT-DRIVEN PROFITABILITY

Inclusio maintains a balance between social return and financial performance, offering a 4.5% gross rental yield in 2024 while sustaining dividend payouts. This hybrid model aligns traditional real estate investing with measurable impact, offering both a return for institutional and retail investors while helping fund the housing market needs.

Inclusio makes tangible contributions to solving the housing crisis by increasing the supply of social and affordable housing, enforcing rent control strategies, promoting social inclusion and resilience and committing to environmental sustainability.

Case Study: Xior (www.xior.be) – Expanding student housing with social impact across eight EU countries

Xior, a listed property company focused on student housing, addresses a key but often overlooked segment of the housing crisis. By expanding supply in high-demand university cities and offering a range of pricing, it contributes to both affordability and quality of life for students in Europe.

INCREASING TARGETED SUPPLY OF STUDENT HOUSING

In 2024, Xior added approx. 2,100 new units to its portfolio, reaching a total of 20,695 student housing units in 8 EU countries, with more in the pipeline. Its strategy targets university hubs with acute shortages, prioritising well-connected, central locations. The focused approach helps ease pressure on broader rental markets by offering dedicated student housing where demand is high.

ADDRESSING AFFORDABILITY THROUGH FLEXIBILITY AND PARTNERSHIPS

Xior provides a mix of price points, including budget options across various cities in which it operates, catering to diverse student income levels. In addition, Xior partners with various educational institutions – primarily in Belgium and the Netherlands – through nomination agreements and partnerships. These partnerships help provide lower-cost housing units while maintaining high standards of service and sustainability.

EMBEDDING SOCIAL AND ESG GOALS

Xior frames its mission within a broader social responsibility agenda. Its approach goes beyond simply increasing unit numbers, it focuses on student well-being and community-building. By treating student housing as a resilient and socially impactful asset class, Xior aligns financial sustainability with public benefit.

Xior's model illustrates how listed property companies can support housing affordability and supply by targeting underserved niches, like student accommodation, and combining investment scale with social purpose. With the right policy support, this approach can be replicated across markets to address housing needs inclusively and efficiently.

Case Study: Nexity (www.nexity.fr) – Accelerating urban regeneration through strategic partnerships and sustainable development

Nexity, France's leading listed real estate group, is moving urban development forward by integrating comprehensive urban planning into its real estate projects. With operations spanning all areas of real estate development and services, Nexity is committed to creating more welcoming and affordable cities. By embedding urban planners into the decision-making process, Nexity enables stakeholders to move more swiftly towards urban regeneration.

TRANSFORMING RETAIL SPACES INTO MIXED-USE URBAN HUBS

In a landmark partnership, Nexity has joined forces with Carrefour, the French retail giant, to redevelop 74 sites across France over the next decade. These sites, identified by Carrefour, will be transformed into mixed-use developments featuring homes, service residences, offices, and shops. Approximately half of these sites, located in city centers, will undergo full renovation, while the others, situated on shopping center car parks or city outskirts, will be newly constructed.

The ambitious program encompasses 800,000 square meters of development, with over 80% dedicated to residential properties, translating to 12,000 homes. Notably, one-third of these homes are earmarked for social and intermediate housing. Additionally, around 150,000 square meters will be allocated to retail space. This initiative represents the first partnership of its scale in France and underscores Nexity's commitment to urban regeneration, addressing challenges like urban sprawl and the energy transition.

PIONEERING SUSTAINABLE CONSTRUCTION AND BIODIVERSITY INTEGRATION

Nexity has been recognized as the leading project owner by the Association for the Development of Low-Carbon Building (BBCA) for six consecutive years. In 2024, the company conducted a biodiversity dependency study to assess its interactions with ecosystem services, particularly concerning construction materials. As part of its biodiversity policy, Nexity integrates green spaces into its projects and employs natural techniques for stormwater management. These efforts reflect Nexity's dedication to sustainable construction and environmental stewardship.

Nexity exemplifies how a major listed real estate developer can drive urban regeneration through strategic partnerships, sustainable practices, and comprehensive urban planning. Its collaboration with Carrefour to transform underutilised retail spaces into vibrant, mixed-use communities sets a precedent for addressing urban challenges and promoting sustainable development.

Case Study: IRES REIT (www.iresreit.ie) – Scaling mid-market rental housing through Ireland's REIT Framework

The establishment of a Real Estate Investment Trust (REIT) regime in Ireland in 2013 catalysed the creation of Irish Residential Properties REIT plc (IRES REIT), now the country's largest private residential landlord. IRES REIT specialises in delivering professionally managed, mid-market rental homes, primarily serving key workers across Ireland's urban centres.

EXPANDING IRELAND'S RENTAL HOUSING SUPPLY

As of 2025, IRES REIT owns and operates over 3,600 residential units, located in Dublin. The company focuses on providing high-quality, professionally managed rental accommodations that cater to the needs of Ireland's growing urban population. With a portfolio occupancy rate of 99.7% in 2025, IRES REIT demonstrates strong demand for its housing offerings.

ESG PRINCIPLES INTO OPERATIONS

IRES REIT embeds Environmental, Social, and Governance (ESG) considerations into its business strategy. The company's ESG framework is structured around three core pillars: Operating Responsibly, Protecting the Environment, and Building Communities.

Operating Responsibly: IRES REIT maintains high standards in health, safety, business ethics, and compliance, ensuring responsible governance practices across all levels of the organization.

Protecting the Environment: The company actively works to minimize emissions and resource use, promote biodiversity, and implement sustainable supply chain practices. In 2024, IRES REIT advanced its energy efficiency initiatives by initiating a retrofitting programme across its portfolio to improve energy performance. This has yielded very positive results for the company and residents alike, demonstrating the potential of low-carbon technologies.

Building Communities: IRES REIT is committed to creating diverse, welcoming communities that support residents and contribute positively to the wider society.

IRES REIT exemplifies how the introduction of a REIT framework can stimulate the development of a robust, professionally managed rental housing sector. Through its focus on mid-market rental homes, integration of ESG principles, and commitment to community building, IRES REIT plays a pivotal role in addressing Ireland's housing challenges and setting a standard for sustainable urban living.

Case Study: AEDAS Homes (www.aedashomes.com) – Scaling affordable housing through public-private partnerships and innovation

AEDAS Homes, one of Spain's leading residential developers, is driving systemic housing transformation through public-private partnerships and the use of Modern Methods of Construction (MMC). Complementing its core offering, which focuses on the mid-to-mid-high end of the market, AEDAS Homes has launched a new division offering inclusive, sustainable development, notably becoming a key player in Madrid's affordable housing strategy.

TRANSFORMING SPAIN'S HOUSING MARKET WITH PPPs

AEDAS Homes has successfully diversified the product offering developed through its platform to respond to new ways of living and in line with its commitment to providing access to affordable housing. This shift has been facilitated by strategic public-private partnerships, particularly with the Madrid regional government. Under the "Plan Vive" initiative, AEDAS Homes has a development portfolio of 4,500+ turnkey affordable rental units across 26 developments, of which 2,060 have already been handed over. These partnerships tackle the shortage of quality urban rental housing by combining expertise with public support to speed up delivery.

BOOSTING SUPPLY WITH MODERN METHODS OF CONSTRUCTION

To overcome Spain's construction bottlenecks, labour shortages, permitting delays and rising costs, AEDAS Homes has scaled up the use of industrialised construction methods. Well over a third of the company's developments are now built partially or fully offsite, using techniques that include bathroom pods, precision-built facades and mass timber structures. These innovations cut timelines, lower environmental impact and improve product consistency, essential for affordable housing at scale.

DRIVING AFFORDABILITY THROUGH EFFICIENCY AND CO-INVESTMENT

AEDAS Homes complements its core development activity by providing end-to-end development services to third parties, primarily through co-investment opportunities with institutional partners and family officess. In the past two years, the company has closed co-investment deals with capital commitments of over EUR 400 million, cementing its reputation as the go-through industrial partner in the Spanish real estate development space, and is currently managing some 1,800 active units for third parties. These models bring private capital into affordable housing while maintaining efficient, scalable delivery.

EMBEDDING ESG IN RESIDENTIAL DEVELOPMENT

AEDAS Homes integrates environmental and social responsibility at every stage. All projects undergo Life Cycle Assessments and must meet sustainability benchmarks such as its proprietary Green Book or BREEAM certification. For example, 71% of the developments completed in financial year 2024/25 achieved an AA energy rating, and the company is also committed to circular practices, aiming to recover 80% of non-hazardous construction waste by 2026.

AEDAS Homes demonstrates how listed developers can address Europe's housing crisis through innovation, ESG commitment and collaboration with the public sector. Its PPP-led delivery of affordable rental developments, combined with industrialised construction and investor partnerships, offers a replicable blueprint for cities facing supply constraints.

Case Study: Cofinimmo (www.cofinimmo.com) – Expanding inclusive housing through healthcare real estate

Cofinimmo, a European leader in healthcare real estate, offers a targeted response to the housing crisis by focusing on the development and renewal of healthcare infrastructure for the benefit of its users. With 77% of its EUR 6 billion portfolio dedicated to healthcare assets across nine European countries, Cofinimmo expands housing options for those in need of care, while embedding sustainability principles into its operations.

EXPANDING HOUSING FOR VULNERABLE GROUPS

Cofinimmo actively develops and renovates care facilities, including nursing and care homes, psychiatric clinics, medical office buildings and specialised housing for people with disabilities. Through design-build partnerships with healthcare operators, it helps increase the availability of housing adapted to Europe's ageing population and growing care needs, an often-overlooked dimension of the housing crisis.

IMPROVING ACCESSIBILITY AND AFFORDABILITY

The company regularly audits its buildings to enhance accessibility for persons with reduced mobility. Cofinimmo reduces long-term costs for operators and residents through energy-efficient design and collaborative energy-saving agreements, covering 80% of its lease surfaces. Its use of sustainable financing tools also reflects a commitment to indirect affordability through lower operational expenses.

LEADING ON ESG INTEGRATION

With Science Based Targets initiatives (SBTi) such as a 30% reduction in energy intensity of its portfolio by 2030 (compared to 2017) and the aim for a net-zero society by 2050, Cofinimmo aligns housing delivery with environmental and social priorities. Its financing is increasingly linked to green and social criteria, including sustainability-linked loans and BREEAM-certified assets.

CAPITAL RECYCLING FOR SOCIAL IMPACT

Cofinimmo actively divests non-strategic assets (like office buildings) to reinvest in healthcare infrastructure, and also indirectly contributes to urban transformation and mixed-use projects, supporting housing adaptability and long-term sustainability.

Cofinimmo demonstrates how listed property companies can play a crucial role in the housing ecosystem by delivering care-oriented housing, enhancing accessibility, and integrating sustainability principles into every stage of the real estate cycle.