

# Executive Summary

Social housing plays a crucial role in addressing homelessness and mitigating the negative impacts of housing financialisation[1] on society at large. Unlike purely market-driven affordable housing, social housing fosters the creation of a **community-based ecosystem** where a dwelling is not just a house but a space where fundamental human rights and essential services are guaranteed. This approach enhances social cohesion and long-term well-being, ensuring that housing is a foundation for dignity rather than a speculative asset.

However, financial and regulatory barriers hinder the success of social housing providers. To address this, FEBEA, the European Federation of Ethical and Alternative Banks and Financiers has identified the following challenges with related policy recommendations:

- **Social economy sensitisation:** There is a critical need to sensitise the banking sector to alternative models of financing. A more inclusive financial ecosystem would support the social economy and enhance the viability of social housing initiatives. Strengthening an **educational and policy framework** that encourages financial institutions to engage with and support the social economy is essential.
- **Access to funding:** Social housing providers operate within a funding vacuum. They often face a paradox where **loans are either unavailable or, when accessible, come with prohibitive conditions**. While affordable financing could

significantly boost the sector, the lack of tailored, favourable financial products, combined with subsidies or guarantees, restricts expansion and sustainability. Policymakers should foster a financial landscape that recognises the value of social housing by ensuring accessible, affordable, and tailored funding mechanisms.

- **Disproportionate prudential framework:** Current EU banking regulations overly burden small ethical finance providers focussed on the real economy, while large profit-driven players navigate the system with more ease. Ensuring that regulatory frameworks do not **disproportionately burden smaller, high-impact social housing providers** compared to large profit-driven entities is fundamental to fostering sustainable, long-term investment in the sector at accessible costs.

These **recommendations in this paper are targeted towards EU policymakers**, particularly the Commissioner for Energy and Housing Dan Jørgensen and his Cabinet, the cross-DG Project Group on Affordable Housing in the European Commission, and the HOUS Special Committee in the European Parliament. The upcoming pan-European platform for affordable and sustainable housing managed by the European Investment Bank (EIB) must **prioritise small, community-rooted financiers** committed to social inclusion. The Social Climate Fund, as a social justice tool, should also prioritise fixed-cost, quality housing as a fundamental human right.

[1] United Nations, [Financialisation of Housing](#)