DG COMP/F2
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Brussels, 30 July 2025

SUBJECT:

Call for evidence: EPRA's feedback on state aid – revision on services of general economic interest, in particular on housing

Dear Sir/Madam,

The European Public Real Estate Association (EPRA) is the voice of Europe's listed real estate sector, representing over 290 publicly listed property companies (including Real Estate Investment Trusts 'REITs') with a combined EUR 880+ billion in assets. EPRA's members are long-term owners, managers, and developers of real estate across Europe, committed to sustainable and inclusive growth. Many listed property companies are directly engaged in housing – from investing in affordable and mid-market rental homes to converting underused buildings into housing – bringing global capital, expertise, and scale to help address Europe's housing crisis. We welcome the opportunity to contribute to the European Commission's call for evidence on revising the State aid rules for Services of General Economic Interest (SGEI) in housing, and we fully support the broader European Affordable Housing Plan slated for 2026.

The revision of Services of General Economic Interest (SGEI) State aid rules for affordable housing is a timely and critical step. Current State aid rules have not fully facilitated affordable housing investment at scale. While social housing SGEIs currently benefit from a clear exemption (unlimited compensation without prior approval, under the 2012 SGEI Decision), there is currently *no explicit definition or framework for "affordable housing" SGEIs.* In practice, this gap means that large-scale affordable housing projects often cannot use the simplified SGEI route. Given the current limitations and practical inaccessibility of the existing SGEI frameworks for many housing providers, many are left relying on the general EU de minimis threshold under Regulation 2023/2831 (€300,000 over three fiscal years). However, this threshold is far too low to support meaningful investment in affordable or mid-market housing projects.

In this input, we outline EPRA's key recommendations for a revised SGEI framework that can unlock more affordable housing investment. These recommendations build on EPRA's previous positions – emphasising regulatory certainty, flexibility, and fairness – and align with the perspective of Europe's listed real estate companies as **long-term partners in delivering affordable homes**. We also highlight illustrative case studies from EPRA members showing how listed property companies are already contributing to affordable housing solutions across Europe.

BACKGROUND AND CONTEXT

Housing affordability has become a continent-wide concern. Most Member States face critical housing shortages – especially in major cities – and rising housing costs have become a major social and economic challenge. The European Commission has established a Task Force on Affordable Housing and plans to introduce a comprehensive Affordable Housing Plan in 2026. A central component of this effort is ensuring that State aid rules enable, rather than impede, investments in affordable housing.

Member States may need to deploy various support measures (grants, loans, tax incentives, regulatory tools) to catalyse affordable housing development. It is essential that EU State aid rules allow such measures to be used broadly and efficiently, without undue administrative hurdles.

Under current rules, SGEI compensation is a mechanism that can allow public support for important services (like social housing) without constituting illegal State aid. The 2012 SGEI Decision explicitly includes social housing as an SGEI, permitting Member States to entrust social housing providers with a public service mandate and compensate them accordingly. Notably, social housing SGEIs under the Decision are not subject to a compensation ceiling, and no prior notification to the Commission is required so long as the SGEI conditions are met. This reflects the recognition that housing for the most vulnerable is a legitimate public service. However, "affordable housing" – aimed at lower-to-middle income households who struggle with market prices – **is not clearly defined in the current SGEI rules**, which makes it difficult for Member States to design affordable housing support schemes under the Decision.

The absence of a tailored SGEI provision for affordable housing has led to asymmetries and inefficiencies in the market. The scale of Europe's affordability gap demands the mobilization of **all relevant housing providers**. Limiting affordable housing support to only public or non-profit entities would overlook the capacity of private-sector actors to deliver at scale. Many EPRA members possess the resources and expertise to significantly expand the supply of affordable and mid-market housing, provided the right framework is in place. Listed real estate companies typically operate with *long-term investment horizons*, making them well-suited to own and manage affordable housing sustainably.

Finally, it is important to align SGEI rules for housing with other EU priorities, notably the Green Deal and ESG goals. Investing in affordable housing should go hand-in-hand with improving energy efficiency and social outcomes. The Commission's call for evidence rightly notes that costs linked to renovations of social and affordable housing will be eligible for SGEI financing. EPRA strongly supports including renovation and conversion of existing buildings as eligible activities under affordable housing SGEIs. This recognizes that *improving* the quality and sustainability of the housing stock is just as critical as building new units. Many listed property companies are already leading in this area and a reformed and more inclusive SGEI framework can encourage more such projects by ensuring that *renovation and conversion costs are also explicitly eligible for compensation*. This will maximize the policy impact – delivering affordable homes that are also energy-efficient and socially inclusive.

In summary, the SGEI rule revision is an opportunity to **create a level playing field** and unlock greater investment in affordable housing. It should provide **regulatory certainty and flexibility** so that a wide range of actors (public, non-profit, and private) can contribute to affordable housing goals, under clear conditions that target genuine need and prevent market distortions. EPRA's specific recommendations are detailed below.

KEY PERSPECTIVES AND RECOMMENDATIONS

EPRA's recommendations focus on ensuring the revised SGEI rules are clear, inclusive, and conducive to large-scale investment in affordable housing. We suggest the following key principles and provisions be incorporated:

Define "Affordable Housing" clearly, with EU-wide guidance but local flexibility

A workable definition of affordable housing for SGEI purposes is essential. We support the Commission's intention to establish a definition "for State aid purposes only" that will delineate what types of housing services can be compensated under the SGEI Decision. However, we agree with other stakeholders that concepts like "market failure" must be used carefully since many housing affordability problems stem from regulatory and supply constraints, not traditional market failure.

Indeed, several structural challenges contributing to the housing crisis stem not from market failure *per se*, but from longstanding inefficiencies in publicly managed systems. These include slow and fragmented planning and permitting procedures, excessive regulatory complexity, and the phasing out of support mechanisms that previously incentivised housing delivery. Before broadly categorising housing affordability issues as systemic market failures requiring wide-ranging SGEI designation, the European Commission should encourage Member States to undertake an independent and transparent assessment of the root causes of supply constraints and the performance of existing public and social housing schemes. Spain's recent experience is instructive: rent control measures introduced under the 2023 Housing Act aimed to address affordability, but instead constrained supply and led to continued price pressures — largely because they failed to address underlying regulatory bottlenecks and relied on public aid focused narrowly on social housing, which remains severely undersupplied.

Furthermore, EPRA believes the notion of "market failure" requires clearer definition and boundaries. If left too vague, it risks being applied so broadly that large portions of the residential market could fall under SGEI designation, therefore diluting the intended specificity and exceptional character of such a framework, which is meant to apply only where the market demonstrably cannot fulfil a public interest function under normal conditions.

Finally, the SGEI definition must explicitly safeguard competitive neutrality. Without such guarantees, Member States may adopt policies that oblige private actors to deliver affordable housing within mixed-use schemes, without ensuring equitable compensation or under conditions less favourable than those applied to public or non-profit actors. This imbalance already manifests in certain Member States, where private-sector participants face obligations without access to the same fiscal or regulatory advantages. The result is often internal cross-subsidization within projects, where the cost burden is ultimately shifted to market-rate tenants or buyers—undermining overall affordability and distorting housing markets.

Ensure broad eligibility: Open SGEI participation to private and for-profit housing providers

All relevant housing providers – public, non-profit, and private for-profit – should be eligible to deliver affordable housing SGEIs on equal footing. We cannot afford to exclude the private sector's resources from contributing to affordable housing objectives. Crucially, any form of compensation—whether financial (subsidies, compensation schemes), regulatory (e.g., additional development rights), or procedural (e.g., fast-tracked permitting)—should be **transparent, objectively measurable, and equally accessible to all categories of housing providers.** Compensation mechanisms that are impractical or inapplicable for certain providers risk undermining competitive neutrality. Ensuring broad accessibility will help preserve a level playing field and prevent distortions across different tenure models and investor types.

If a private for-profit actor is willing to undertake an affordable housing project under the same conditions as public or non-profits bodies, they should have access to equivalent public support. The new SGEI rules should prohibit any systematic exclusion of for-profit providers. Limiting SGEI compensation only to public or non-profit actors would not only be discriminatory, but also counter-productive – it would sideline the investment capacity of the private sector, leading to fewer affordable homes built overall. Since many private for-profit actors refrain from engaging in affordable housing due to low or non-existent profit margins, excluding them from State aid measures and compensation mechanisms under the revised SGEI framework would only worsen this trend and deepen existing asymmetries.

In economic terms, creating a *genuine level playing field* for all housing providers under SGEI will minimise distortions. **If only certain "privileged" providers get aid, others face unfair competition and may withdraw from affordable segments.** But if aid is available to any provider meeting the criteria, competition can occur on who delivers the best quality affordable housing most efficiently. This incentivises innovation and cost-effectiveness, ultimately benefiting tenants and the public.

Include renovation, conversion, and diverse tenure types in eligible activities

The affordable housing challenge will not be solved by new construction alone. Renovating and repurposing existing buildings is a vital part of increasing affordable housing supply, especially in urban areas where space for new builds is limited and where older buildings can be converted to residential use. EPRA strongly welcomes the Commission's proposal to clarify that costs linked to the renovation of social and affordable housing can be supported under SGEI rules. We urge that this be explicitly written into the revised Decision/Communication. Beyond renovation, conversion of non-residential buildings into housing should equally be deemed eligible. Many listed property companies are already engaged in adaptive reuse projects – turning offices, retail, or industrial sites into housing – which serves both urban regeneration and housing supply goals. We have numerous examples of listed property companies transforming underutilised retail spaces into new mixed-use neighbourhoods, often incorporating a significant share of affordable housing. EU rules should not inadvertently exclude such innovative projects; indeed they should encourage them as sustainable development (recycling buildings and land). Furthermore, and more specifically, we would suggest clarifying that the co-location of market-rate and below-market units within a single project cannot, in itself, be regarded as sufficient or sustainable compensation. From a competition and investment perspective, such cross-subsidization may soften the impact for certain providers, but it ultimately shifts the financial burden onto the market-rate units and, by extension, onto private end-buyers or tenants. This undermines both affordability and fairness in the wider housing market.

Likewise, the SGEI framework should be tenure-neutral. The consultation rightly asks whether certain tenures should be prioritized, but EPRA believes **no single tenure model should be defaulted or favoured by the EU rules**. Member States should have the flexibility to support affordable rental schemes, affordable homeownership programs, or both, depending on local needs. Listed companies contribute in both spaces: many focus on affordable and mid-market rental, while some (like developers in EPRA's membership) also deliver affordable homes for sale to occupants. For instance, an Irish aid scheme approved in 2023 supports the building of apartments for sale to owner-occupiers at below-market prices in cities, showing that ownership initiatives can also tackle affordability. The revised SGEI rules should accommodate such approaches, perhaps by specifying that *affordable housing SGEIs can cover either rental or owner-occupied housing, as defined by the Member State's scheme*. What matters is the public service objective (making housing accessible), not whether it's via renting or buying.

In summary, broadening the scope of activities and tenure types will make the SGEI tool far more useful. Affordable housing SGEIs should be **flexible to cover new builds, renovations of existing housing, conversion from other uses, and both rentals and affordable homeownership**. This flexibility will allow each Member State to craft programs that address their specific housing gaps – be it refurbishing dilapidated stock in one region or incentivising new affordable rentals in another – while still operating within a common EU State aid-compatible framework.

Ensure adequate compensation, remove arbitrary aid caps, and simplify administration

The SGEI regime is the appropriate path to allow much larger support, but EPRA advocates for greater flexibility regarding the current compensation ceiling, provided that a level playing field is maintained and appropriate transparency safeguards are in place. The goal is to avoid discouraging larger projects or portfolios. For example, a listed property company might be ready to invest in a program of 5,000 affordable units, which over a year or two could involve well above EUR 15m in cumulative gap-funding – the rules should accommodate that without forcing a switch to the burdensome framework.

We advocate for an SGEI framework that combines flexibility with clarity: clear definitions and conditions to prevent abuse, but flexibility in who can deliver and how projects are designed; no low caps that stifle ambition; and administrative simplicity to promote wide usage. With these elements, the revised rules can unlock significant private sector participation in affordable housing delivery, complementing public efforts without crowding out the market.

Our recommendations:

- Facilitate investment from both public and private sectors in delivering efficient and scalable housing solutions;
- Maintain competitive market dynamics while supporting actors that deliver verifiable public benefit;
- Support both the construction of new housing and the renovation or adaptation (e.g., office-to-residential) of existing buildings; and
- Ensure open and fair access for all types of providers, avoiding discriminatory or anti-competitive effects.

EPRA is readily available to provide any additional information you may need. You can reach us directly at publicaffairs@epra.com.

SUPPORTING CASE STUDIES: LISTED REAL ESTATE DRIVING AFFORDABLE & SOCIAL HOUSING

The case studies below reinforce a common theme: **listed real estate companies and REITs are already deploying long-term capital to meet affordable and social housing needs**. What they require from policymakers is a stable, fair framework that *rewards* these activities instead of penalising them. By implementing the recommendations above, the EU will send a strong signal that **all housing providers willing to contribute to affordability are welcome partners**, and that public support will be accessible to bridge viability gaps. This will catalyse more investment and innovation, ultimately delivering more affordable, high-quality homes for Europeans, which is the shared goal of this initiative.

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 neighbourhood 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 "neighbourhood-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 Centres), 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, foster children and vulnerable families. Beyond residential assets, Inclusio invests in community-focused facilities like care centres 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 centres, will undergo full renovation, while the others, situated on shopping centre 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 organisation.

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.

AEDAS HOMES

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 combines its core development activity with an asset-light model via its Real Estate Services division. This platform provides end-to-end development services and co-investment opportunities for institutional partners and family offices. 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.