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EU State Aid reform as an opportunity for the construction products industry

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What has the SGEI to do with affordable housing

- Exemption from the general State Aid ban for **Services of General Economic Interest** (SGEI)
- In the case of housing – restriction to programmes targeting vulnerable households = **social housing**
- International comparison of housing policy models shows that models which also include middle-income groups are **more efficient**, e.g. the ‘Vienna model’
- Austria can apply its model because it already existed before EU accession
Other countries failed with EU-notification of new subsidy models
- Long-standing dissatisfaction with these State Aid regulations. With the new EU **Commissioner for Housing**, Dan Jørgensen, this is now changing

Revision of SGEI regulations

- Public consultation on the draft revised SGEI Decision until 4 November 2025
- New exemption category for affordable housing, defined as:
“housing for households who are not able, due to market outcomes and notably market failures, to access housing at affordable conditions”
- Previously, only **social housing** was compatible with EU Competition Law
Now this should also apply to **affordable housing**
- Final adoption planned by the end of 2025 as part of the **European Affordable Housing Initiative**

Why is this good news for the construction industry?

- Filling the **affordable housing gap** has the greatest potential for increased new housing construction across Europe
- Existing successful affordable housing models e.g. in Austria, Nordic Countries, the Netherlands, France
- Current new approaches in Ireland, Slovakia, Slovenia, Germany etc.

To do's on EU-level

- New affordable housing sectors should pursue the following objectives:
 - rapid scaling
 - establishment of resilient institutional structures
 - with robust supervisory frameworks
 - high quality standards
 - social targeting
 - forward-looking land policy
 - minimal use of public funds
- Development and introduction of appropriate financing models
- Creating a competitive environment between such models in order to identify the most efficient ones and recommend them for replication