

European Commission



European Construction Sector Observatory
Providing valuable insight on the European construction industry

Dear subscribers,

The ECSO team wishes you happy winter holidays and a good start of the new year!

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The European Construction Sector Observatory

The European Construction Sector Observatory aims to inform European policymakers and industry stakeholders on the market conditions and policy developments through regular analysis and comparative assessments. Visit the [ECSO website](#) and gain access to a wide range of industry data and analysis. ECSO has all the information you need to stay up to date with the latest news and receive practical information about the construction sector in Europe.

[28 Country Fact Sheets](#), more than [90 Policy Fact Sheets](#), [6 Analytical Reports](#) and [3 Trend Papers](#)

In this Newsletter you will find:

- 6 New Policy Fact Sheets**
- Analytical Report on Housing**
- 6 New Country Fact Sheets**

[Construction news and events](#)

Housing in Europe

Housing markets across Europe are increasingly facing demand pressures, especially in cities. Growing populations and urbanisation create the need for additional housing, while house prices increase across the EU. As the **EU building stock ages**, we need to take into consideration the **quality of living spaces, energy efficiency, and housing affordability**. Member States have launched a number of policies, schemes and initiatives to address this situation.



Analytical Report on housing affordability and sustainability in the EU


The report provides a comprehensive overview of **housing market** characteristics as well as **housing affordability in the EU-28**, using the latest statistical data to identify **common trends and deliver a detailed picture of housing in Europe**. The report assesses the state of play of housing affordability and sustainability, analysing some of the key drivers and obstacles. Furthermore, **policy insights** and lessons learnt from Member States (MS) are highlighted.

The executive summary is available in six EU languages (English, French, German, Spanish, Italian and Polish).

[See the full Report](#)

Policy Fact Sheets


ECSO identifies and analyses specific policy measures that are being implemented in each EU country to stimulate construction sector employment, growth and opportunities. The conclusions are presented in the policy measure fact sheets, organised by the 5 thematic objectives of the Construction 2020 Strategy.



Slovakia

Created in 1996, the State Housing Development Fund (SHDF) (Štátny fond rozvoja bývania, ŠFRB) was initially set up to improve the poor state of the housing stock. Today, it supports **energy renovation of residential buildings** through residential loans. Between 2000 and 2016, the SHDF supported the renewal of more than **214,000 dwellings**, amounting to 25% of the total residential housing stock by 2018. Additionally, SHDF is one of the biggest contributors to the Slovakian **CO2 reduction and energy saving** targets


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Romania

In 2002, with the help of the PHARE Programme (pre-accession financial instrument to Central and Eastern European countries), the Romanian government launched the **National Programme for Buildings of Public or Social Interest** (Programul Național de Construcții de Interes Public sau Social, PNCPIS). It aimed to improve local infrastructure in urban areas and to rehabilitate historical, cultural and social heritage buildings and spaces. PNCPIS is currently implementing over **300 investment projects** amounting to over **EUR 312 million by 2020**.

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Lithuania

Shortage of social housing is a major issue in Lithuania. Demand for such housing has been increasing continuously due to persistent unemployment and a rising number of households at risk of poverty. To meet the growing demand for affordable housing, the Lithuanian Ministry of Social Security and Work developed the **Municipal Social Housing Development Plan**. The Plan provides municipal social housing to eligible families and individuals. Extended to 2023, there is some concern whether the measure will deliver the planned number of housing units.

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Poland

In Poland, the **Apartment Plus Programme** represents a set of government actions, aiming to increase **public and private sector investment in affordable housing**. The programme's beneficiaries are young families and people with low and moderate incomes, as well as investors, social housing associations, cooperatives and municipalities. **Local government plays an important role in the programme implementation**. There are plans for the building of **100,000 apartments** by the end of 2019.

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Denmark

Social housing in Denmark represents 20% of the total housing stock in the country, amounting to **595,000 social dwellings**. To ensure the **sustainability of financing for social and affordable housing**, the National Building Fund (NBF) was set up as a self-governing institution. It provides **loans and subsidies for Danish housing associations**. First established in **1967**, the Fund continues to be a successful instrument of the Danish housing policy. The Fund follows a non-profit social housing financial model, considered to be very stable and secure.

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Latvia

The quality of the building stock is a growing issue in Latvia, where **69% of dwellings are located in multi-apartment buildings**, mostly built between 1965 and 1990. Financial support for the renovation of these buildings is crucial to ensure a better quality and energy efficiency of living spaces. To address the **renovation and energy efficiency challenge**, the Latvian Government launched the **Renovation of Multi-Apartment Buildings (RMAB) 2014-2020 programme**.

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New Country Fact Sheets are online


Three new **Country Fact Sheets** are now available to download, focusing on the construction markets of **Austria, Belgium, Croatia, Malta, Luxembourg and the Netherlands**. The Reports provide an analysis of key figures, macroeconomic indicators, economic drivers, issues and barriers, innovation, the national/regional policy and regulatory framework, and the current status and national strategy to meet Construction 2020 objectives.



Country Fact Sheet Austria

The demand side of the **housing market in Austria** has been supported by **low interest rates on mortgage loans, rising income and overall improving consumer confidence**. Coupled with a continuously growing number of households, demand for housing is expected to persist over the coming years. These developments are in line with strong growth in housing investments, amounting to EUR 16.2 billion in 2017. The **house price index for the country grew by 14.3% between 2015 and 2017**. This development is even more pronounced in Vienna, where house prices have been increasing consistently since 2003.


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Country Fact Sheet Belgium

The **Belgian housing market became more dynamic**. Similarly to other Eurozone countries, falling interest rates on mortgages and continuous wages growth have made housing investments more desirable. However, with the **price growth rate outpacing income growth**, there are concerns about an overvaluation of the housing market. In parallel, household indebtedness has reached 60% of GDP. This is reflected in the **large increase in outstanding residential mortgages**, which stood at 217.1 billion in 2016.


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Country Fact Sheet Croatia

In line with the broad construction sector, the housing market in Croatia is also recovering, as reflected in the rising house price index. The growth in the property market is mainly supported by **government subsidised housing loans and lower interest rates**. In 2017, a subsidised loan scheme was put in place to increase the access to housing for individuals below the age of 45. The Croatian **residential sector is characterised by fragmentation with large differences between the coastal areas and continental Croatia**. Property prices in popular tourist destinations are driven by foreign demand, causing supply shortages.

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Country Fact Sheet Malta

The Maltese market for residential properties was less affected by the crisis than housing markets in other EU countries. The **house price index was marked by an upward trend**, growing by 11.1% over the 2015-2017 period. The steep rise of housing prices raises the question of **affordability and access to housing** for the Maltese population. To address these issues and to meet the growing demand for **social housing**, the Maltese Housing Authority will be implementing a EUR 50 million investment plan over 2016-2020 for the construction of social housing units and associated infrastructures.


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Country Fact Sheet Luxembourg

The **housing market in Luxembourg benefits from significant investments (+22.5% between 2010 and 2017)**. This is due in part to a growing demand, supported by a strong demographic growth and low mortgage rates. However, housing supply has not kept up, as there is an annual average of **2,600 new dwellings built while 6,300 new properties are needed to respond to the demand**. This situation generates challenges in terms of housing affordability, urban sprawl and traffic congestion.

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Country Fact Sheet Netherlands

The housing market is one of the main drivers of the construction sector in the Netherlands. The **surge in housing prices has been attracting investment in residential construction**. Price increases are related to the market's traditional association with a limited supply due to constraints in development space in cities, along with rising demand. Another characteristic, however, is the large share of **social housing, totalling 2.9 million rental dwellings**.

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Construction Events

Construction is changing rapidly, with new business models, concepts and technologies being introduced to best respond to new demands and requirements. To keep you aware, please find below a quick summary of upcoming events.

Awards for VET Excellence announced during the European Vocational Skills Week



The fourth European Vocational Skills Week once again included a Nominees Awards Celebration event. The event was held in Helsinki on 17 October in the presence of **Marianne Thyssen, European Commissioner for Employment, Social Affairs, Skills and Labour Mobility**.

The award-giving encompasses the following:

- Recognises excellence;
- Provides visibility and recognition for good work done;
- Motivates those taking part, whether individuals or organisations;
- Enables the building of networks and new career opportunities;
- Enables the winners to become ambassadors in their field of expertise;
- Reaches out to citizens through online voting.

In the category "Companies and learners", 3 of the winners awarded were from the construction sector. A Northern Ireland apprentice in carpentry and joinery won the individual apprentice award. In the sub-category "Large companies", this year's winner was the Turkish construction machinery company **HIDROMEK**, for its participation in the programme "VET Project in Cooperation with industrialists". The Hungarian company **Hot&Cold Therm Kft** became the winner in the sub-category "Training at Work Award". The firm was honoured for introducing a highly effective vocational training for its employees, which resulted in reducing the fluctuation of personnel.

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