

Housing Affordability and the Next Generation

Youth Precarity in the EU

2026

HIGHLIGHTS

- ▶ Housing affordability has deteriorated sharply for younger generations across most EU Member States
- ▶ Young people face growing housing precarity, driven by high costs, insecure tenure and limited access to ownership
- ▶ Housing crises take different forms across Europe, but income strongly shapes exposure to housing issues and housing precarity
- ▶ Intergenerational gaps in housing access threaten long-term economic security and social cohesion

Introduction

Housing opportunities and stability early in the life course is foundational for individual, family and societal well-being. Stable housing supports healthy lives by reducing stress and integration into a community. It fosters financial resilience through the ability to accumulate savings and invest in education or employment opportunities. Moreover, it facilitates family formation by allowing individuals to form relationships and become parents with confidence.

Early housing stability generates long-term benefits that extend beyond individuals to broader social and economic outcomes, strengthening both social cohesion and economic productivity across the European Union. Since the 1960s, mortgages have enabled generations of Europeans to own their own homes, build wealth (Waldenström, 2024), and gain

financial security to start families and depend on in old age.

The housing market has fallen behind in supplying housing as construction eased off after the 2009 financial crises and demand increased as the housing market became more financialised (European Commission, 2025; European Central Bank, 2025). The type of housing in demand also changed with population aging and the increase of single-person households (Directorate-General for Economic and Financial Affairs et al., 2025). These factors, among others, pushed up the house prices and rents (Directorate-General for Economic and Financial Affairs et al., 2025).

As a result, substantial inequalities have built up which threaten housing opportunities and housing stability of current and future generations (Galster and Wessel, 2019; Fuller, Johnston, and Regan, 2020; Hochstenbach et al., 2025). Today Europeans

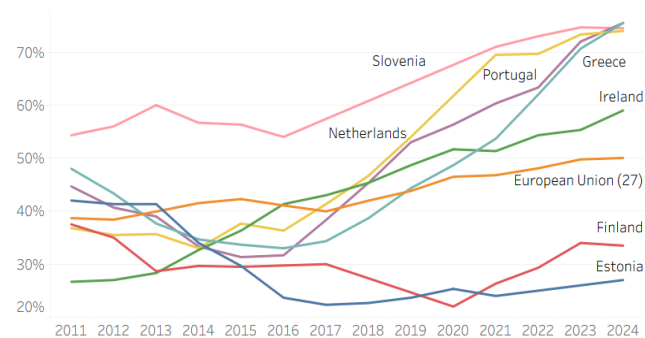
may face housing precarity and steep trade-offs when it comes to housing.

In this policy brief we explore for whom and where housing is a source of stress and economic burden. First, we look at dissatisfaction with housing and its trends over time. We explore trends in young people's income and housing affordability in generations born since the 1960s. Second, we will assess how concerned EU households are about housing, whether they face concrete housing problems, and the extent to which they experience housing precarity. Housing precarity occurs when households face persistent housing difficulties with little chance of improvement. We also examine housing precarity in relation to household income.

Trends in housing dissatisfaction

The Youth Progress Index (European Youth Forum et al., 2025) indicates that between 2011 and 2024 young people have become increasingly dissatisfied with affordable housing¹ across many countries. Over the last decade, the share of young people dissatisfied with affordable housing has increased to half of the young population. This broad deterioration in housing affordability for younger generations has worsened during the Covid pandemic. However, the magnitude of such deterioration varies substantially across countries, as shown in the graph below.

Figure 1 – Trends in housing dissatisfaction among youth (share of youth aged 15-29)



Source: Youth Progress Index 2025

¹ Data from Gallup word poll. 'Dissatisfaction with housing affordability' measures the proportion of respondents (aged 15-29) answering 'dissatisfied' to the question, "In the city or area where you live, are you

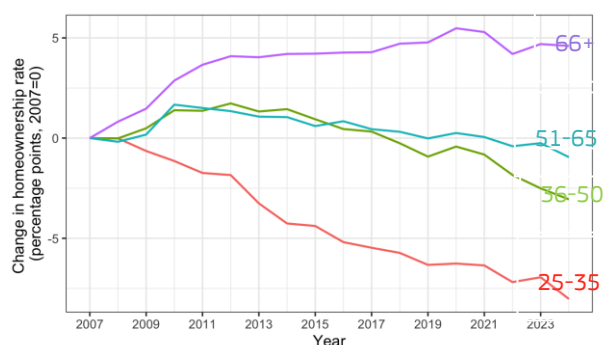
'Intergenerational fairness is a cross cutting topic - it affects all of us, but especially young people.'

President of the European Commission, Ursula Von der Leyen, September 2024

Young People and the Changing Path to Homeownership

A recent JRC study (Ciccolini et al 2025) details an age-group and generational analysis for several EU countries, focusing on housing and income. The authors conclude that young adults in the EU are significantly less likely to become homeowners than previous generations at the same age. Figure 2 shows that across EU Member States, homeownership rates among 25–35-year-olds have declined by 25% since 2007, while homeownership among those aged 65+ has increased.

Figure 2 – Changes in homeownership across age-groups



Source: Ciccolini et al, 2025 | Note: 2007=0

Since 2011, young adults (25–35) have become much more likely to rent at market prices rather than own a home. While average housing cost overburden rates declined after 2011, this trend masks a deterioration in affordability for young renters, particularly in urban areas where housing affordability challenges are the most acute as rent overburden rates are highest and house prices have increased fastest. In most West and North European member states the housing cost overburden rates are twice as high as in rural areas. Yet, young people

satisfied or dissatisfied with the availability of good, affordable housing?"

continue to move to cities for education and employment, despite high housing costs.

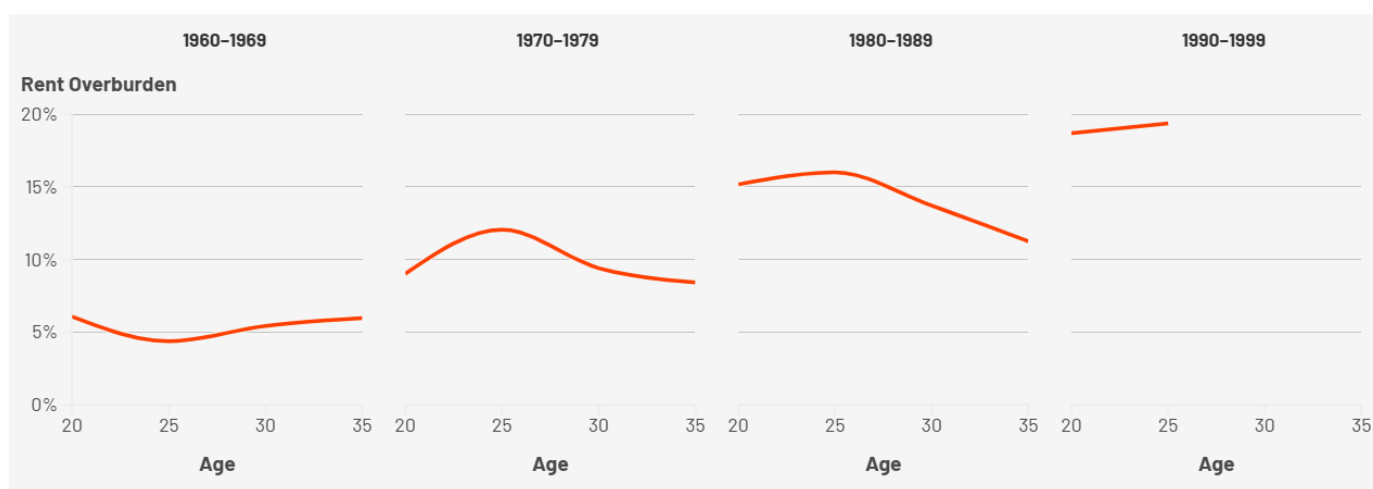
Buying a house normally requires a certain level of stability in life (e.g. a stable job and sufficient income and savings) that is built up over the life-course. To understand how housing affordability is evolving over time, Ciccolini et al (2025) compare whether young people today fare better or worse to young people in the past.

Comparing generations at the same age shows a strong deterioration in both ownership and rental affordability. At age 35, individuals born in the

1980s are far less likely to own a home than those born in the 1960s. The gap exceeds 30 percentage points in countries such as Ireland, Spain and Germany, and is also substantial in Greece, Austria and Luxembourg.

Figure 3 shows around 14% of people born in the 1980s experienced rent overburden at the age of 30, compared with 9% of those born in the 1970s and just 3–5% among those born in the 1950s and 1960s. These differences are not explained by age alone but reflect deteriorating access to housing for younger generations.

Figure 3 – Rent overburden rates in the EU across generations



Source: Authors reproduction based on Ciccolini et al, 2025

Youth Housing Affordability

This section explores housing affordability by discussing housing worries and issues reported by households where youths (15-29) are present.

Research from EqualHouse project shows a large proportion of European youths face housing issues or precarity (From Housing Inequality to Sustainable, Inclusive and Affordable Housing Solutions)² (Gielens, Seo, and Dewilde, 2025). Their data are visualised in Figure 4 and 5. In most countries, less than half of all youth households feel comfortable with their housing situation (see left panel). The remaining youth households experience either worry about housing costs despite ability to pay or face cost overburden and quality issues (see box for methodology). These issues range from a single

issue such as overcrowding to housing precarity: the accumulation of persistent quality and cost issues with little prospect of improvement.

Countries can be grouped according to the type of housing issues that predominate, either worries or objective issues. In Southern and Eastern European states, objective issues are the most common, affecting roughly 30% of households. Here, sharply rising rents and the prevalence of low-quality dwellings combine to create housing cost and/or quality issues.

High housing costs prevent savings, force tenants to move to lower rent and lower quality housing. Homeowners may also be suffering from inadequate housing while being unable to afford renovation or relocation while energy prices and living expenses outstrip pensions or labour income.

² This project has received funding from the European Union Horizon Europe research and Innovation programme under grant agreement 101132325.

In the Northern and Western EU member states, up to two-thirds of youth households are worried about their housing situation. That is, they feel insecure about their housing situation even when objective measures of deprivation are modest. In these countries, households may have to live in housing not suitable for their needs, that is far from their place of employment (Howard, 2025). These issues also weigh on families undermining their financial resilience and ability to plan and build their future.

Figure 4 – Most youth households experience housing worries or issues



Source: authors based on Gielens, Seo, and Dewilde, 2025.

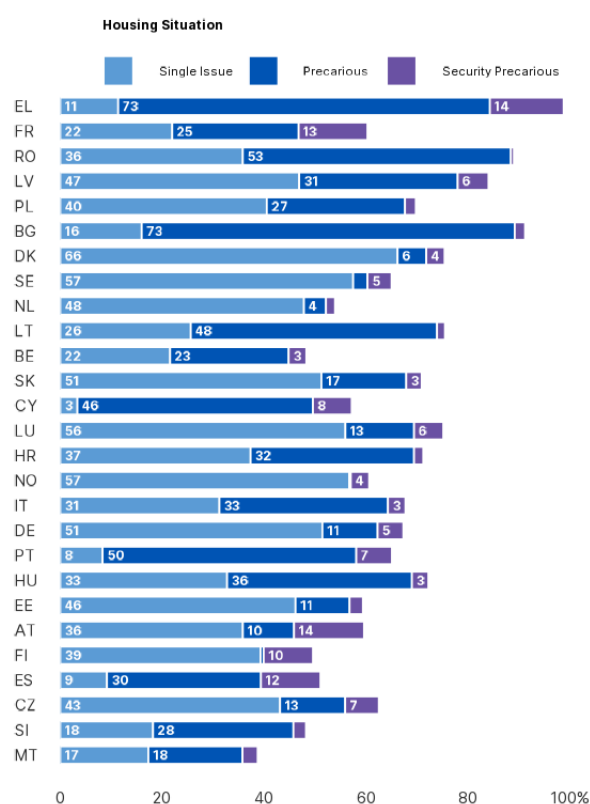
Only a handful of countries, Austria, Czech Republic, Slovenia, Spain, Finland, and Malta, show at least 40% of youth households that describe their housing situation as “comfortable”. In the Czech Republic and Slovenia, the relatively high share of comfortable households is likely linked to the transition to democracy, when occupants could buy their house for a low price and municipalities retained some housing for the public housing stock.

The right panel of Figure 4 shows the level of housing issues and precarity of the **bottom-40% of youth households in terms of income**. The majority experience objective housing issues, while 20–30% are worried. Comparing the left and right panels of Figure 4 shows that low-income youth households experience objective issues at twice the rate as all youth households.

Objective issues and precarity

Youth households are further distinguishable in the severity of the issues they face. The single-issue households experience either overburden or overcrowding. The precarious group experience multiple and persistent housing quality or cost issues. Security precarity is a condition involving multiple concurrent and persistent quality and cost issues (see Box: Methodology), including the risk of eviction. Figure 5 shows the share of low-income households which face housing issues or precarity.

Figure 5 – Housing issues and precarity among low-income youth households



Source: authors based on Gielens, Seo, and Dewilde, 2025.

Patterns of housing affordability

Building on the overall distribution of housing issues, this section examines how comfort, issues (Figure 4) and precarity (Figure 5) evolve with income across Member States, revealing distinct national patterns. In some countries cost of living and income inequalities have a large impact, in other countries, the housing crisis has not materialised into objective issues or financial distress.

1) Countries with consistently high comfort levels and little housing precarity: Both **Malta and Slovenia** show a strong baseline of comfort across the population, with only modest changes as household income rises. Issues are rare, making Malta and Slovenia the top performers in overall comfort.

2) Countries where comfort improves sharply with income: In **Czech Republic, Spain, Finland, and Austria** households with higher incomes feel markedly more comfortable than those on lower incomes. Although the poorest households have high comfort levels (20%) compared to other countries they still face several issues, most of these difficulties disappear as income rises and overall comfort is high (above 40%).

3) Countries with steady, moderate gains in comfort as income rises: In **Denmark, Germany, Estonia, Hungary, Italy, and Portugal** comfort rises gradually with income, and single issues and precariousness linger for all income groups. The improvement is noticeable but not as steep as in the previous group.

4) Countries where worries dominate the picture: In **Belgium, Cyprus, Luxembourg, Netherlands, France, and Sweden** worry is prevalent across the board. More than 30-40% of the population report worry. Issues and precarity are mostly absent from the top 60% earning youth households.

INFO BOX: METHODOLOGY

Data on housing precarity were provided by Gielens, Seo, and Dewilde, 2025. They used the EU-SILC data to examine what combinations of housing issues are concurrently reported within households. The indicators used included housing cost overburden, subjective financial burden, ability to keep home adequately warm, utility arrears, rent or mortgage arrears, overcrowding and housing deprivation. Their latent class analysis showed eight groups which were reduced to three for the purpose of this policy brief (Table 1). The data shown in the policy brief refer to the EU-SILC data from 2023.

Table 1 – Precarity groups and their descriptions

Precarity groups in Gielens et al, 2025	% of all EU households	Precarity in Policy Brief	Description
COMFORTABLE	30%	Comfortable	No housing issues.
WORRIED	18.5%	Worried	Worried about housing costs.
VERY WORRIED	15.8%	Worried	Very worried about housing costs.
OVERCROWDED	9.3%	Single Issue	Housing overcrowding follow Eurostat definition.
OVERBURDENED	8.0%	Single Issue	Total housing costs exceed disposable income by varying margin depending on household income ³ .
QUALITY PRECARIOUS	7.3%	Precarious	energy poverty, utility arrears and low-quality housing but no rent or mortgage arrears
COST PRECARIOUS	7.5%	Precarious	Same as quality, additionally, housing cost overburden
SECURITY PRECARIOUS	3.2%	Security Precarious	All issues of the previous two groups and additionally has frequent rent or mortgage arrears which implies risk of eviction

Source: authors elaboration based on Gielens, Seo, and Dewilde, 2025

³ Note that the overburden cost threshold in this research diverges from Eurostat. Here overburden is defined as a "person living in household where total housing costs exceed a variable threshold of disposable income ('net' of housing allowances). Variable threshold: 25% for 1st

quintile, 30% for 2nd quintile, 40% for 3rd quintile, 50% for 4th-5th quintile."

In addition, two further groups of countries can be identified based on the extent of issues and precarity:

5) Countries with housing issues across the board: In **Croatia, Latvia, Poland**, and **Slovakia** households face issues (either overcrowding or costs) which remain pronounced regardless of income while precariousness is substantively lower in higher income households.

6) Countries facing high levels precarity: In **Greece, Bulgaria**, and **Romania** the lowest-income groups experience precarity such as severe deprivation and inability to cover costs and comfort stays low across the whole population. In Greece and Bulgaria households are especially burdened by high precarity. Together, these challenges affect roughly three-quarters of the population in each country.

Despite these general patterns, there are countries that demonstrate high housing security precariousness with over 5% of the low-income households at risk of eviction - Greece, Spain, France, Cyprus, Austria and Finland. The high prevalence of security precariousness in these countries likely have diverse causes, including overall housing quality, opportunities and location. For example, Finland has one of the lowest rates of housing issues and precarity among higher income youth households in Europe. Yet also a disproportionately high rate of the most severe housing problem, security precariousness, across income levels. In contrast, most youth households in Greece experience high levels of housing precarity with a proportional section of the population experiencing security precarity.

By analysing the drivers of the housing crisis and the layers of population most exposed (typically low-income young people), Member States can target actions to tackle the issue more effectively.

Conclusions

Home ownership has shifted from being a broadly accessible foundation of economic security and social cohesion to a key driver of inequality between and within generations. For generations entering adulthood after the 2000s, access to affordable, secure, and adequate housing has deteriorated markedly across most EU Member States.

Research highlighted in this policy brief shows that, compared to previous generations at the same age, today's young adults are significantly less likely to own a home and more likely to face rent overburden. These gaps cannot be explained by life-course effects alone; they reflect a lasting deterioration in housing affordability for younger generations. As housing assets increasingly concentrate among older cohorts and those with family support, unequal access to housing is reinforcing intergenerational inequalities and threatening long-term social cohesion.

The findings in this brief show that housing precarity is now widespread and takes multiple forms. Low-income households are most exposed to **housing issues**, including cost overburden, poor housing quality, energy poverty, and insecurity of tenure. These conditions undermine financial resilience, limit labour market participation, and weaken long-term life planning.

At the same time, large segments of middle- and higher-income households experience **housing worries**, characterised by persistent anxiety about housing costs and constrained choices regarding location and suitability, even when objective deprivation is limited.

Home ownership is for many Europeans difficult to achieve and many also struggle to pay rent for adequate and quality housing. National differences highlight that the housing crisis does not uniformly manifest across Europe, yet income remains a powerful determinant of housing outcomes. The bottom 40 % of youth households consistently face substantially higher risks of precarity. These groups are most likely also unable to afford housing at all, experiencing security precariousness. For middle- and upper-income households, there is widespread worry about housing costs or experience with a single issue related to quality or costs, depending on the country.

Housing affordability has many more important and intersecting issues that could not be addressed in this policy brief. For example, housing assets play a large role in whether the next generation in a family can own or rent affordable and quality housing (Hochstenback and Allbers, 2024). There is also the role of taxation, where member states need to balance between enabling renovations and housing transfers for low-income families while also preventing speculation on the housing market.

Lastly, the level of urbanisation shapes the types of issues households face, with cost overburden being more prevalent in cities while quality issues are more prevalent in rural areas. These disparities vary across member states. In a few cases like Bulgaria and Romania, these aggregate trends are reversed.

Policy Actions

The housing crisis is an issue of inequality where a growing proportion of the population sees limited possibilities while those with familial support, either as income or wealth, have some opportunity but may need to take suboptimal decisions (Howard, 2025). In many cases this primarily impacts the youth, who lack the resources to acquire quality and affordable housing, but has long term impacts by creating uncertainty and lowering the financial resilience of families.

To be able to more accurately track the housing crisis, Eurostat indicators should be broken down more often by income quintile, age-group, level of urbanisation and region to get a better understanding of the socio-economic and geographic dimensions.

Housing remains the competence of Member States; however, the European Union can facilitate national and regional programs to boost the affordability of housing.

For example, the Affordable Housing Plan aims to help member states utilise existing buildings and refurbish them in line with Green Deal, encourage investment in new houses and make existing housing outside cities more desirable by expanding transportation options.

These actions could alleviate the widespread worries on housing costs in northern and western European countries where housing is high quality but costly when in sought-after locations such as cities. In Eastern and Southern European countries, the

housing stock is also of low quality, thus housing issues could be addressed by programs to support renovation.

This policy brief also highlighted that low-income households are significantly more effected by housing crises and that housing issues and precarity also affect middle and high income households in some member states.

To address housing affordability across the population the EU rules on State aid have been relaxed. The Commission Decision C(2025) 8820 final, 16 December 2025 strengthens the EU framework for addressing housing affordability by formally recognising affordable housing as a Service of General Economic Interest. The decision allows Member States to support affordable housing projects without prior notification and without a maximum compensation cap, provided that the conditions of the Decision are met. Public compensation may cover both the construction of new housing, including land acquisition, and the renovation or transformation of existing buildings, as well as necessary operating costs. The rules require that affordability be clearly targeted to households in real need and assessed using reliable, transparent, and measurable indicators, such as income-based housing cost ratios, with energy costs included. Affordable rents and prices must remain below market levels but not be reduced beyond what is necessary to ensure accessibility. These changes enable faster and more effective public investment in long-term affordable housing supply, while ensuring transparency and proportionality.

The Affordable Housing Plan will mobilise investment, support member states in structural reforms to the housing market, increase housing supply and target those most vulnerable to bring affordable housing to all Europeans.

References

European Commission: Directorate-General for Economic and Financial Affairs, Cousin, G., Frayne, C., Martins Dias, V. and Vašíček, B., *Housing in the European Union – Market developments, underlying drivers, and policies*, Publications Office of the European Union, 2025, <https://data.europa.eu/doi/10.2765/3521352>

Fuller, G.W., A. Johnston, and A. Regan, 'Housing Prices and Wealth Inequality in Western Europe', *West European Politics*, Vol. 43, No. 2, February 23, 2020, pp. 297–320.

Galster, G., and T. Wessel, 'Reproduction of Social Inequality through Housing: A Three-Generational Study from Norway', *Social Science Research*, Vol. 78, February 1, 2019, pp. 119–136.

Gielens, E., H. Seo, and C. Dewilde, 'Degrees of Housing Precariousness – a Latent Class Analysis of Housing Problems in Europe', *Housing Studies*, November 3, 2025, pp. 1–30.

Hochstenbach, C., J. Kadi, S. Maalsen, and M. Nethercote, 'Housing as an Engine of Inequality and the Role of Policy', *International Journal of Housing Policy*, Vol. 25, No. 1, January 1, 2025, pp. 1–17.

Waldenström, D., *Richer and More Equal: A New History of Wealth in the West*, Polity, Cambridge, UK Hoboken, NJ, 2024.

Cicolini, G., Endrich, M., Natale, F. and Nédée, A., *Intergenerational fairness in the EU – Income and housing dynamics in the context of demographic change*, Publications Office of the European Union, 2025, <https://data.europa.eu/doi/10.2760/6294128>

Institutional Investors and House Prices European Commission, SWD(2025) 1053/2, Understanding the housing crisis: Part 1 of 2 (Brussels, 16.12.2025).

European Youth Forum and Social Progress Imperative, Youth Progress Index 2025, 2025. Available at: www.youthprogressindex.org

Gielens, E., H. Seo, and C. Dewilde, 'Degrees of Housing Precariousness – a Latent Class Analysis of Housing Problems in Europe', *Housing Studies*, November 3, 2025, pp. 1–30.

Hochstenbach, C., and M.B. Aalbers, 'The Uncoupling of House Prices and Mortgage Debt: Towards Wealth-Driven Housing Market Dynamics', *International Journal of Housing Policy*, Vol. 24, No. 4, October 1, 2024, pp. 642–670.

Howard, A., 'Seven Propositions about 'Generation Rent'', *Housing, Theory and Society*, Vol. 42, No. 1, January 1, 2025, pp. 1–22.

van Gent, W., and C. Hochstenbach, 'The Neo-Liberal Politics and Socio-Spatial Implications of Dutch Post-Crisis Social Housing Policies', *International Journal of Housing Policy*, Vol. 20, No. 1, January 2, 2020, pp. 156–172.

Waldenström, D., *Richer and More Equal: A New History of Wealth in the West*, Polity, Cambridge, UK Hoboken, NJ, 2024.

Disclaimer or other final details

The opinions expressed are those of the author(s) only and should not be considered as representative of the institution's official position.

Copyrights

© European Union, 2026



Science for policy

Scan the QR code to visit:

[The Joint Research Centre: EU Science Hub](https://joint-research-centre.ec.europa.eu)
<https://joint-research-centre.ec.europa.eu>

CONTACT INFORMATION

European Commission, Joint Research Centre (JRC)
Contact: Lorenzo Pirelli
E-mail: jrc-coin@ec.europa.eu