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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**establishing a framework for measures in Member States to safeguard housing
affordability and availability (Affordable Housing Act)**

{SEC(2026) 599 final} - {SWD(2026) 605 final} - {SWD(2026) 606 final} -
{SWD(2026) 607 final}

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

This explanatory memorandum accompanies the proposal for a Regulation establishing a framework for measures in Member States to safeguard housing affordability and availability (Affordable Housing Act) (the ‘Proposal’).

Housing affordability has become a growing challenge across the Union, particularly in certain cities, metropolitan regions, islands and tourist destinations, where housing demand significantly exceeds available supply. While insufficient housing supply remains the structural driver, demand associated with certain forms of non-primary use of housing may aggravate affordability pressures in some local markets. These pressures particularly affect low- and middle-income households, young people and essential workers, and can make it increasingly difficult for residents to access affordable housing in the places where they live and work.

In response, competent authorities are increasingly adopting or considering measures affecting the provision of short-term rental accommodation services or the acquisition and use of residential property. Such measures seek to preserve housing for long-term residential use and alleviate pressures on housing affordability and availability. While housing policy remains primarily a national, regional and local competence, such measures may affect the freedoms of the internal market and therefore fall within the scope of Union law.

The Court of Justice of the European Union (CJEU) has recognised that safeguarding housing affordability and availability may constitute an overriding reason relating to the public interest capable of justifying restrictions affecting internal market freedoms. However, existing Union law, including the Treaty, Directive 2006/123/EC (the ‘Services Directive’) and the CJEU’s case law, is general in nature. A specific operational framework for assessing housing stress or demonstrating the justification and proportionality of individual measures is needed to improve legal certainty for competent authorities, citizens and economic operators and to reduce the fragmentation of regulatory approaches across the Union.

There is growing recognition that Europe’s shared housing affordability challenge calls for a shared response. Whilst housing remains mostly a national, regional and local responsibility, the EU supports, coordinates and complements national, regional and local efforts, within its competences, while respecting the diversity of housing markets and governance systems across the EU.

The political guidelines for the 2024-2029 European Commission ⁽¹⁾, recognising the urgency of the housing crisis, announced the appointment of a Commissioner for housing, and committed to putting forward the first-ever European Affordable Housing Plan.

At the European Council in October 2025 ⁽²⁾, EU leaders called on the Commission to swiftly present an ambitious and comprehensive plan for affordable housing, the aim of which would

¹ von der Leyen, U. ‘Europe’s Choice – Political guidelines for the next European Commission 2024-2029’, European Commission website, 18 July 2024, https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf

be to support and complement Member States' efforts, having due regard for the principle of subsidiarity and national competences. On 10 March 2026, the European Parliament adopted the final report of the Special Committee on the Housing Crisis, which strongly welcomed the Commission's commitment to deliver and implement an ambitious European Affordable Housing Plan (EAHP) ⁽³⁾.

The Proposal forms part of the EAHP ⁽⁴⁾ presented by the Commission on 16 December 2025, which includes an analysis of the key drivers of the housing affordability crisis in the EU ⁽⁵⁾. It responds to repeated calls from Member States, cities, regions and stakeholders for greater legal certainty regarding the conditions under which housing-related measures may be adopted consistently with Union law.

The objective of this Proposal is not to harmonise housing policy, but to establish a common framework governing the assessment under Union law of certain housing-related measures intended to safeguard housing affordability and availability. It lays down common requirements for the justification, proportionality, transparency and review of such measures, which includes a common methodology for demonstrating housing stress. In doing so, it seeks to improve legal certainty, transparency and the consistent application of Union law while fully respecting national, regional and local competences. By reducing legal uncertainty, the Proposal should also enable competent authorities to address local housing affordability and availability pressures more effectively where intervention is justified.

The Proposal does not establish under EU law any new right for competent authorities to restrict access to, or the provision of, short-term accommodation rental services, or the acquisition or use of property, nor does it prescribe or recommend any such measures. It sets out the conditions and requirements applicable under EU law where competent authorities choose to adopt measures that are available to them under national law.

The Proposal seeks to simplify and clarify the existing EU framework applicable to measures intended to safeguard housing affordability and availability. It does so by notably removing the notification obligation laid down in Article 15(7) of Directive 2006/123/EC for measures within the scope of this Regulation, while harmonising the procedure for assessing the proportionality of those measures.

• **The problem and its drivers**

The problem addressed by this Proposal is insufficient legal certainty regarding the compatibility of measures protecting housing affordability and availability with Union law

² European Council, 'European Council conclusions, 23 October 2025', European Council website, 23 October 2025, accessed 13 April 2026, <https://www.consilium.europa.eu/en/press/pressreleases/2025/10/23/european-council-conclusions-23-october-2025/>.

³ European Parliament, European Parliament resolution of 10 March 2026 on the housing crisis in the European Union with the aim of proposing solutions for decent, sustainable and affordable housing, 10/03/2026, accessed 10 April 2026, https://www.europarl.europa.eu/doceo/document/TA-10-2026-0064_EN.html

⁴ European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - the European Affordable Housing Plan - COM(2025)1025 final, 2025, <https://op.europa.eu/en/publication-detail/-/publication/adcb91d5-dbdd-11f0-8da2-01aa75ed71a1>

⁵ https://housing.ec.europa.eu/document/download/2ad4c9f2-602b-43ba-9ed9-f2ee059cf97_en?filename=0_1.pdf

governing the internal market freedoms. This results in divergent national, regional and local measures which negatively affect the proper functioning of the internal market.

This problem has two drivers:

- The first driver is a substantive housing-market challenge that requires public intervention. In some areas under housing stress, competent authorities are increasingly seeking to address housing affordability pressures that arise from the supply-demand mismatch and that may be aggravated by certain forms of non-primary use of housing.
- The second driver is a governance challenge. Union law recognises that housing affordability and availability may justify restrictions even if they affect internal market freedoms. However, the current framework is general in nature. It does not provide a sufficiently specific and structured basis with which to establish the presence of housing stress, assess the necessity and proportionality of specific interventions, balance demand-side and supply-side responses, or to ensure transparency, monitoring and review over time.

As a result, without further EU action, competent authorities are likely to continue to face difficulties in identifying, justifying and designing housing-related interventions in a way that is compatible with Union law, and to struggle to respond effectively to housing affordability and availability pressures where they are most acute.

Housing policy, urban planning and land-use regulation remain primarily national, regional and local competences. The purpose of this Proposal is neither to harmonise housing policy outcomes nor to promote or encourage the adoption of particular housing-related interventions, but to establish a common European framework governing the way in which the justification and proportionality of housing-related interventions affecting internal market freedoms are assessed, reviewed and rendered transparent. It thereby contributes to the effective functioning of the internal market.

- **Consistency with existing policy provisions in the policy area**

The Proposal complements existing Union legislation governing the internal market.

It builds on Regulation (EU) 2024/1028 ⁽⁶⁾ on data collection and sharing relating to short-term rental accommodation services ('STR Regulation'). While the STR Regulation establishes a harmonised framework for registration and data sharing, it does not determine the circumstances in which housing-related restrictions may be justified under Union law. The two instruments are therefore complementary: the STR Regulation improves transparency and data availability, whereas this Proposal provides a common framework for assessing housing-related measures.

The Proposal is also consistent with Directive 2006/123/EC ⁽⁷⁾. For measures falling within its scope, this Proposal lays down specific rules governing the demonstration of housing stress and the assessment of justification, necessity and proportionality, that apply instead of the

⁶ Regulation (EU) 2024/1028 of the European Parliament and of the Council of 11 April 2024 on data collection and sharing relating to short-term accommodation rental services and amending Regulation (EU) 2018/1724, <https://eur-lex.europa.eu/eli/reg/2024/1028/oj/eng>.

⁷ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market, <https://eur-lex.europa.eu/eli/dir/2006/123/oj>.

Services Directive. Other applicable provisions of Union law, including the Services Directive, continue to apply insofar as they are not displaced by those specific rules.

The Proposal is accompanied by a Commission Recommendation on housing supply measures in areas under housing stress and complements the Commission's wider initiatives to increase the supply of affordable housing through simplification, investment and improved construction capacity. While the Regulation enables more effective action to address immediate pressures on the existing housing stock, the Recommendation focuses on increasing supply structurally to deliver lasting improvements in affordability.

The Proposal is also consistent with the Commission's work to strengthen the European evidence base on housing, including improved housing statistics, greater transparency of housing markets and better access to housing data and analysis.

- **Consistency with other Union policies**

The Proposal is consistent with the Union's framework governing digital services, including the e-Commerce Directive ⁽⁸⁾ and the Digital Services Act ⁽⁹⁾, and does not affect the responsibilities established under those instruments.

It is also consistent with the Commission's forthcoming initiatives on digital fairness, sustainable tourism, the "Right to Stay" and with the revised State aid framework for services of general economic interest relating to affordable housing. This Proposal complements these initiatives by providing greater legal certainty for competent authorities adopting housing-related measures affecting the internal market.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for the Proposal is Article 114 TFEU. The initiative aims to improve the functioning of the internal market by establishing a common framework for the assessment of certain housing-related measures affecting the freedoms of the internal market. While housing policy remains primarily within the competence of Member States and their national, regional and local authorities, measures affecting the provision of services or the acquisition or use of residential property may restrict internal market freedoms and are therefore subject to Union law.

The Proposal establishes a common methodology for demonstrating housing stress and common requirements for the justification and proportionality of certain housing-related measures, while fully respecting Member States' competence regarding housing policy and the substantive content of housing measures. Divergent national, regional and local methodologies and procedural requirements create differing conditions for economic operators and legal uncertainty regarding restrictions on the freedom of establishment and the freedom to provide services under Articles 49 and 56 TFEU, in particular as regards short-term accommodation rental services, and on the free movement of capital under Article 63 TFEU, in particular as regards the acquisition and use of residential property. The Proposal

⁸ Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce'), <https://eur-lex.europa.eu/eli/dir/2000/31/oj/eng>.

⁹ Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act), <https://eur-lex.europa.eu/eli/reg/2022/2065/oj/eng>.

approximates those methodologies and requirements by establishing a common Union framework for assessing such restrictions. Article 114 TFEU is therefore the appropriate legal basis.

- **Subsidiarity (for non-exclusive competence)**

The Proposal complies with the principle of subsidiarity. Housing policy, urban planning and land-use regulation remain primarily matters for Member States. However, the conditions for the assessment of whether housing-related measures restricting internal market freedoms comply with Union law cannot be effectively clarified by Member States acting alone.

While the CJEU has interpreted the relevant legal principles, existing Union law provides no specific common operational framework for identifying housing stress or assessing the justification and proportionality of housing-related measures. As a result, competent authorities apply different methodologies and evidential standards, creating legal uncertainty, administrative burden and inconsistent application of Union law.

The added value of Union action is therefore to establish a common framework for assessing housing-related measures affecting the internal market. The Proposal provides a common methodology for demonstrating housing stress and common requirements for the justification, necessity, proportionality, transparency and review of such measures. It preserves the discretion of competent authorities to determine whether intervention is necessary and which measures are appropriate in light of local circumstances, while ensuring that measures affecting the internal market are assessed according to common Union standards.

- **Proportionality**

The Proposal complies with the principle of proportionality because it does not go beyond what is necessary to improve the functioning of the internal market. It does not harmonise housing policy, require competent authorities to adopt housing-related measures, or prescribe the substantive content of such measures. Instead, it lays down only those common requirements necessary to ensure legal certainty, transparency and the consistent application of Union law to measures falling within its scope. It does not cover measures taken by the competent authorities for overriding reasons relating to the public interest other than the necessity to safeguard housing affordability and availability, such as public policy, public security, public health, the protection of consumers, the protection of the environment and the urban environment, the protection of cultural heritage.

As regards measures concerning short-term accommodation rental services, the Proposal applies only where such measures are adopted for the purpose of safeguarding housing affordability and availability in areas under housing stress. The Proposal aims to ensure that they are calibrated to forms of activity that, by reason of their scale, frequency or commercial character, are more likely to reduce the availability of housing for long-term residential use.

As regards measures affecting the acquisition or use of land and residential property, the Proposal applies only where such measures are adopted for the purpose of safeguarding housing affordability and availability in areas under housing stress. It may therefore cover, for example, restrictions on non-primary residential use, requirements reserving affordable residential property for owner-occupation or for specified categories of households, including first-time buyers or lower- and middle-income households, measures addressing long-term vacancy, or declaration requirements regarding intended use prior to acquisition, or prohibition of changes of use which prevent housing being converted from residential use to

commercial or professional use. General rules governing property ownership and transfer, including inheritance, gifts and transfers within families, measures regulating rents under residential tenancy contracts, housing benefits, building standards, taxation, and general land-use, spatial-planning and zoning rules fall outside the scope where they do not have the object or effect of restricting acquisition or use for the purpose of safeguarding housing affordability and availability within the meaning of the Regulation.

As confirmed by the impact assessment, this approach provides the appropriate balance between improving legal certainty and preserving the flexibility of national, regional and local authorities to respond to local housing-market conditions.

- **Choice of the instrument**

A Regulation is the most appropriate legal instrument because it establishes a common procedural framework governing the assessment of housing-related measures affecting the internal market. Uniform application of those procedural requirements is essential to ensure legal certainty and the consistent application of Union law across the Union.

Non-binding guidance could promote a more consistent interpretation of existing Union law but would not provide a sufficiently predictable and uniform framework for competent authorities, citizens and economic operators. A Directive would require national transposition, increasing the risk of divergent implementation and hampering progress towards the objective of improving legal certainty.

A Regulation therefore provides the most effective means of establishing a common framework while fully respecting Member States' competence for housing policy and the substantive design of housing-related measures.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Stakeholder consultations**

In accordance with the Better Regulation Guidelines, the Commission carried out targeted consultation activities to complement the extensive public consultation previously undertaken in 2025 in preparation for the EAHP, which received 13 330 responses.

Between 6 March and 3 April 2026, the Commission organised a Call for Evidence, a targeted questionnaire and four dedicated workshops with Member States, regions, cities, stakeholders and experts. The Call for Evidence received 617 contributions and there were 303 responses to the targeted questionnaire.

The consultations confirmed the presence of broad support for greater legal certainty regarding the compatibility of housing-related measures with Union law, while emphasising the need to respect subsidiarity and preserve flexibility for competent authorities. Public authorities called for a common framework for assessing housing stress and justifying local measure. Economic operators stressed the importance of proportionality, legal certainty and evidence-based decision-making, while representatives of tenants, students, social housing providers and civil society underlined the need for effective tools to safeguard housing affordability and availability.

- **Collection and use of expertise**

The Proposal draws on extensive economic and legal analysis undertaken by the Commission, including support from the Joint Research Centre and other Commission services.

- **Impact assessment**

The Proposal is supported by an impact assessment report (SWD(2026) xxx), prepared in accordance with the Commission's Better Regulation Guidelines.

Following a negative opinion of the Regulatory Scrutiny Board on 5 June 2026, the impact assessment was substantially revised. The revised report clarifies the problem definition, objectives, subsidiarity assessment, policy options and impact analysis, and clarifies that the initiative is a procedural instrument intended to improve legal certainty rather than a housing-market intervention. It also strengthens the evidence base, stakeholder analysis, litigation assessment and monitoring framework. The revised report received a positive opinion with reservations on 17 July 2026.

The impact assessment examined three policy options in addition to the baseline:

Option 1: consisted of non-binding guidance explaining existing Union law and providing practical recommendations.

Option 2: the preferred option. It establishes a common framework governing housing-related measures affecting internal market freedoms. It combines a common methodology for demonstrating housing stress with requirements concerning justification, proportionality, transparency and periodic review, while preserving national, regional and local discretion regarding whether and how to intervene.

Option 3: would have introduced a more prescriptive framework, including mandatory designation of housing stress areas, harmonised thresholds and housing plans, and more extensive Union-level harmonisation.

The preferred option is expected to contribute to improving housing affordability and availability in areas experiencing housing stress by enabling more timely, targeted and evidence-based action where short-term rentals or other non-primary uses demonstrably aggravate housing pressures. Where such measures preserve or increase the stock of housing available for long-term residential use, they can help ease pressure on rents and house prices and improve access to affordable housing, particularly in constrained local markets. Residents, including tenants and prospective homebuyers, may therefore benefit from greater housing availability and reduced affordability pressures, while competent authorities gain greater legal certainty and citizens and economic operators benefit from clearer and more consistent safeguards. The price-to-income thresholds focus the framework on areas facing significant affordability pressures, while the subsequent assessment of local housing-market conditions ensures that measures respond to actual local circumstances. The Proposal maintains flexibility for Member States and competent authorities and respects subsidiarity. Environmental and competitiveness impacts are expected to be limited and mainly indirect. The Proposal is consistent with the Union's climate objectives.

- **Regulatory fitness and simplification**

The Proposal contributes to simplification by establishing a common procedural framework for assessing housing-related measures affecting the internal market. For measures falling within its scope, the Proposal clarifies the applicable procedural requirements. Under the

Proposal, there will no longer be a requirement to notify restrictions on short-term accommodation rental services under Directive 2006/123/EC, which will reduce repetitive administrative formalities and improve administrative efficiency. The Proposal complements Regulation (EU) 2024/1028 and avoids creating overlapping or duplicative administrative requirements.

The Proposal does not impose direct obligations on businesses. Its effects on Small and medium-sized enterprises (SMEs) and microenterprises are therefore indirect and depend on the housing-related measures adopted by competent authorities. Greater legal certainty, transparency and predictability are expected to reduce regulatory uncertainty and compliance costs for economic operators, particularly those active across several jurisdictions. The overall impact on competitiveness is expected to be limited and broadly neutral.

The Proposal has been designed in accordance with the Commission's digital-ready policymaking principles. It builds on existing data sources, promotes interoperability with the framework established by Regulation (EU) 2024/1028 and avoids unnecessary reporting obligations.

The Proposal does not explicitly exempt microenterprises, as it does not impose direct obligations on service providers. Rather, it establishes the conditions under which competent authorities may adopt measures affecting certain activities. Short-term rental activity involving housing not used as a primary residence is often carried out by microenterprises, which may therefore be indirectly affected by measures adopted by competent authorities under the framework.

The Proposal would be relevant for SMEs, in particular those active in the short-term rental and tourism sectors, but does not impose direct obligations or compliance costs on them. Its effects are expected to be mainly indirect and to vary across sectors. SMEs may nevertheless be affected by measures adopted by competent authorities under the framework, with the nature and magnitude of those effects depending on the measures concerned and local market conditions. But at the same time, SMEs would benefit from greater visibility and predictability about when, where and for how long restrictions may apply, as well as from common requirements aimed at ensuring that such measures are evidence-based, necessary and proportionate. These benefits are particularly relevant for SMEs operating across, or providing services in, multiple local markets. The overall impact on competitiveness is expected to be limited and broadly neutral. As the initiative is addressed primarily to competent authorities rather than businesses, its effects are indirect and depend on local implementation choices. Greater legal certainty, transparency and predictability are expected to reduce regulatory uncertainty and compliance costs for economic operators active across multiple jurisdictions, while any adjustment costs resulting from restrictions introduced in areas under housing stress are expected to remain localised and sector-specific.

- **Fundamental rights**

The Proposal respects the rights and principles recognised by the Charter of Fundamental Rights of the European Union.

By establishing common procedural safeguards governing the justification, transparency and periodic review of housing-related measures, the Proposal supports the right to good administration under Article 41 of the Charter.

The Proposal is expected to contribute indirectly to the objectives set out in Articles 7, 34(3) and 36 of the Charter by supporting competent authorities in safeguarding housing affordability and availability, while ensuring full respect of the right to property under Article 17. In particular, measures in the scope of the Proposal are subject to safeguards, including objective evidence of a significant adverse effect on housing affordability or availability, territorial targeting, necessity and proportionality, consideration of less restrictive alternatives, respect for legal certainty and legitimate expectations, appropriate transitional arrangements, limitations on duration, periodic review and effective judicial protection. The Proposal does not itself establish any restriction on property ownership or confer on competent authorities powers to adopt restrictions that are not available to them under national law.

4. BUDGETARY IMPLICATIONS

The implementation of this Regulation has limited budgetary implications for the Union budget. Additional resources are required primarily to support the implementation, monitoring and evaluation of the new framework, including the preparation of guidance, stakeholder engagement, legal and policy follow-up, and the maintenance and continued operation of the existing Mapadomo tool (a housing database). Wherever possible, the Proposal builds on existing Commission structures, expertise and digital infrastructure and does not establish a new Union body, funding programme or digital platform. The detailed financial implications are set out in the Legislative Financial and Digital Statement accompanying this Proposal.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The Commission will monitor the implementation and application of this Regulation in cooperation with the Member States and competent authorities. The Commission will assess the way in which the framework established by this Regulation operates, including the application of the methodology for demonstrating housing stress, the justification, proportionality, transparency and review of measures adopted under the Regulation, the reduction in litigation and successful legal challenges. The evaluation will focus on the effectiveness of the Union framework and will not assess the housing policy choices made by competent authorities.

The Commission will evaluate this Regulation no earlier than five years after its entry into application.

- **Detailed explanation of the specific provisions of the Proposal**

Chapter I lays down the general provisions. It defines the subject matter and scope of the Regulation, clarifies its relationship with existing Union legislation, and sets out the key definitions used throughout the Regulation.

Chapter II establishes the common framework applicable to housing-related measures. It lays down the methodology for demonstrating housing stress, rules on territorial scope and the conditions governing non-discrimination, necessity and proportionality. It also establishes requirements concerning duration, periodic review, transparency and judicial review.

Chapter III contains the final provisions relating to delegated acts, evaluation and review of the Regulation, and its entry into force and application.

Proposal for a

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**establishing a framework for measures in Member States to safeguard housing
affordability and availability (Affordable Housing Act)**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Union is facing a housing affordability crisis that weakens social cohesion and threatens the overall competitiveness of the Union. This crisis is affecting a growing number of households, with a rising number of people facing difficulties in securing quality housing at an affordable price. This affects, in particular, people in vulnerable situations, but also increasingly middle-income households. Housing unaffordability has become a constraint on labour mobility, on access to employment and education opportunities, and on economic development and competitiveness. Essential workers and persons undertaking seasonal work away from their usual residence can no longer afford to live in the communities they serve.
- (2) The analysis set out in the Commission staff working document ‘Understanding the housing crisis’³ demonstrates that although housing affordability challenges are present across the Union, their severity and underlying drivers vary significantly between and within Member States. In particular, major urban centres, metropolitan areas with strong labour market growth and certain areas characterised by high tourism intensity have experienced sustained imbalances between housing supply and demand. This has led to rapid increases in purchase prices and rents, and increased risks of residential displacement.
- (3) In those areas, demand for residential property has increased due to long-term urbanisation trends, concentration of economic activity, changing household structures

¹ OJ C , , p. .

² OJ C , , p. .

³ SWD(2025) 1053 final of 16 December 2025.

and increasing demand for modern living space. Residential property is also increasingly used for purposes other than permanent residence. This includes use for tourist accommodation, such as short-term accommodation rental services, occasional use and investment. In some municipalities or neighbourhoods under housing stress, non-primary residences can represent a significant share of the housing stock, and short-term rental accommodation listings a considerable proportion of the overall rental stock, with a substantial number of hosts renting several properties under such short-term contracts. While these additional uses can generate economic and social benefits, including for households struggling to make ends meet, they may also aggravate housing demand pressures in some constrained local housing markets by reducing the availability of dwellings for primary use and putting inflationary pressure on rents and housing prices. The extent of those effects varies considerably depending on local housing market conditions and the ability of housing supply to respond to demand. If the supply response is insufficient, such areas may experience housing stress, often reflected in a growing disconnect between housing prices and rents, on the one hand, and household incomes, on the other.

- (4) Local housing availability can also be constrained by factors affecting the ability of housing supply to respond to demand. Such factors include land scarcity, planning and permitting constraints, labour shortages, transport and infrastructure constraints, vacant properties, and insufficient investment in housebuilding, including affordable and social housing. Additional housing supply may also be generated through renovation, repurposing, repartitioning into more units, and bringing vacant dwellings back into use. In this context, vacant and underused housing in rural areas may also provide opportunities to increase housing supply. Sustainable improvements in housing affordability require an increase in the supply of housing, including in affordable and social housing.
- (5) Competent authorities in areas under housing stress have in recent years been adopting, or are considering, restrictive measures aimed at preserving housing for long-term residential use and alleviating pressures on housing affordability and availability. These include measures aimed at preserving residential property for primary residential use, whether occupied by the owner or by another person, including by addressing short-term rental activity or other forms of non-primary residential use.
- (6) This Regulation should neither establish a right under Union law for competent authorities to restrict property ownership or use nor require, prescribe or encourage the adoption of any such measure. It should establish the conditions and requirements applicable where competent authorities choose to adopt measures available to them under national law for the purpose of safeguarding housing affordability and availability in areas under housing stress, such as restrictions on non-primary residential use, requirements reserving affordable residential property for owner-occupation or for specified categories of households, including first-time buyers or lower- and middle-income households, measures addressing long-term vacancy, or declaration requirements regarding intended use prior to acquisition, or authorisation requirements concerning changes of use from residential to commercial or professional purposes.
- (7) National, regional and local approaches diverge not only as regards the measures adopted, but also in the concepts and indicators used to identify housing stress, the thresholds applied, the evidence required and the standards used to assess whether restrictions are justified. Such divergences are likely to increase as more competent

authorities take action in response to housing pressures. This fragmentation increases compliance costs and reduces legal certainty for economic operators active across the internal market, including online platforms operating across the Union, hosts offering properties in different Member States and cross-border buyers and investors. It thereby negatively affects the proper functioning of the internal market.

- (8) The legal framework is chiefly regulated under Articles 49, 56 and 63 of the Treaty on the Functioning of the European Union (TFEU) and the jurisprudence of the Court of Justice of the European Union. For short-term accommodation rental services, access to, or the provision of, such services are regulated by Directive 2006/123/EC of the European Parliament and of the Council⁴. However, there is a lack of clarity as to what type of measures comply with Union law principles of justification, non-discrimination and proportionality.
- (9) This Regulation should be applied in full respect of the right to property laid down in Article 17 of the Charter of Fundamental Rights of the European Union. Measures restricting the acquisition or use of land or residential property may interfere with the exercise of that right and should therefore be subject to requirements of necessity and proportionality. In particular, such measures should be based on objective evidence, be appropriately targeted in their territorial and material scope, not go beyond what is necessary to achieve the objective pursued, be limited in duration, respect legal certainty and legitimate expectations and be subject to effective judicial review. For instance, where measures address long-term vacancy of residential property, competent authorities should take into account situations in which non-occupation is justified by the circumstances of the owner or occupier. In particular, full account should be taken of temporary absence for reasons such as work, education or training, health, dependency or social emergency. The framework established by this Regulation should therefore ensure a fair balance between the protection of the right to property and the public interest in safeguarding access to affordable housing.
- (10) At the same time, in applying this Regulation, competent authorities should have regard to the right to respect for the home as reflected in Article 7 of the Charter, in accordance with Union law and national laws and practices.
- (11) The fact that a measure falls within the scope of this Regulation should not be understood as implying that that measure is compatible with Union law. The compatibility of a measure with Union law depends on compliance with the applicable requirements of necessity and proportionality, having regard to the nature, scope and effects of the measure and to the circumstances in which it is applied. As follows from the case-law of the Court of Justice of the European Union, a measure may, for example, fail to comply with the requirement of non-discrimination where the discretion available to the competent authority gives rise to a risk of discriminatory application, including by subjecting nationals of other Member States to more stringent scrutiny than nationals of the Member State concerned.
- (12) The Court of Justice of the European Union has recognised that safeguarding the availability and affordability of housing may constitute an overriding reason relating to the public interest capable of justifying restrictions on internal market freedoms, provided that the measure is suitable and proportionate. However, there are no specific rules at Union level that govern how competent authorities should demonstrate

⁴ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (OJ L 376, 27.12.2006, p. 36, ELI: <http://data.europa.eu/eli/dir/2006/123/oj>).

housing stress and establish that specific temporary measures are justified, suitable and proportionate. In the absence of a common framework governing the assessment of such measures, legal uncertainty may arise regarding the conditions under which housing-related interventions may be introduced, maintained or adapted. This may increase administrative burden, compliance costs and litigation risks and reduce predictability for competent authorities, citizens and economic operators.

- (13) To improve legal certainty and the functioning of the internal market, it is necessary to establish a common Union framework governing the assessment of restrictive measures falling within the scope of Union law that competent authorities adopt to safeguard housing affordability and availability. That framework should not seek to harmonise housing policy choices or require competent authorities to intervene in housing markets. Rather, it should ensure that measures affecting internal market freedoms are assessed on the basis of common procedural requirements relating to evidence, transparency, justification and proportionality. It should contribute to greater predictability for competent authorities, the public and economic operators, while preserving the ability of competent authorities to adopt measures that are most suited to local circumstances.
- (14) Housing markets are inherently local and often require responses adapted to local circumstances. Accordingly, competent authorities should retain the ability to determine whether intervention is necessary and which measures are most appropriate in light of local housing conditions. At the same time, citizens and economic operators active across the internal market would benefit from greater transparency and predictability regarding the conditions under which housing-related measures may be adopted.
- (15) Directive 2006/123/EC establishes general provisions facilitating the exercise of the freedom of establishment for service providers and the free movement of services. That Directive applies to access to, or the provision of, short-term accommodation rental services. This Regulation governs specific aspects of access to, or the provision of, short-term accommodation rental services. It should apply, instead of Directive 2006/123/EC, to measures adopted by competent authorities which restrict access to, or the provision of, short-term accommodation rental services, where those measures are justified by the necessity to safeguard affordability and availability of residential property. Directive 2006/123/EC should continue to apply to measures restricting the access to, or the provision of, short-term accommodation rental services, both on primary and non-primary residences, taken on the grounds of overriding reasons relating to the public interest other than the necessity to safeguard housing affordability and availability, for example public policy, public security, public health, the protection of consumers, the protection of the environment and the urban environment, the protection of cultural heritage.
- (16) In order to limit the negative impact on the internal market of any measure restricting access to, or the provision of, short-term accommodation rental services or restricting acquisition and use of land and residential property, such measures should be limited to areas where the acute pressure on the availability and affordability of residential property ('areas under housing stress') justifies action to safeguard affordability and availability of residential property, and be as proportionate as possible.
- (17) There is no common Union methodology for determining when housing pressures are sufficient to justify restrictions affecting the internal market on housing affordability and availability grounds. Several Member States and their regional and local

authorities use different concepts, indicators, thresholds, territorial units, data sources and procedures to determine whether an area is under housing stress. Some approaches focus on affordability indicators, such as price-to-income ratio, rent levels or housing cost overburden. Others use broader diagnostics, such as the share of secondary homes or vacant dwellings, the concentration of short-term rentals, the impact on social housing or the pressure on long-term rental markets. The lack of common, objective criteria creates legal uncertainty and hinders the assessment of whether measures are objectively justified, appropriately targeted and proportionate.

- (18) It is therefore necessary to establish a common Union approach for determining whether an area is under housing stress.
- (19) Where a competent authority intends to adopt a measure pursuant to this Regulation, it should assess housing stress in the area concerned on the basis of the price-to-income ratio and its growth across time, together with other indicators that make it possible to demonstrate that housing stress is unlikely to ease in the future. The fact that an area meets the criteria for housing stress should not automatically lead to adoption of any measure under this Regulation by a competent authority. The decision whether to intervene, and which measures to adopt, should remain with the competent authority.
- (20) Price-to-income ratio measures the affordability of housing by comparing the price of acquiring a dwelling with household income. By combining the price-to-income ratio over last 10 years of available data, the competent authority can obtain a more complete picture of recent affordability dynamics. Comparing price-to-income indicators across regions and time gives a more nuanced view of both current affordability pressure and recent affordability dynamics and helps authorities identify emerging hotspots where price-to-income ratios may still be moderate but deteriorating rapidly. Thresholds on price-to-income indicate a level of unaffordability of housing and the persistence and aggravation of the local situation. Price-to-income ratio can also be used as a proxy for rent-to-income, as there is a positive correlation between housing prices and rents.
- (21) The Commission makes available regularly updated estimated data series that competent authorities can use for the calculation of the price-to-income ratio when assessing housing stress under this Regulation. Competent authorities should be able to use other reliable and sufficiently representative data meeting the requirements of this Regulation.
- (22) To better understand housing pressures in a particular area, in addition to price-to-income ratio, the competent authority should also assess population trends, as well as housing supply and demand trends in that area. The evidence should be recent and geographically relevant and capable of verification. It is only when considered together that these elements help assess the severity of the housing situation and identify the specific circumstances, drivers and potential aggravating factors in each area. The territorial scope of the designation should be delimited as narrowly as the available evidence allows and might be smaller than the territorial unit at which data is available.
- (23) To ensure that any measure restricting access to, or the provision of, short-term accommodation rental services or restricting the acquisition and use of land and residential property complies with Union law, it must be non-discriminatory, justified by an overriding reason relating to the public interest and proportionate.

- (24) In accordance with the principle of proportionality, competent authorities should consider the available measures and select those that are suitable to safeguard housing affordability and availability and are no more restrictive than necessary to achieve that objective.
- (25) Where measures concern the acquisition or use of residential land or residential property, competent authorities should consider and, where appropriate, use less restrictive measures than absolute prohibitions of certain acquisitions or uses of property, such as quantitative caps in areas under housing stress, grandfathering rules, exceptions for avoidance of undue hardships or fiscal incentives.
- (26) In the field of short-term rentals, competent authorities should target the forms of activity most likely to have an adverse effect on the availability and affordability of housing for long-term residential use, such as those that are characterised by their commercial scale. Competent authorities should do so by taking into account objective criteria such as the number of dwellings offered by a single host, the frequency of the activity, or comparable indicators.
- (27) This Regulation excludes the letting of a host's primary residence from any restrictions under its scope. This is because such lettings do not generally remove housing from the long-term market and should therefore be treated differently from forms of short-term rental activity that involve the use of housing stock not used as a primary residence. The exclusion of primary residences from restrictions on short-term rental activity under this Regulation constitutes a minimum safeguard and competent authorities may choose to further limit the categories of residential property to which their measures apply, in line with the principle of proportionality.
- (28) Restrictions affecting the acquisition or use of residential property may have indirect implications, for example on property values, financing conditions or investment. Such effects will depend on the type, scope and duration of the measures adopted, the characteristics of the local housing market and the extent to which they are accompanied by measures to increase housing supply. To ensure that prudential aspects linked to the measures taken in application of this Regulation are properly considered, the authority competent to apply this Regulation can consult and cooperate with the competent authority or the designated authority under point (40) of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council⁵ under Article 458(1) of Regulation (EU) No 575/2013 and under Article 133(3) of Directive 2013/36/EU of the European Parliament and of the Council⁶.
- (29) Restrictions affecting internal market freedoms must be suitable for attaining the objective pursued and must not go beyond what is necessary to achieve it. Accordingly, the presence of housing stress in a particular area should not in itself justify the adoption of restrictive measures. Competent authorities should demonstrate, on the basis of objective evidence, that the activity concerned has had a significant adverse effect on housing affordability or availability in the area concerned over at least three years preceding the adoption of the measure and that the measure is

⁵ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2013/575/oj>).

⁶ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338, ELI: <http://data.europa.eu/eli/dir/2013/36/oj>).

necessary and proportionate in light of the specific circumstances of the area concerned.

- (30) While the use of residential property for the purposes other than the primary residence adds demand pressure in already constrained housing markets, the supply-demand mismatch is also driven by insufficient supply of residential housing. Restrictions on access to, or the provision of, short-term accommodation rental services or on the acquisition and use of land and residential property for purposes other than primary residence alone cannot address the structural causes of housing shortages in the long term. While restrictions that are limited in time and in scope could mitigate housing demand pressures in the short term, competent authorities should complement any such restriction with measures to increase housing supply in those areas, in particular the supply of social and affordable housing.
- (31) In areas under housing stress, undertaking brownfield development projects and making better use of the existing building stock could help increase the supply of housing, especially in urban areas with limited land for new construction. Building codes, zoning rules, planning and permitting procedures are key factors where action by competent authorities could help better match housing demand and supply, supporting both the construction of new housing and bringing vacant dwellings back into use, as well as renovating and repurposing non-residential buildings into dwellings, and reducing under-occupation. To support public authorities, in September 2026 the Commission adopted a Recommendation on housing affordability and supply in areas under housing stress⁷, including recommendations on mobilising public and private investments for housing supply, in particular for housing below market rates. That Recommendation can also support fighting housing exclusion and contribute to more inclusive and socially cohesive communities where housing is well connected to employment, education and essential services.
- (32) Regulation (EU) 2024/1028 of the European Parliament and of the Council⁸ establishes a harmonised framework for the registration of hosts providing short-term accommodation rental services and for the collection and sharing of data relating to such services. The availability of reliable and comparable information concerning the location, duration and intensity of short-term accommodation rental activity is important for competent authorities when assessing housing market conditions and determining whether measures affecting such activity are justified, necessary and proportionate. The data collected pursuant to Regulation (EU) 2024/1028 should therefore support evidence-based decision-making and facilitate the application of the proposed regulation.
- (33) Measures adopted for the purposes of implementing Regulation (EU) 2024/1028 should not fall within the scope of this Regulation. This Regulation should apply only to other measures which regulate or restrict access to, or the provision of, short-term accommodation rental services or the acquisition or use of residential property for purposes other than primary residence on housing affordability grounds. Other measures relating to residential property and housing, including general rules governing property ownership and transfer, acquisition through inheritance, gifts and transfers within families, measures regulating rents under residential tenancy

⁷ OJ L , , p. .

⁸ Regulation (EU) 2024/1028 of the European Parliament and of the Council of 11 April 2024 on data collection and sharing relating to short-term accommodation rental services and amending Regulation (EU) 2018/1724 (OJ L, 2024/1028, 29.4.2024, ELI: <http://data.europa.eu/eli/reg/2024/1028/oj>).

contracts, housing benefits, taxation measures of general application, building standards, and planning or zoning rules of general application, should remain outside the scope of this Regulation where they do not regulate or otherwise have the object or effect of leading to restrictions falling within its scope.

- (34) The effectiveness of Regulation (EU) 2024/1028 is essential to ensure the reliability and completeness of the information competent authorities use when assessing housing pressures and the impact of short-term accommodation rental activity. Listings that do not comply with the requirements related to registration laid down in that Regulation undermine the quality of the available information and may hamper the effective enforcement of national, regional and local rules applicable to short-term accommodation rental services. It is therefore important that competent authorities are able, in accordance with Regulation (EU) 2024/1028, to require providers of online short-term rental platforms to remove or disable access without undue delay to listings that do not comply with those requirements.
- (35) Competent authorities should uphold the principles of legal certainty, transparency, the protection of legitimate expectations and effective judicial protection. Natural and legal persons affected by measures adopted by competent authorities pursuant to this Regulation should benefit from appropriate procedural safeguards and have access to effective judicial review of those measures.
- (36) In order to protect legal certainty and legitimate expectations, where competent authorities adopt measures restricting the acquisition or use of residential property or land, any condition linked to the acquisition should apply only to property acquired after the date of application of the measure. Persons who acquired property before that date should therefore not be subject to new restrictions linked to that acquisition imposed under this Regulation.
- (37) To ensure that measures adopted pursuant to this Regulation do not remain in force for longer than necessary, they should be adopted for a period not exceeding five years, with a possibility to extend them following a review. Competent authorities should review them at regular intervals to verify that the conditions set out in this Regulation continue to be fulfilled. Where those conditions are no longer met, the measures should be withdrawn without undue delay.
- (38) In order to ensure an accurate measurement of housing affordability pressures, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission to amend data, thresholds, indicators and methodology used for calculation of price-to-income ratio where objective developments, demonstrated by relevant statistical or other reliable evidence, make such amendments necessary. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making⁹. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

⁹ OJ L 123, 12.5.2016, p. 1, ELI: http://data.europa.eu/eli/agree_interinst/2016/512/oj.

- (39) In order to assess the impact of this Regulation on the functioning of the internal market and on the housing affordability and availability in Member States, the Commission should carry out an evaluation of this Regulation.
- (40) Since the objective of this Regulation, namely to improve the conditions for the establishment and functioning of the internal market by providing a common framework for measures in Member States to safeguard the affordability and availability of housing, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

Chapter 1

General provisions

Article 1

Subject matter

This Regulation establishes a common framework for measures taken by competent authorities to safeguard housing affordability and availability with a view to improving the conditions for the establishment and functioning of the internal market. It lays down common rules to ensure that measures taken pursuant to this Regulation are justified, transparent, proportionate and subject to review.

Article 2

Scope

1. This Regulation applies to the following measures taken by competent authorities, where those measures are justified by the necessity to safeguard housing affordability and availability:
 - (a) measures restricting access to, or the provision of, short-term accommodation rental services in residential property;
 - (b) measures restricting the acquisition or use of land and residential property that is not acquired or used for the purpose of a primary residence, whether occupied by the owner or by another person.
2. This Regulation does not apply to measures taken solely for overriding reasons relating to the public interest other than the need to safeguard housing affordability and availability.

Article 3

Relationship with other Union acts

1. The measures referred to in Article 2(1), point (a) shall not be subject to Directive 2006/123/EC, including the notification obligation laid down in Article 15(7) of that Directive.

2. This Regulation does not apply to any measures taken by competent authorities for the sole purpose of applying the provisions on registration laid down in Chapter II of Regulation (EU) 2024/1028.

Article 4

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) ‘competent authority’ means a national, regional or local authority of a Member State that is competent to apply this Regulation, including to take measures restricting access to, or the provision of, short-term accommodation rental services or restricting the acquisition or use of land and residential property;
- (2) ‘area under housing stress’ means a clearly delimited subnational geographical area where a mismatch between housing supply and housing demand gives rise to observable pressures on the housing market, on the basis of an assessment carried out by the competent authority in accordance with Article 6;
- (3) ‘residential property’ means immovable property intended for housing purposes;
- (4) ‘primary residence’ means the residential property in which a natural person continues habitually to reside, and where the habitual centre of their interest is also situated, as further defined under national law;
- (5) ‘price-to-income ratio’ means the ratio between the representative price of a dwelling of average size in a specific area, expressed in euro, and the representative disposable income per capita, expressed in euro;
- (6) ‘dwelling’ means a residential unit which may consist of one or several rooms designed for the occupation of households;
- (7) ‘acquisition’ means the acquisition of ownership of residential property, excluding transfers by way of succession, pursuant to a matrimonial property regime or the division or distribution of an estate, corporate reorganisations that do not result in a change in beneficial ownership, and the realisation of security by a creditor;
- (8) ‘short-term accommodation rental service’ means short-term accommodation rental service as defined in Article 3(4) of Regulation (EU) 2024/1028;
- (9) ‘host’ means host as defined in Article 3(2) of Regulation (EU) 2024/1028;
- (10) ‘measures’ means provisions laid down by law, regulation or administrative action in Member States.

Chapter 2

Measures to safeguard housing affordability and availability

Article 5

Requirements for measures to safeguard housing affordability and availability

1. A competent authority may take any of the following measures, to the extent they are justified by the necessity to safeguard housing affordability and availability, and provided that those measures comply with the requirements laid down in Articles 6 to 10:

- (a) measures restricting access to, or the provision of, short-term accommodation rental services in residential property other than the host's primary residence;
 - (b) measures restricting the acquisition or use of land and residential property that is not acquired or used for the purpose of primary residence, whether occupied by the owner or by another person.
- 2. Measures restricting access to, or the provision of, short-term accommodation rental services solely on the grounds of safeguarding housing affordability and availability under this Regulation apply only to accommodation that is not provided by a host in its primary residence.

Article 6

Assessment of housing stress

1. The competent authority shall assess whether the area in which it intends to take measures meets the following criteria for being considered an area under housing stress:
 - (a) the price-to-income ratio is equal to or exceeds the threshold of eight, corresponding to eight years of disposable per-capita income to purchase a dwelling of average size in the residential building stock of the area concerned;
 - (b) the price-to-income ratio has increased over the period covering the most recent 10 years of available data;
 - (c) in the absence of the measure, the housing stress is unlikely to ease during the next three years following its adoption based on assessment of the following elements:
 - (i) population dynamics;
 - (ii) supply of housing;
 - (iii) demand for housing.
2. Where the price-to-income ratio is equal to or exceeds the threshold of 10, paragraph 1, point (b), shall not apply.
3. When assessing whether an area meets the criteria set out in paragraph 1, the competent authority shall base its assessment on objective, transparent and verifiable data, and in compliance with sound statistical principles.
4. The price-to-income ratio shall be calculated using data, thresholds, indicators and methodology specified in the Annex. Competent authorities may use alternative data at a more granular level, provided that they can demonstrate that the resulting price-to-income ratio is consistent with the thresholds referred to in paragraph 1, point (a), and paragraph 2.
5. The Commission is empowered to adopt delegated acts in accordance with Article 15 to amend paragraph 1, point (a), and paragraph 2 of this Article, as regards the thresholds, and the Annex, as regards the data, thresholds, indicators and methodology used for calculation, where objective developments, demonstrated by

relevant statistical or other reliable evidence, make such amendments necessary to ensure an accurate measurement of housing affordability pressures.

Article 7

Territorial scope of an area under housing stress

The territorial scope of an area under housing stress referred to in Article 6 shall not exceed what is necessary to safeguard housing affordability and availability. Such areas may be districts, municipalities, metropolitan areas, functional urban areas, agglomerations, rural areas or any part thereof.

Article 8

Non-discrimination

The measures shall not be directly or indirectly discriminatory between nationals of Member States on grounds of nationality or, in the case of legal persons established in a Member State, on grounds of their Member State of establishment.

Article 9

Necessity

1. The measures may only be taken if they are justified by the need to safeguard housing affordability and availability in the areas under housing stress referred to in Article 6.
2. A competent authority shall take measures referred to in Article 5(1), point (a), only where it can demonstrate that the provision of short-term accommodation rental services in the area under housing stress has had a significant adverse effect on the availability or affordability of housing in that area over at least three years preceding the adoption of the measure. Where available, the competent authority shall take into account data obtained pursuant to Regulation (EU) 2024/1028.
3. A competent authority shall take measures referred to in Article 5(1), point (b), only where it can demonstrate that acquisition and use of land and residential property for purposes other than primary residence in the area under housing stress has had a significant adverse effect on the availability or affordability of housing in that area over at least three years preceding the adoption of the measure.
4. Measures referred to in Article 5(1), point (b) concerning long-term vacancy shall not apply where non occupation is justified, including by reasons of temporary absence for work, education or training, health, ongoing succession proceedings, legal impediment to occupation or inhabitability.

Article 10

Proportionality

1. The measures shall be suitable for attaining the objective pursued, shall not go beyond what is necessary to attain that objective and shall meet the following requirements:

- (a) they are territorially limited to the area under housing stress and, where appropriate, calibrated to different levels of housing stress within the area;
- (b) they are based on an assessment that no other less restrictive measure would be sufficient to improve housing affordability and availability in an equally effective manner within a reasonable period;
- (c) they comply with the principles of legal certainty and the protection of legitimate expectations;
- (d) for measures referred to in Article 5(1), point (a), they are calibrated to forms of short-term accommodation rental activity that, by reason of their scale, frequency or commercial character, are more likely to reduce the availability of housing for long-term residential use;
- (e) for measures referred to in Article 5(1), point (a), the competent authority applies and enforces Regulation (EU) 2024/1028 in the relevant geographical area, in particular its provisions on registration, including suspension and withdrawal of registration numbers, verification, data-sharing and orders requiring the removal or disabling of listings without a registration number, with an invalid registration number or involving misuse of a registration number;
- (f) for measures referred to in Article 5(1), point (b), insofar as they impose restrictions on the acquisition of residential property and land, they apply only to property and land acquired after the date of application of the measure;
- (g) for measures referred to in Article 5(1), point (b) relating to long-term vacancy, they are calibrated, on the basis of objective criteria, to the nature and extent of long-term vacancy most likely to reduce the availability of housing for long-term residential use, taking into account in particular the number of dwellings held by the same owner in the area concerned, the duration of non-occupation or acquisition by legal persons.

2. For the purposes of paragraph 1, where measures affect existing lawful situations, they shall include appropriate transitional arrangements.

Article 11

Procedural safeguards and judicial review

Natural and legal persons affected by the measures taken pursuant to Article 5 shall have access to appropriate procedural safeguards and to effective judicial review of those measures, including the possibility to challenge the assessments carried out by the competent authority to ensure compliance with Articles 6 to 10.

Article 12

Duration and review of measures

1. Measures shall be adopted for a period not exceeding five years. They may be extended where, following the review referred to in paragraph 2, the competent authority concludes that the requirements laid down in Articles 6 to 10 continue to be fulfilled.

2. A competent authority shall regularly review whether a measure referred to in Article 5 continues to comply with the requirements laid down in Articles 6 to 10. The first review shall be carried out within five years from the date of adoption of the measure.
3. Where, following the review, a competent authority concludes that a measure no longer fulfils the requirements laid down in Articles 6 to 10, it shall withdraw that measure without undue delay.

Article 13

Publication of the measures

1. A competent authority shall make publicly available information on any measure adopted pursuant to Article 5, and on the extension, amendment or withdrawal of the measure, before its entry into force.
2. The information referred to in paragraph 1 shall include:
 - (a) the assessments carried out by the competent authority to ensure compliance with Articles 6 to 10;
 - (b) the precise territorial scope of the area under housing stress and of the measure;
 - (c) the duration of the measure.

Chapter 3

Final provisions

Article 14

Existing measures

This Regulation shall not apply to measures adopted before ... *[PO please insert the date: the date of entry into force]*. However, a competent authority may review such measures in accordance with this Regulation.

Article 15

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article 6(3).
2. The power to adopt delegated acts referred to in Article 6(3) shall be conferred on the Commission for an indeterminate period of time from ... *[PO please insert the date: the date of entry into force of this Regulation]*.
3. The delegation of power referred to in Article 6(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Article 6(3) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 16

Evaluation

By ... [PO, please insert the date: same day and month as the date of entry into force plus 5 years], the Commission shall evaluate the impact of this Regulation on the functioning of the internal market and on housing affordability and availability and shall submit a report on its main findings to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Article 17

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

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1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Regulation of the European Parliament and of the Council establishing a framework for measures in Member States to safeguard housing affordability and availability (Affordable Housing Act)

1.2. Policy area(s) concerned

Affordable housing
Internal Market
Better regulation and evidence-based policymaking
Data and monitoring

1.3. Objective(s)

1.3.1. General objective(s)

General Objective 1: To improve legal certainty, transparency and predictability regarding the compatibility with Union law of housing-related measures affecting the internal market.

General Objective 2: To ensure that restrictions to the internal market are proportionate and a measure of last resort by providing a common methodological approach that encourages public authorities to consider both demand-side measures and housing supply, within the limits of EU competence.

1.3.2. Specific objective(s)

Specific objective No

Specific Objective 1.1: Ensure that areas under stress are identified by using common, evidence-based and transparent criteria to determine when housing affordability and availability can justify public intervention

Specific Objective 1.2: Establish common procedural requirements governing the proportionality of specific housing-related interventions affecting the internal market.

Specific Objective 2.1: Support competent authorities in identifying appropriate measures to increase housing supply in and around areas under housing stress.

1.3.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The main direct benefits of the Proposal are improved legal certainty, transparency, predictability and consistency in the application of Union law. A common methodology, procedural safeguards, publication requirements and periodic review would support competent authorities in identifying areas under housing stress and provide a clearer and more structured basis for assessing whether housing-related restrictions affecting internal market freedoms are justified and proportionate. This is expected to reduce regulatory uncertainty, administrative burden, compliance costs and avoidable litigation for competent authorities, citizens and economic operators. Data made available under Regulation (EU) 2024/1028 would further strengthen the

evidence available for assessing the contribution of short-term rental activity to local housing pressures, where relevant. Effects on housing affordability and availability would be indirect, local and dependent on implementation choices by competent authorities and wider housing market conditions. Residents in areas under housing stress may benefit where better targeted measures are adopted alongside action to address housing supply constraints.

1.3.4. *Indicators of performance*

Specify the indicators for monitoring progress and achievements.

Monitoring will focus on the operation of the governance framework, including the use and review of the criteria to assess housing stress, the availability and use of evidence underpinning the identification of areas under housing stress and the measures adopted, developments in the number and grounds of legal challenges, including successful challenges relating to evidential or procedural deficiencies addressed by the Regulation, and whether supply-side considerations are reflected in local responses to housing stress.

Indicator	Objective	Baseline	Target	Data source
KPI 1: % of competent authorities assessing housing stress using the common criteria	Effectiveness – whether the initiative succeeds in persuading local authorities to base the assessment on the criteria proposed	0% Existing areas under housing stress cannot be considered a baseline for this KPI as they all use a different approach to the one proposed	100%	Publication by Member States/competent authorities; national or local publication of measures
KPI 2: Share of measures renewed or terminated in accordance with the framework	Impact and Effectiveness – whether the initiative succeeds in maintaining measures only if justified by housing pressures	Number of areas under housing stress identified using the common criteria established under the new initiative	75%	Publication by Member States/competent authorities; national or local publication of measures
KPI 3: Reduction in litigation and successful	Impact and efficiency - the initiative reduces legal	n.a.	A measurable reduction, over the evaluation	National court databases; administrative appeal bodies;

legal challenges (Absolute number & in %)	uncertainty, litigation risk and related administrative burdens		period, in the number of successful legal challenges based on insufficient justification, discrimination or disproportionality	Commission complaint handling
KPI 4: Share of measures accompanied by housing supply measures (in absolute number and in %)	Impact and effectiveness The initiative effectively supports competent authorities with the selection of interventions that are appropriate to local housing conditions and contribute effectively and proportionately to addressing identified housing pressures	0% Existing areas under housing stress cannot be considered a baseline for this KPI as they all use a different approach to the one proposed	The number of housing affordability plans or equivalent measures to increase housing supply in areas under stress increases over time	Publication by Member States/competent authorities; national or local publication of measures

1.4. The proposal/initiative relates to:

☒ a new action

“ a new action following a pilot project / preparatory action¹⁹

“ the extension of an existing action

“ a merger or redirection of one or more actions towards another/a new action

¹⁹ As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The proposal establishes a common Union framework governing the assessment, under Union law, of measures adopted by competent authorities to safeguard housing affordability and availability where such measures affect the internal market. It lays down a common methodology for assessing housing stress and common procedural requirements governing the justification, proportionality, transparency and review of those measures.

Following the entry into force of the Regulation, Member State authorities will be responsible for its application and compliance with the publication and review requirements laid down in the Regulation. The Commission will support implementation by making available relevant data, including through the Mapadomo database where appropriate, providing guidance and facilitating exchanges with Member States and stakeholders.

Once the Regulation becomes applicable, competent authorities may adopt, amend or review measures in accordance with the common framework established by the Regulation. The Commission will monitor the implementation and application of the Regulation and evaluate its effectiveness in accordance with the review clause.

1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.

Reasons for action at EU level (ex-ante)

The need for Union action arises because, while housing policy remains primarily a national, regional and local competence, the compatibility of housing-related measures affecting the internal market with Union law is governed by EU rules and interpreted by the Court of Justice of the European Union.

The CJEU jurisprudence remains limited, case-specific and therefore it does not establish common methodologies for identifying housing stress, assessing causal links, defining territorial scope, determining duration or evaluating effectiveness. It does not and cannot establish a common methodology or procedural framework for assessing housing stress or for demonstrating that housing-related measures affecting the internal market are justified. Nor can individual Member States, acting alone, ensure a coherent and consistent approach.

Expected generated EU added value (ex-post)

The added value of Union action is therefore to establish a common procedural framework that reconciles local flexibility with shared safeguards ensuring coherence with Union law. The initiative does not create a new area of Union competence or a new obligation to assess housing-related measures. Rather, it establishes a common methodology and procedural framework for applying existing Union law requirements. The initiative provides common conditions for identifying housing stress and for assessing the justification and proportionality of housing-related

measures, while preserving the discretion of competent authorities to decide whether intervention is necessary, which measures to adopt and how they should be designed. It improves legal certainty, transparency and predictability without harmonising substantive housing policies or replacing national, regional or local competences.

1.5.3. Lessons learned from similar experiences in the past

Experience gained in implementing internal market legislation has shown that common legal frameworks are most effective when accompanied by timely guidance, structured dialogue with Member States and consistent monitoring of implementation. These activities reduce legal uncertainty, facilitate compliance and help prevent unnecessary infringement proceedings. The proposal therefore requires adequate human and financial resources to support implementation, while relying as far as possible on existing Commission expertise and digital tools.

1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments

The proposal is compatible with the Multiannual Financial Framework.

The expenditure concerns:

- data infrastructure and governance
- implementation, monitoring and evaluation
- legislative follow-up
- stakeholder engagement.

The costs are comparable to other Union initiatives establishing common frameworks and evidence infrastructures, such as European statistics, data governance and interoperability frameworks.

The activities to be financed in support of the implementation of the present proposal will benefit from synergies with other horizontal activities in the area of economic modelling.

1.5.5. Assessment of the different available financing options, including scope for redeployment

Following the assessment of different available financing options the Commission concluded the resources could be obtained from redeployment from relevant housing funding programmes under the current MFF and from Heading 7 share allocated to other funding programmes. There is no specific budget line or spending programme dedicated to housing in the current MFF.

1.6. Duration of the proposal/initiative and of its financial impact

☐ limited duration

- ☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY
- “ financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

☒ unlimited duration after 20 days from the publication of the Proposal in the Official Journal,

- Implementation as

- followed by full-scale operation.

1.7. Method(s) of budget implementation planned²⁰

☒ Direct management by the Commission

- ☒ by its departments, including by its staff in the Union delegations;
- “ by the executive agencies
- “ Shared management with the Member States
- “ Indirect management by entrusting budget implementation tasks to:
 - “ third countries or the bodies they have designated
 - “ international organisations and their agencies (to be specified)
 - “ the European Investment Bank and the European Investment Fund
 - “ bodies referred to in Articles 70 and 71 of the Financial Regulation
 - “ public law bodies
 - “ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees
 - “ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees
 - “ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act
 - “ bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

n/a

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

The tasks directly implemented by the Task Force Housing (TFH) related to the monitoring of the implementation and application of the proposal, will follow the annual cycle of planning and monitoring, as implemented in the Commission, including reporting through the Annual Activity Report of DG ENER.

²⁰

Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: <https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx>.

2.2. Management and control system(s)

2.2.1. *Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

The implementation of the Regulation will primarily be the responsibility of the competent authorities that decide to adopt housing-related measures falling within its scope. The Regulation does not require the establishment of new national administrative structures or Union bodies but lays down common procedural requirements governing the assessment, justification, proportionality, transparency and review of such measures.

For the Commission, the proposal will entail tasks relating to supporting implementation, including the preparation of guidance, stakeholder dialogue, monitoring and evaluation of the application of the Regulation, and, where appropriate, enforcement of Union law. These activities will be carried out by the Housing Task Force and other relevant Commission services, making use, where possible, of existing administrative structures and digital tools. The proposed implementation method therefore represents the most efficient and proportionate means of achieving the objectives of the initiative while limiting additional administrative costs.

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

The principal implementation risk is the inconsistent application of the Regulation by competent authorities, which could reduce legal certainty and predictability across the Union. A further operational risk is that the reference data made available through Mapadomo may not remain sufficiently up to date to support the assessment of housing stress where such data are used.

These risks will be mitigated through the preparation of Commission guidance, regular exchanges with Member States and stakeholders, monitoring of the application of the Regulation, and, where appropriate, the use of the Commission's enforcement powers under the Treaties. The Commission will also ensure the maintenance and periodic updating of the relevant tools using available data sources and existing administrative resources.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)*

The initiative requires managing by the Commission service funds required to maintain and manage the database and its correct application, however the cost-effectiveness of the controls cannot be estimated at this stage.

The task assigned to the TFH will be implemented following the already existing control system and the cost of controls is expected to remain minimal.

2.3. Measures to prevent fraud and irregularities

The initiative includes limited funds implemented through direct management mode. No public procurement procedures are foreseen at this stage (e.g. for monitoring or evaluation purposes).

DG ENER has adopted an Anti-Fraud Strategy (AFS) and an action plan, based on the Commission AFS. A risk assessment is carried out every year internally to identify areas most vulnerable to fraud, the controls in place and the actions necessary to improve the capacity of DG ENER and the TFH to prevent, detect and correct fraud.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

The estimated impact on expenditure and staffing for 2028 and beyond is added for illustrative purposes only and does not pre-judge the next Multiannual Financial Framework. The source of financing and scope of Union financial commitment in the post-2027 period remain subject to the outcome of interinstitutional negotiations on the MFF 2028-2034 and thereafter shall be determined through the annual budgetary procedure. All appropriations and staffing allocations as of 2028 are indicative.

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

The Proposal and its correct implementation will rely on the existing Commission housing database Mapadomo developed jointly by ECFIN and JRC, which provides granular NUTS 3 and LAU data on housing stocks and transaction prices and supports the price-to-income indicator used to identify areas under housing stress.

This database is therefore a key digital enabling asset, allowing competent authorities to reuse comparable Commission-held data and supporting consistent, evidence-based implementation without establishing a separate AHA database. The database requires continued maintenance and updating by Commission staff; these resource needs are indicated in the tables below.

In addition, the proposed expenditure will be required to support the implementation of the present proposal via stakeholder engagement (meetings with local and national authorities, expert working groups), studies and evaluations.

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff. ²¹	from EFTA countries ²²	from candidate countries and potential candidates ²³	From other third countries	other assigned revenue
	Several budget lines, including budget line 03.0202 - Improving the competitiveness of enterprises, particularly SMEs, and supporting their access to markets ²⁴	Diff. and Non-diff.	NO	NO	NO	NO

²¹ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

²² EFTA: European Free Trade Association

²³ Candidate countries and, where applicable, potential candidates from the Western Balkans.

²⁴ The appropriations needed in 2027 will be fully financed through redeployment within relevant existing programmes in headings 1, 2 and 3 of the multiannual financial framework. The estimated

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

- “ The proposal/initiative does not require the use of operational appropriations
- ☒ The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework		Number									
DG: ENER			Year	Year	Year	Year	Year	Year	Year	Year	TOTAL MFF
			2027	2028	2029	2030	2031	2032	2033	2034	2028-2034
Operational appropriations											
Budget line ²⁵	Commitments	(1a)	0.68	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
	Payments	(2a)	0.68	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
Budget line 03.0202 - Improving the competitiveness of enterprises, particularly SMEs, and supporting their access to markets	Commitments	(1b)	0.32								0
	Payments	(2b)	0.32								0
Appropriations of an administrative nature financed from the envelope of specific programmes ²⁶											

²⁵ The appropriations needed in 2027 will be fully financed through redeployment within relevant existing programmes in headings 1, 2 and 3 of the multiannual financial framework, in particular under chapter 03.02 (Single Market Programme) for Mapadomo and line 06.200401 for Mapadomo maintenance. The estimated appropriations as of 2028 are indicative and the source of financing and scope remain subject to the outcome of interinstitutional negotiations on the MFF 2028-2034.

²⁶ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former ‘BA’ lines), indirect research, direct research.

Budget line		(3)										0
TOTAL appropriations	Commitments	=1 a+ 1b +3	1.000	1.00 0	1.00 0	1.00 0	1.00 0	1.00 0	1.00 0	1.00 0	1.00 0	7.000
for DG ENER	Payments	=2 a+ 2b +3	1.000	1.00 0	1.00 0	1.00 0	1.00 0	1.00 0	1.00 0	1.00 0	1.00 0	7.000

			Year	Year	Year	Year	Year	Year	Year	Year	TOTAL MFF 2028- 2034
			2027	2028	2029	2030	2031	2032	2033	2034	
TOTAL operational appropriations	Commitments	(4)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
	Payments	(5)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0	0	0	0	0	0	0	0	0
TOTAL appropriations under HEADINGS	Commitments	=4+6	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
of the multiannual financial framework	Payments	=5+6	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000

			Year	Year	Year	Year	Year	Year	Year	Year	TOTAL MFF 2028- 2034
			2027	2028	2029	2030	2031	2032	2033	2034	
TOTAL operational appropriations	Commitments	(4)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
	Payments	(5)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0	0	0	0	0	0	0	0	0
TOTAL appropriations under HEADING 1 to 3	Payments	=4+6	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
of the multiannual financial framework		=5+6	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
Heading of multiannual financial framework			4	'Administrative expenditure' ²⁷							

DG: ENER	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028- 2034
Ÿ Human resources	0.582	0.582	0.582	0.582	0.582	0.582	0.582	0.582	4.07
Ÿ Other administrative expenditure	0.018	0.018	0.018	0.018	0.018	0.018	0.018	0.018	0.13

²⁷

The necessary appropriations should be determined using the annual average cost figures available on the appropriate BUDGpedia webpage.

TOTAL DG ENER	Appropriations	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	4.20
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EUR million (to three decimal places)

		Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034
TOTAL appropriations under HEADINGS 1 to 4 ²⁸	Commitments	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	11.20
of the multiannual financial framework	Payments	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	11.20

The estimated impact on expenditure and staffing for 2028 and beyond is added for illustrative purposes only and does not pre-judge the next Multiannual Financial Framework. The source of financing and scope of Union financial commitment in the post-2027 period remain subject to the outcome of interinstitutional negotiations on the MFF 2028-2034 and thereafter shall be determined through the annual budgetary procedure. All appropriations and staffing allocations as of 2028 are indicative.

3.2.2. Estimated output funded from operational appropriations (not to be completed for decentralised agencies)

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs			Year 2028	Year 2029	Year 2030	Year 2031	Enter as many years as necessary to show the duration of the impact (see Section 1.6)	TOTAL
OUTPUTS								

²⁸ Headings 1-7 in 2027

ò	Type ²⁹	Average cost	Nº	Cost	Nº	Cost	Nº	Cost	Nº	Cost	Nº	Cost	Nº	Cost	Nº	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 ³⁰ ...																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		
TOTALS																		

²⁹ Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built, etc.).

³⁰ As described in Section 1.3.2. 'Specific objective(s)'

3.2.3. Summary of estimated impact on administrative appropriations

- ☐ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL 2028 - 2034
HEADING 4									
Human resources	0.582	0.582	0.582	0.582	0.582	0.582	0.582	0.582	4.074
Other administrative expenditure	0.018	0.018	0.018	0.018	0.018	0.018	0.018	0.018	0.126
Subtotal HEADING 4	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	4.200
Outside HEADING 4									
Human resources	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Subtotal outside HEADING 4	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL									
	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	4.200

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together, if necessary, with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

3.2.4. Estimated requirements of human resources

- " The proposal/initiative does not require the use of human resources
- ☒ The proposal/initiative requires the use of human resources, as explained below

3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)³¹

³¹ Please specify below the table how many FTEs within the number indicated are already assigned to the management of the action and/or can be redeployed within your DG and what are your net needs.

VOTED APPROPRIATIONS		Y ea r	Y ea r	Y ea r	Y ea r	Y ea r	Y ea r	Y ea r
	2	2	2	2	2	2	2	2
	0	0	0	0	0	0	0	0
	2 7	2 8	2 9	3 0	3 1	3 2	3 3	3 4
Establishment plan posts (officials and temporary staff)								
20 01 02 01 (Headquarters and Commission's Representation Offices)	3	3	3	3	3	3	3	3
20 01 02 03 (EU Delegations)	0	0	0	0	0	0	0	0
(Indirect research)	0	0	0	0	0	0	0	0
(Direct research)	0	0	0	0	0	0	0	0
Other budget lines (specify)	0	0	0	0	0	0	0	0
External staff (inFTEs)								
20 02 01 (AC, END from the 'global envelope')	0	0	0	0	0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)	0	0	0	0	0	0	0	0
Admin. Support line	at Headqu arters	0	0	0	0	0	0	0
[XX.01.Y Y.YY]	in EU Delegat ions	0	0	0	0	0	0	0
(AC, END - Indirect research)		0	0	0	0	0	0	0
(AC, END - Direct research)		0	0	0	0	0	0	0
Other budget lines (specify) - Heading 4		0	0	0	0	0	0	0
Other budget lines (specify) - Outside Heading 4		0	0	0	0	0	0	0
TOTAL		3	3	3	3	3	3	3

The staff required to implement the proposal (in FTEs):

	Exceptional additional staff*
--	-------------------------------

	To be covered by current staff available in the Commission services	To be financed under Heading 4 or Research	To be financed from BA line	To be financed from fees
Establishment plan posts	3		N/A	
External staff (CA, SNEs, INT)				

Description of tasks to be carried out by:

Officials and temporary staff	The implementation of the provisions of the Proposal will give rise to a number of new tasks for the Commission, requiring dedicated resources to ensure its effective and timely implementation. These tasks are of a cross-cutting nature, combining policy coordination, monitoring and evaluation, legislative follow-up, stakeholder engagement and data governance in the areas of housing affordability, the internal market, and evidence-based policymaking. The allocation of 3 permanent official (AD) FTE within DG ENER is required to ensure the long-term governance, coordination and regulatory oversight of the new framework established under the Proposal. This includes supporting the implementation of the Regulation, monitoring its application across Member States, ensuring coherence with the broader Union legal framework (including the Treaties, the Services Directive and Regulation (EU) 2024/1028), and following up on the implementation of the Commission Recommendation on housing affordability in areas under housing stress. These resources would cover in particular: 1. Monitoring, implementation and evaluation (1.5 FTE) - coordinating the overall implementation in Member States by competent authorities and other relevant stakeholders; - monitoring implementation of the Regulation and preparation of an evaluation report by 2031; - ensuring consistency with broader internal market legislation (TFEU, Services Directive, STR Regulation); - coordinating with DG GROW, FISMA, SJ, JRC, ECFIN etc. - follow up on the implementation of the Commission Recommendation on housing affordability in areas under housing stress 2. Legal implementation and enforcement (1 FTE) - responding to implementation questions; - preparation of Commission guidance; - preparation of delegated act (if warranted); - assessment of complaints;
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	- infringement work where necessary. 3. Stakeholder engagement (0.5 FTE) - implementation dialogue; - workshops; - Member State exchanges; - Housing Alliance discussions; - website and publication; - dissemination of guidance.
External staff	

The estimated impact on expenditure and staffing for 2028 and beyond is added for illustrative purposes only and does not pre-judge the next Multiannual Financial Framework. The source of financing and scope of Union financial commitment in the post-2027 period remain subject to the outcome of interinstitutional negotiations on the MFF 2028-2034 and thereafter shall be determined through the annual budgetary procedure. All appropriations and staffing allocations as of 2028 are indicative.

3.2.5. Overview of estimated impact on digital technology-related investments

Compulsory: the best estimate of the digital technology-related investments entailed by the proposal/initiative should be included in the table below.

Exceptionally, when required for the implementation of the proposal/initiative, the appropriations under Heading 4 should be presented in the designated line.

The appropriations under Headings 1-3 should be reflected as “Policy IT expenditure on operational programmes”. This expenditure refers to the operational budget to be used to re-use/ buy/ develop IT platforms/ tools directly linked to the implementation of the initiative and their associated investments (e.g. licences, studies, data storage etc). The information provided in this table should be consistent with details presented under Section 4 “Digital dimensions”.

TOTAL Digital and IT appropriations	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028 - 2034
HEADING 4									
IT expenditure (corporate)		0	0	0	0	0	0	0	0
Subtotal HEADING 4		0	0	0	0	0	0	0	0
Outside HEADING 4									

Policy IT expenditure on operational programmes	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	3.500
Subtotal outside HEADING 4	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	3.500
TOTAL	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	3.500

3.2.6. Compatibility with the current multiannual financial framework

The proposal/initiative:

- ☒ can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)

Redeployment would be required within the SMP budget line to finance the Mapadomo database in 2027.

- Inter-DG redeployment will be required to provide for the support requested for DG Energy to execute the tasks under requirement described in section 1.5.1.” requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation

n/a

- “ requires a revision of the MFF

n/a

3.2.7. Third-party contributions

The proposal/initiative:

- ☒ does not provide for co-financing by third parties
- “ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	Total
Specify the co-financing body								
TOTAL appropriations co-financed								

3.3. Estimated impact on revenue

- ☒ The proposal/initiative has no financial impact on revenue.
- " The proposal/initiative has the following financial impact:
 - " on own resources
 - " on other revenue
 - " please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ³²						
		Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034
Article								

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

N/A

³² In the case of traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 10 % for collection costs, as proposed in COM(2025)574.

4. DIGITAL DIMENSIONS

4.1. Requirements of digital relevance

Reference to the requirement	Requirement description	Actors affected or concerned by the requirement	High-level Processes	Categories
Article 6; 9; 10 and 12	Evidence supporting measures Requirement for competent authorities that choose to adopt housing-related measures falling within the scope of the Regulation to process, analyse, and periodically reassess the information necessary to demonstrate housing stress and to justify and review those measures. Where appropriate a competent authority shall reuse digitally available short-term rental data generated through Regulation (EU) 2024/1028 for measures described in Article 5 (1)(a)	Competent authorities	Data processing; data reuse	Data
Article 13	Publication of adopted measure(s) Competent authorities are required to publish the assessments and decisions underpinning housing-related measures, including their territorial scope and duration.	Competent authorities, general public	Data processing; data sharing	Data

4.2. Data

Type of data	Reference to the requirement(s)	Standard and/or specification (if applicable)
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Evidence supporting measures	Article 6; Article 9; Article 10(1); Article 12	objective, transparent and verifiable data
Publication of adopted measure(s)	Article 13	N/A
Commission monitoring and evaluation	Article 16	N/A

Alignment with the European Data Strategy

The initiative is aligned with the European Data Strategy because it prioritises the use, reuse and public availability of existing data to support evidence-based public decision-making, rather than creating a separate data-collection architecture.

Alignment with the once-only principle

The once-only principle has been followed. The proposal introduces no new data-submission obligations for citizens, hosts, platforms or other economic operators where the relevant information has already been collected under Regulation (EU) 2024/1028. Competent authorities can rely on existing EU (e.g. Mapadomo), national, regional and local statistical and administrative data before undertaking any additional collection.

The Proposal does not establish a new digital service, platform, database, reporting system or registration mechanism. Nor does it introduce automated decision-making or algorithmic assessment. Competent authorities remain responsible for carrying out the assessments required by the Regulation.

Data flows

Type of data	Reference(s) to the requirement(s)	Actors who provide the data	Actors who receive the data	Trigger for the data exchange	Frequency (if applicable)
Evidence supporting measures, which includes assessment of housing stress, demonstration of the contribution of the activity concerned to housing pressures	Article 6; Article 9; Article 10(1);	Competent authority	General public	Decision to adopt restrictive measures	At least every five years

and assessment of the proportionality of the measure. Competent authorities must periodically review the measures adopted using updated data to verify that the conditions justifying the measures continue to be fulfilled and that the measures remain necessary and proportionate. The assessment, where appropriate, shall reuse data generated by Regulation (EU) 2024/1028 for measures related to short-term rentals.	Article 12				
Publication of adopted measure(s) which includes the assessment required to adopt measures, including their territorial scope and duration,	Article 13	Competent authority	General public	Adoption, renewal, amendment or withdrawal of measure	At least every five years
The Commission will monitor the implementation and application of the Regulation	Article 16	European Commission	The European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions	20 May 2031	No recurring evaluation cycle

4.3. Digital solutions

Digital solution	Reference(s) to the	Main mandated functionalities	Responsible body	How is accessibility	How is reusability considered?	Use of AI technologies
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	requirement(s)			catered for?		(if applicable)
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Digital solution #1

Digital and/or sectorial policy (when these are applicable)	Explanation on how it aligns
AI Act	N/A
EU Cybersecurity framework	N/A
eIDAS	N/A
Single Digital Gateway and IMI	N/A
Others	N/A

4.4. Interoperability assessment

Digital public service or category of digital public services	Description	Reference(s) to the requirement(s)	Interoperable Europe Solution(s)	Other interoperability solution(s)
Digital public service #1	N/A	N/A	N/A	N/A
Category of digital public services	N/A	N/A	N/A	N/A

according to COFOG #1				
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Digital public service #1

Assessment	Measure(s)	Potential remaining barriers (if applicable)
Alignment with existing digital and sectorial policies Please list the applicable digital and sectorial policies identified	N/A	N/A
Organisational measures for a smooth cross-border digital public services delivery Please list the governance measures foreseen	N/A	N/A
Measures taken to ensure a shared understanding of the data Please list such measures	N/A	N/A
Use of commonly agreed open technical specifications and standards Please list such measures	N/A	N/A

4.5. Measures to support digital implementation

Description of the measure	Reference(s) to the requirement(s)	Commission	Actors to be	Expected timeline
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		role (if applicable)	involved (if applicable)	(if applicable)
N/A	N/A	N/A	N/A	N/A