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The hidden link between Europe's housing crisis and energy poverty

With housing costs surging across Europe, EU-funded researchers are showing how tackling energy poverty and inequality together could fix fragmented housing policy.

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As cities across Europe sweltered under a heatwave in June 2026, professor Michael Janoschka was focused on a longer term problem: how to make homes affordable and energy-efficient in a continent facing a housing crisis.

Janoschka has spent much of his career studying how rising house prices, property speculation and urban inequality are reshaping European cities.

Today, as professor of regional science at Karlsruhe Institute of Technology in Germany, he is leading an international team investigating how housing affordability and energy poverty can be tackled together rather than as separate policy challenges.

"Europe has an ageing, often energy-inefficient housing stock," said Janoschka. "Housing affordability is not only about rent or mortgage payments, but also about heating and, more and more, cooling." For him, rising prices and energy use are part of the same crisis.

House prices have soared in the past decade, and almost 10% of EU citizens face a "housing cost overburden" – spending more than 40% of disposable income on rent, mortgage and utilities. Meanwhile, nearly 10% of Europeans cannot keep their homes warm enough, and summertime cooling is a growing concern too.

Rethinking policy with communities

As part of the EU-funded PREFIGURE project, researchers, municipalities and housing organisations from eight European countries have joined forces under Janoschka's lead to explore the link between housing and energy, and how they can be made both more affordable and inclusive.

Together, they have studied 16 local initiatives involving the provision of affordable housing and energy for vulnerable groups, including lower-income households, older people, refugees and people without a home.

They looked at what municipalities, local organisations and residents are already doing to tackle the pressures of housing affordability and energy poverty in their neighbourhoods.

“My view is that affordable housing and energy, which are usually treated as separate policy fields, should be thought of together,” said Janoschka. The researchers argue that housing should be viewed as more than simply providing a roof over people’s heads. It also shapes health, economic well-being and social cohesion.

To understand how widespread these challenges are, the researchers also surveyed around 30 000 households across Europe. They are now analysing the survey results to understand how successful local approaches could be adapted elsewhere through “learning communities” comprising networks of residents, public officials and researchers.

Solutions on the ground

The German city of Karlsruhe, for example, has run a cooperative housing programme for 20 years, offering renovation subsidies and giving homeless people access to vacant apartments, alongside the creation of energy-efficient homes. According to Janoschka, the programme has significantly reduced homelessness.

The researchers are now exploring whether these lessons can transfer to Thessaloniki in northern Greece, which has 35 000 vacant homes.

“The housing cost overburden in Greece is the highest in the EU, and a substantive part of that is energy costs,” said Meriç Özgüneş, housing policy coordinator at Housing Thessaloniki, the city’s social rental agency.

The agency has recently been renovating 40 long-empty homes for vulnerable communities, with people moving in since last December. It aims to add 60 more within three years and hundreds more after that.

“The PREFIGURE work has provided us with inspiring stories and a deeper understanding of potential strategies and financing approaches,” said Özgüneş. The Thessaloniki scheme offers tenants both long-term social rental contracts and energy-upgraded homes.

In Barcelona, another initiative – WikiHousing – is taking community participation a step further. It brings together young people aged 18 to 30 from diverse backgrounds to work alongside architects and builders to help design, prefabricate and eventually manage energy-efficient public housing.

As they learn practical construction skills, the project is also creating an open-source model that other cities can adapt to develop affordable, low-carbon homes.

Inequality, energy and place

While the team led by Janoschka has focused on identifying successful local housing initiatives, another European research team has been investigating why many vulnerable communities continue to miss out on affordable, energy-efficient housing.

Dr Anne Kantel, an energy policy researcher at the Fraunhofer Institute for Systems and Innovation Research in Karlsruhe, coordinates the EU-funded HouseInc project.

Working with local authorities, researchers and community organisations across Europe, the team is exploring how housing inequality is shaped by energy costs, market forces, policy, climate change and access to transport, public services and social support.

“When we talk about housing policy, we’re not just talking about any housing, but quality housing related to people’s well-being,” said Kantel.

The team ran four case studies involving marginalised groups from Eastern Europe: migrants in Germany, Roma communities in Czechia and Romania, and Ukrainian refugees in Italy.

Through interviews, focus groups and hands-on trials, residents worked with local authorities, NGOs and researchers to discuss potential innovations.

The researchers have also been surveying almost 15 000 households across eight countries to map where these gaps in housing and energy access are most acute, and building an atlas cataloguing existing fixes, such as social rental agencies or community-based renovation schemes, that other cities could draw on.

Falling through the cracks

The research found that these marginalised communities often face structural discrimination.

Roma people frequently lacked official residency status or lived in self-built homes on land they did not own, raising the risk of displacement. Meanwhile, Ukrainian refugees in Italy struggled with short-term funding that prevented them settling, finding work or integrating.

In both cases, homes often lacked energy efficiency measures, forcing tenants to rely on old electrical or heating appliances.

“A recommendation that came out of this is that there needs to be some stability and longevity in such programmes,” said Kantel. “Local authorities also need support and training to assess local needs and help people in targeted ways.”

In the Vogelstang district of Mannheim, Germany, home to many residents with a migrant background and living in energy-inefficient buildings, people reported struggling to heat and cool their homes affordably. However, many in the municipality have not picked this up as a separate problem.

For Kantel, that finding is revealing. It shows how issues like energy poverty can slip through the cracks when departments work in silos, without collaboration and exchange. “In Europe, I think there’s a need to redistribute resources better and invest in local capacity building,” she said.

Integrated housing strategy

Kantel’s broader argument is that municipalities need to consider a whole area’s buildings and infrastructure, not just individual homes, when planning housing strategy.

“The housing becomes part of the area’s infrastructure,” she said. “Measures can’t just stay at the household level, they need to go to the building and neighbourhood level.”

Ultimately, the two research teams reach the same conclusion: making homes greener will not automatically make them fairer.

Housing policies need to be designed alongside the people they are intended to help, so that Europe’s green transition does not leave its most vulnerable citizens behind.

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More info

- PREFIGURE (CORDIS)
- PREFIGURE project website
- Housing Thessaloniki website
- HouseInc (CORDIS)
- HouseInc project website
- EU Mission: Adaptation to Climate Change
- EU: New European Bauhaus