

Homelessness in the 2026 Spring Package of the European Semester and its implications

The European Semester is the main instrument for economic and social policy coordination across the European Union. The social dimension has gradually been strengthened alongside the focus on fiscal and economic policy, which has been central since the Semester was set up in 2011, following the 2008 economic crisis.

The Semester comprises several components that deal with housing policy through different lenses. In the Alert Mechanism Report, published by the Commission in the Autumn Package, housing markets are analysed as sources of potential economic imbalance, monitoring house price increases, overvaluation trends and household indebtedness.

While the issue of housing as a social challenge in addition to a macroeconomic one has been flagged in recent years in the Commission Communication on the European Semester Spring Package, this year, for the first time, it also mentions rising homelessness, thus clearly setting it as one of the key priorities to be tackled by Member States.

The Joint Employment Report (JER) monitors housing policy developments through the lens of the European Pillar of Social Rights, which frames access to housing as a social rights issue. The JER Proposal was published by the Commission as part of the 2025 European Semester Autumn Package and adopted by the Council of the European Union in March 2026. It provides an overview of employment and social policy developments in Member States and puts forward policy actions to respond to identified challenges. Throughout the 2026 JER, combatting homelessness is consistently mentioned alongside the need to improve support for social housing provision¹.

The Country Reports and Country Specific Recommendations (CSRs), which are part of the Spring Package of the European Semester, evaluate the compliance of MS with the fiscal stability rules, but also with the social policy objectives set by the European Pillar of Social Rights. In FEANTSA's previous analysis of the European Semester we have flagged the inconsistent acknowledgement of homelessness across the Country Reports and CSRs².

However, the 2026 Spring package published by the Commission on the 3rd of June and due to be adopted by the Council in July, marks a substantive shift from a marginal acknowledgement of homelessness, by consolidating the approach to homelessness as both a housing policy issue and a social policy one.

Although homelessness is still unevenly mentioned in the Country Specific Recommendations, the 2026 Country Reports comprise a first-ever Housing Annex, which comprehensively looks at the Member States' housing market and policies, with a distinct section on vulnerable groups, including people experiencing homelessness. This is significant for several reasons. First, it creates synergies with the recently published European Affordable Housing Plan and European Anti-Poverty Strategy. Second, the 2026 Semester process is due to inform the investment priorities under the next Multi-Annual Financial Framework. The Commission proposes a significant part of the 2028-2034 EU budget to be disbursed through the National

¹ "Support sufficient housing supply to meet demand, and access to affordable housing, social housing and/or adequate housing assistance, where appropriate; prevent and tackle homelessness as the most extreme form of poverty and address social exclusion through integrated, person-centered and housing-led strategic approaches; promote the renovation of residential buildings and social housing." https://employment-social-affairs.ec.europa.eu/joint-employment-report-2026_en p.23

² FEANTSA. Where is Homelessness in the European Semester? January 2023 <https://www.feantsa.org/resources/where-is-homelessness-in-the-european-semester-january-2023>

and Regional Partnership Plans (NRPPs), which are required to effectively address the challenges identified “in the context of the European Semester, in particular in the relevant country-specific recommendations addressed to the Member States, including those related to the European Pillar of Social Rights”.

FEANTSA has analysed the CSRs and Country Reports. We have assessed the extent to which they identify homelessness as a matter of social urgency, but also what connections they establish between combatting homelessness and social and affordable housing policy.

Twelve countries received specific recommendations regarding the expansion of their social housing stock (Cyprus, Czechia, Germany, Greece, Hungary, Ireland, Latvia, Lithuania, Poland, Portugal, Slovakia, Spain) and one regarding better monitoring of social housing (Croatia). In the case of Cyprus, Hungary and Ireland, addressing the housing exclusion of low-income households and vulnerable groups is explicitly mentioned in the social housing recommendation. For eight of the countries that received recommendations on social housing, the CSRs' Recitals also acknowledge homelessness as a severe societal problem (Czechia, Hungary, Ireland, Latvia, Poland, Portugal, Slovakia, Spain). In the case of France and Italy, homelessness is mentioned in the recitals, but no social housing recommendation is issued. For France, the CSR notes the increase in child and family homelessness and the ineffectiveness of housing allowances in preventing it; in the case of Italy, the CSR notes that “homelessness remains a persistent and severe phenomenon, with ample scope to expand the delivery of housing-first interventions”.

Twelve countries have no mention of homelessness and no social housing-specific recommendation in their CSRs (Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, Luxembourg, Malta, Netherlands, Romania, Slovenia, Sweden), although some of them had housing-related ones, regarding overall housing supply (Sweden, Denmark) or energy efficiency/poverty (Bulgaria, Estonia).

While some CSRs only mention rising homelessness (Hungary, Spain, Portugal), others explicitly connect it to housing policy, and more specifically to the availability of social housing and/or to the functioning of the housing benefits system. This is the case of Czechia, Ireland, Poland, Slovakia, France and Italy, with some of them calling for the development or expansion of Housing First and housing led programmes:

“A higher supply of social housing is necessary to reduce homelessness and protect lower-income segments that are priced out of the private rental market.” (Ireland, CSR recitals)

“Social housing availability is one of the lowest in the EU, and over 1 60 000 people are affected by homelessness and housing exclusion.” (Czechia, CSR recitals)

“Social housing is also significantly insufficient, representing only 2.5% of the total stock, one of the lowest shares in the EU. These systemic shortages disproportionately affect marginalised communities, particularly Roma families (...). Moreover, homelessness in Slovakia has risen markedly over the past decade. Compounding these challenges, housing allowances cover only a minimal fraction of rental costs, failing to provide meaningful support for rental affordability.” (Slovakia, CSR recitals)

“The housing first approach is underdeveloped and is limited to the capital region of Riga. Overall, homelessness remains a persistent social challenge and is not being sufficiently addressed by national policies.” (Latvia, recitals)

“develop housing-led solutions for vulnerable groups such as older people, persons with disabilities and homeless persons” (Poland, CSR recitals)

From FEANTSA's perspective, such an approach to homelessness in the Country Specific Recommendations sends a clear message regarding the actions Member States should undertake: make combatting homelessness a policy priority of the national housing policy. We welcome the focus on policy reforms required to address homelessness.

This is supported by the Housing Annexes that are part of the Country Reports, which systematically show that housing cost overburden, housing deprivation and overcrowding disproportionately impact people at risk of poverty and tenants, even in countries where the average rates are relatively low. The use of data that contrasts the average with the at risk of poverty population for housing cost overburden, housing deprivation, and overcrowding should be understood in our opinion, as encouraging a more targeted housing policy response to address those with the most urgent needs.

The Annexes also comprise distinct analyses of homelessness data and policy responses, of the social housing policy, of the housing benefits system and of the rental market regulation. However, it is not the case for all countries that operational links are made between the persistence or rise of homelessness, on the one hand, and routes into and out of homelessness. In that matter, the Housing Annexes for some countries merely provide a brief inventory of the latest data on homelessness or the existing services and programmes (for e.g., the Netherlands). Still, most Housing Annexes do emphasize the existing limits and areas for improvement of the national/local homelessness policy, be it in relation to adequate funding, policy coordination, social service standards, data collection, the functioning of the housing benefits system, or to social housing availability and allocation policy.

The Housing Annexes for several countries (Austria, Czechia, Finland, France, Ireland, Italy, Latvia, Portugal, Slovakia, Sweden) acknowledge the ongoing Housing First programmes and, in some cases, advise for their improvement or scaling up. For some, they mention the lack of or the need for sustained commitment to and investment in housing-led approaches (Bulgaria, Italy, Hungary, Luxembourg, Poland, Portugal, Slovakia). For others, the Annex also rightfully takes stock of the contribution that EU funds had in the development of Housing First programmes (e.g. Czechia, Latvia, Italy, Slovakia). Moreover, in several Housing Annexes we find a welcome acknowledgement of the role of social and public housing in providing sustainable exits from homelessness. This hints at the importance of a needs-based allocation policy. It serves to emphasize that the expansion of the social and affordable housing stock is not, in itself and by default, indicative of the extent to which it responds to the needs of people experiencing homelessness or at risk of homelessness, in the absence of targeted mechanisms to access and maintain housing.

This Semester exercise provides a clear push on combatting homelessness, in alignment with the European Affordable Housing Plan and the Anti-Poverty Strategy. But what obstacles stand against re-shifting national housing policies towards a genuine needs- and rights-based approach?

The first that stands out are the issues of competing priorities and constrained public budgets. In this context, all Member States have received a recommendation to make "use of the flexibility under the national escape clause for higher defence expenditure" and "adapting the budget to sustain structurally higher defence spending". This effectively contributes to the pressure to do more with less, as reflected, for example, in one of the recommendations for Spain to increase the social and affordable housing stock while becoming less reliant on government funding. The pressure of financial sustainability in a context of redirected public resources has implications for the actual possibility to provide housing solutions that combat

and prevent homelessness. We can see this clearly in the case of Finland, where the austerity measures implemented since 2023, which involved cuts to social protection, housing benefits, housing counselling and affordable housing development, were accompanied by an 11% increase in homelessness in 2024 (the first one in a decade), and a further 20% increase in 2025 compared to the previous year³.

The EU budget can support reforms, and the European Semester is supposed to orientate programming for the next MFF. We must therefore acknowledge the competition between investment priorities in the context of the next EU budget as well. According to estimates, the social allocation will substantially diminish compared to the current ESF+ envelope. In addition, there are no distinct envelopes for the different funds, including ESF+ and ERDF, although this is currently being challenged in the interinstitutional negotiations. As stipulated in the NRPP Regulation proposed by the Commission, the programming of the budget should be influenced by the country-specific recommendations. The extent to which sustainable housing led and Housing First responses to homelessness will be included as an investment priority will also depend on the homeless stakeholders in both the NGO and public administration sectors, which FEANTSA aims to support in the following year during the negotiation of the National and Regional Partnership Plans.

Finally, what about the countries whose Country Specific Recommendations address neither combatting homelessness nor the expansion of social housing? Even if they did not receive specific recommendations, issues related to their social housing policy are still present in the recitals for some of them, for e.g. energy efficiency of the social housing stock in Belgium or assessment of the social housing needs in Romania. The CSRs for France and Italy, as mentioned, bring up the persistence of or an increase in homelessness. Social housing and homelessness references are resoundingly absent from the others, although for most of them, these two aspects are extensively covered in the Housing Annexes of the Country Reports. However, in view of the next EU budget programming negotiations with Member States, the National and Regional Partnership Plans they will draft as part of the process must still "contribute in a comprehensive and adequate manner to all the specific objectives laid down in Article 3", which for the first time include fighting homelessness and support for social and affordable housing.

In conclusion, FEANTSA welcomes the more extensive and thorough treatment of homelessness in the Semester. Whilst the recommendations and analysis will not lead to automatic change, the message that Member States should address homelessness better is very welcome, and we hope that this will continue going forward. This year's Spring Semester Package will provide a much-needed lever for those advocating for investment to tackle homelessness in the next MFF. Although there are still gaps and inconsistencies, it is a clear message, which in some countries can be used to drive change, including by helping to invest EU funds wisely in fighting homelessness.

³ Varke. Statistics and publications. Homeless 2025 <https://www.varke.fi/fi/tilastot-ja-julkaisut/asunnottomuus/asunnottomat-2025>