

CEI-BOIS CONTRIBUTION TO THE EUROPEAN COMMISSION'S CALL FOR EVIDENCE FOR THE AFFORDABLE HOUSING ACT

The European Confederation of Woodworking Industries (CEI-Bois) welcomes the European Commission's intention to adopt an Affordable Housing Act to support public authorities in protecting and promoting housing affordability in areas under housing stress. While insufficient housing supply remains the key structural driver of the crisis and must be urgently addressed, this effort must go hand in hand with delivering low-carbon and energy-efficient housing solutions to ensure truly sustainable outcomes.

KEY POLICY REQUESTS:

1. Make the expansion of housing supply the central pillar of the Affordable Housing Act.
2. Ensure that the increased housing supply is simultaneously low-carbon and energy-efficient:
 - Use public procurement to create demand for bio-based and industrialised construction
 - Streamline permitting and regulatory procedures
 - Harmonise and modernise building codes
 - Update construction product standards
 - Renewability should be recognised as equally important as recyclability in the transition towards a circular economy
 - Ensure science-based sustainability assessment methodologies
3. Scale up modern construction methods (including offsite, prefabricated, and modular construction).
4. Accelerate renovation, including through horizontal and vertical extension, especially in dense urban areas.

Expanding the supply of affordable, high-quality, and sustainable housing in areas under pressure requires the scaling-up of industrialised construction methods, together with greater use of circular bio-based materials such as timber. Applied to both new construction and renovation, industrial construction methods - including offsite, serial, prefabricated, and modular approaches - offer significant advantages, including faster delivery times and lower costs. Modular construction also expands employment beyond construction sites into manufacturing, logistics, engineering and design, while supporting the development of regional industrial ecosystems. By shifting activities to factory-based environments, it creates more stable and predictable jobs with more permanent contracts and reduced exposure to weather and site disruptions. When timber-based prefabricated and modular solutions are used, they also deliver significant environmental benefits, reducing emissions, storing carbon, and



improving resource efficiency, while also enhancing building quality and supporting the physical and psychological well-being of occupants. Increasing the use of wood in construction offers an immediate, cost-effective, and readily available solution for reducing the carbon footprint of the building sector

Accelerating the renovation wave is also essential to expand and better utilise the housing stock, particularly in dense areas with limited opportunities for greenfield development. In such contexts, extending existing buildings - including through horizontal and vertical expansion - offers significant potential. **Modular, lightweight timber construction solutions are especially well suited to these interventions, enabling faster, more efficient, and low-impact upgrades to existing buildings.**

As recognised in the Bioeconomy Strategy and the European Strategy for Housing Construction, the European Commission increasingly acknowledges the multiple benefits of linking the bioeconomy with the construction sector and promoting modern methods of construction, particularly when combined with timber solutions. **We therefore encourage EU policymakers to further support these approaches, including as part of the upcoming Affordable Housing Act.**

Renewability should be recognised as equally important as recyclability in the transition towards a circular economy. While recycling plays a key role in reducing waste, it should not automatically be considered more environmentally beneficial than the use of renewable materials. A balanced policy approach is therefore needed, one that values both renewable and recycled materials based on their overall environmental performance, rather than prioritising one over the other by default. Wood is inherently a circular material, as it is renewable, reusable, and recyclable. By promoting timber-based construction as a means to increase housing supply and alleviate the housing crisis, the Affordable Housing Act can also contribute to advancing the EU's circular economy objectives and create synergies with the upcoming Circular Economy Act, where circular construction is expected to be a key area of focus. **To fully capture the circularity benefits of timber construction, EU policy should recognise sustainably sourced renewable content on an equal footing with recycled content as a valid circular input.**

To unlock the full potential of these solutions in increasing housing capacity at scale, targeted action is needed to address key financial, regulatory, and standardisation barriers. This includes **improved access to capital and diversified revenue streams (such as carbon credits for carbon storage in construction), demand creation through strategic public procurement of bio-based solutions and modern methods of construction, streamlined permitting and regulation, greater harmonisation and modernisation of building codes, up-to-date construction product standards, and science-based sustainability assessment methodologies.**

A more detailed assessment of these barriers and the corresponding policy recommendations is available here:

https://www.cei-bois.org/_files/ugd/5b1bdc_3f351af2c17246a494bd792aaf0c7e8c.pdf