

## **Housing and construction sector must be protected from the Covid-19 crisis**

### **PRESS RELEASE**

BRUSSELS, 20 March 2020 – [Build Europe](#), the leading pan-European association representing real estate professionals in Europe, warmly welcomes the action taken by the European Commission in calling on Member States governments to develop targeted measures to protect EU citizens and sectors threatened by the current Covid-19 crisis.

The Covid-19 crisis is currently affecting all countries in Europe and will have a fundamental impact on national economies, on businesses, and on citizens on short, medium, and long-term. Several European countries have already adopted various containment measures that severely limit the free movement of people and establish strict rules for social interactions (such as social distancing measures).

“In relation to the housing sector, we believe that the sales of dwellings will be extremely reduced, while the demand for extra dwellings remains objectively high, certainly in urban areas,” says Marc Pigeon, President of Build Europe.

In fact, Build Europe members believe that – given the current scenario - the construction of new dwellings will slow or even temporarily stop in certain places, and that housing sales will also drop, owing to falling consumer demand and economic uncertainty. Moreover, there will be issues with the delivery of building permits by public authorities, the provision - especially cross-border – of building materials, as well as the working conditions of (posted) workers. Therefore, there is a high risk that this epidemic outbreak will cause an economic recession that will provoke a decrease in housing supply. According to Filiep Loosveldt, Managing Director of Build Europe, all those factors are likely to aggravate the current housing affordability crisis in Europe, as pointed out in Build Europe’s latest [Manifesto](#).

Build Europe and its Members are worried about the future detrimental consequences of this unprecedented global sanitary crisis and are relieved to see that the European Commission is already taking important measures to limit the impact of the Covid-19 outbreak on businesses, notably by allowing national authorities for more flexibility when enforcing state aid rules. At the same time, however, Build Europe urges the European institutions and national authorities to go further in measures to help citizens and businesses by taking into account best practices already implemented across the European Union, such as:

- 1. Assuring cashflow and liquidity for companies, homebuyers and tenants;**
- 2. Guaranteeing the cover of temporary unemployment costs;**
- 3. Postponing and waving partially VAT, social security and corporate tax income payments;**

- 4. Supporting 'help-to-buy' schemes across Europe;**
- 5. Incentivising investment funds to buy apartment blocks on the private market in order to provide affordable rental options to individuals; and**
- 6. Assuring that all administrative offices provide constant service without unnecessary black-out periods. In particular construction supervision and possibility to receive permits is crucial for keeping liquidity on the market and providing salaries to employees.**

According to Build Europe effective and efficient supply side policies are needed to reduce the production's costs in order to face the challenge of the current and further affordability housing crisis as a path to improve the living standards of the European citizens.

Marc Pigeon says: "We hope that the different authorities all over Europe will seize this moment to further tackle bottle-necks and simplify existing regulations in order to facilitate the needed supply of extra dwellings in Europe, without losing sight of the necessary support on the demand side."

Filiep Loosveldt adds: "Professional real estate developers are at the source of a whole chain of economic processes, such as land transactions, architectural design services, engineering, demolition/construction, commercialisation and maintenance of real estate, housing in particular. In order to prevent an economic recession, it is also of utmost importance that public authorities are facilitating and stimulating the granting of building permits all over Europe in the days and weeks to come."

Build Europe President Marc Pigeon concludes: "We are at our best when we act together to support the common good: I urge the European institutions and national governments to act without delay to take the urgent measures that are needed to prevent Europe sliding into recession. These are difficult times, but we must and will weather the storm. Only European solidarity can ensure the future sustainability of our sector to provide a roof over the heads of every EU citizen who needs one".

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**Note to Editors:**

[Build Europe](#) is the umbrella organisation for European Union Member States' national federations of developers and house builders, representing more than 30,000 developers and house builders affiliated to the federations of 11 Member States. Build Europe's main objective above all to meet the social and environmental aspirations of European citizens. Build Europe works with its Members to promote practical deliverable policy approaches to build more, with better quality and at an affordable price.

Its Members include:

- Belgium: Union Professionnelle du Secteur Immobilier - Beroepsvereniging van de Vastgoedsector (UPSI-BVS);
- France: Fédération Promoteurs Immobiliers (FPI);
- France: Les Constructeurs-Aménageurs de la Fédération Française du Bâtiment (LCA-FFB);
- France: Union Nationale des Aménageurs (UNAM);
- Germany: Bundesverband Freier Immobilien-und Wohnungsunternehmen (BFW);
- Ireland: Irish Home Builders Association (IHBA);
- Luxembourg: Chambre Immobilière du Grand-Duché du Luxembourg (CIGDL);
- Malta: Malta Developers Association (MDA);
- Norway: Boligprodusentenes Forening (NHBA);
- Poland: Polski Związek Firm Deweloperskich (PZFD);
- Romania: Patronatul Societatilor din Constructii (PSC);
- Spain: Developer and House Builders Association of Zaragoza (ACPZ);
- United Kingdom: Home Builders Federation (HBF), National House Building Council (NHBC).

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