PS Lifestyle

Policy Brief: Housing

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Shifting towards more sustainable, healthier housing in Europe

Learnings & policy recommendations from PSLifestyle

PSLifestyle is a pan-European research project funded by the European Union. It has developed a Lifestyle Test to help individuals adopt positive, sustainable, and healthier lives and to reduce their climate impact. By taking the Test, individuals can see how their daily activities impact their carbon footprint. They also receive personalised tips to help reduce their footprint through lifestyle changes that can be tailored to fit their needs and capabilities. Additionally, the test collects anonymous data on the reasons why people may be unwilling or unable to adopt certain lifestyle choices, providing valuable insights to promote sustainable lifestyles more effectively.

This policy brief draws on over 410,000 responses to the Lifestyle Test. Based on the actions people are willing to take, and on the challenges people face when adopting such actions, it presents a series of policy recommendations on 'Shifting towards more sustainable, healthier housing in Europe'. These recommendations aim to address structural barriers to meeting Europe's climate neutral goals and help make sustainable, healthy choices easier and more accessible for everyone.

This brief is one in a series of four, that respectively focus on: transport, food, housing, and purchases. The other three policy briefs can be found here.

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What is the situation?

Europe is in a housing crisis. People are struggling to afford their homes as prices and rent increases, while the rising cost of living places economic stresses on people and increases concerns about affording bills. Since 2010, **house prices in the European Union (EU) have risen by 47% and rents by 18%,**[1] outpacing inflation and causing many to spend the largest proportion of their income on housing. Social housing is also in increasing demand.

Our homes are important havens. We spend most of our time indoors, whether it is at home, in school or work, or during leisure time.[2] But our homes are not meeting our needs, with **16.8% of the EU population living in overcrowded households.**[3] Many buildings were built before the 21st century and rely heavily on fossil fuels such as gas and oil for heating and cooking.

Indeed, around 97% of buildings in Europe are not deemed energy efficient,[4] meaning they consume high amounts of energy from often non-renewable sources. **40% of our overall energy consumption in the EU comes from buildings,**[5] and the resulting greenhouse gas emissions leads to a huge pressure on the climate. Meanwhile, the speed of renovations is slow. Many cannot afford to renovate their homes, and the cost is often a burden on the most vulnerable, including women, children, the elderly and those with pre-existing health conditions, who are often living in homes with poor energy use that come with health risks. **Housing is a key social determinant of health,**[6] with factors such as ventilation, moisture, dampness, insulation, indoor temperature and air quality directly influencing health outcomes.

Low-income households facing high energy prices and energy inefficiency is the main driver of energy poverty. **Energy poverty is a threat to health and wellbeing that goes hand in hand with climate change**. Around 48 million households cannot keep their home adequately warm during the winter,[7] and in the summer up to 19% of households struggle to remain cool.[8] The EU has announced plans including the **Clean Industrial Deal** and the **Affordable Energy Action Plan** to help households switch to affordable renewable energy sources, utilising competition to stabilise prices and incentivise industry. But competition must not come at the cost of investing in real sustainable energy so the EU can meet its climate targets, while also ensuring that volatile energy markets do not

impact households. The EU will also finance the **Social Climate Fund 2026-2032** to support investments in sustainable and renewable energy and infrastructure.[9] However, this initiative allows for fuel suppliers to trade off their emission output, rather than addressing it at the source.

It is not just energy poverty that threatens our wellbeing. The ways our residences and urban areas are utilised bring luxury to the few at the cost of our environment. Those who can afford it aspire to own one or multiple homes, often larger than their needs, which requires greater land use and energy consumption.[10] New builds are eating into green areas, to try and meet growing demand for housing due to people buying second properties.

Our time spent indoors also exposes us to the threats from indoor air pollution, which primarily comes from sources such as fuel for cooking and heating, construction materials, dampness and poor ventilation.[11] **Indoor air pollution can cause or worsen non-communicable diseases** including respiratory disease, cardiac disease, and risk of strokes.[12] Global trends such as climate change and high energy costs contribute to poor indoor air quality,[13] as extreme weather conditions push people to use too high or too low indoor temperatures, with decreased ventilation and more humidity problems.

We urgently need to transition towards healthier, more environmentally sustainable homes that are accessible and affordable for everyone: how can this be achieved?

What needs to change?

Our homes should meet our various needs and ensure adequate living space for all, while **promoting more community and sustainable-based living habits.** While policies on renovations and new builds can ensure healthy and efficient homes, we must also **address the more systemic aspects of housing such as spatial planning** to create living standards that support environmental standards.

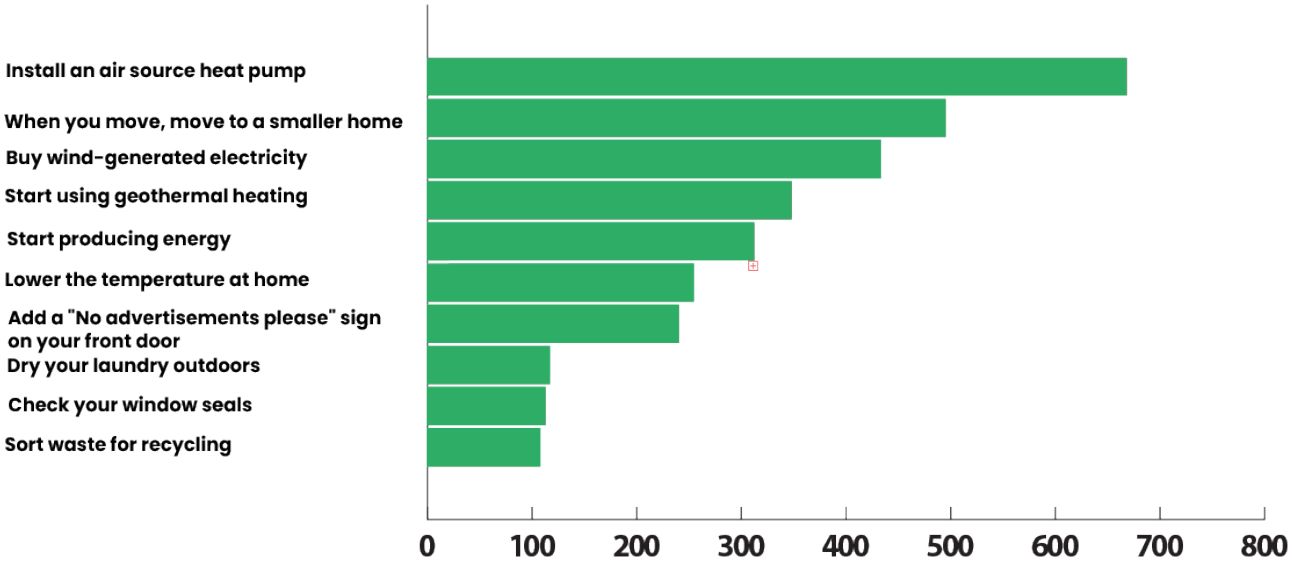
Policies must also **support individuals to make choices that create a more sustainable way of living**, through support for switching to renewable energy sources, to enabling lifestyle habits such as using community-based amenities.

To be able to live in healthy and sustainable homes should be a right for all.

The evidence from PSLifestyle: what sustainable actions are people willing and able to take?

With incentives from local and national governments, a number of different approaches can be taken to adapt a home or lifestyle in ways that save on CO_2 emissions and bring about health benefits. The graph **"Annual CO_2 reductions from Action Plans"** derived from the Lifestyle Test (see box **"What does the Lifestyle Test do?"**) shows which actions most people are most willing and capable of doing to make their homes more environmentally sustainable.

Annual CO_2 reductions from Action Plans (tonnes of Co_2/year)



Actions we can take

The most sustainable actions identified by Lifestyle Test data involve **switching to more sustainable sources of energy for the home**. Installing an air source heat pump would reduce CO_2 emissions by over 600,000 tonnes each year. Buying wind-generated energy or using geothermal hearting are also effective and relatively popular ways to reduce carbon consumption.

It is important to note that these actions are considered impactful because they **reflect both the potential environmental benefits and the extent of individuals' willingness to adopt them**. For instance, using geothermal heating is the most impactful option purely in terms of reducing CO_2 emissions, but it drops to fourth place when ranking the cumulative impact of action plans, as many individuals are not able to adopt this solution. Moving to a smaller house in itself would reduce CO_2 emissions by only a modest amount, but it is an option that enough people would consider to make it impactful.

People are also willing to **try to conserve energy in their home, even if they cannot make the switch to renewable sources**. Manageable activities include lowering the temperature at home, checking the window seals, and drying laundry outdoors. These activities only contribute to reducing small amounts of CO_2 emissions, but as they are easy to adopt they have an important potential for impact.

What does the Lifestyle Test do?

The Lifestyle Test is a tool designed to inform individuals about the climate impact of their daily activities and inspire them to reflect on their habits, encouraging change through practical actions.

The data presented in this brief, collected between 19 December 2023 – 21 November 2024 in eight European countries (Estonia, Finland, Germany, Greece, Italy, Portugal, Slovenia and Turkey), illustrates the impact of these actions in terms of CO_2 reduction, linked to individuals' willingness to adopt them. It also highlights the main barriers individuals face in adopting certain actions, with respondents able to select between "too expensive", "not available where I live", "not popular where I live", "not possible in my life situation", "I don't know how", "I don't have the support I need", and "it takes too much time and effort". Their answers highlight the need for structural changes in infrastructures, business models, marketing and advertising messaging, and policies.

By analysing this data, the Lifestyle Test helps to identify actions that decision makers can prioritise to maximise societal acceptance and uptake of more sustainable choices, while pinpointing the key challenges that need to be addressed to further promote these actions across society. Data collection is still ongoing. A new interactive policy and business insight platform providing access to real time data from the Lifestyle Test can be found here.

Barriers to overcome

Cost is one of the largest barriers preventing people from implementing effective carbon reduction mechanisms in their homes. **Installing renewable energy sources or access to renewable energy is often unaffordable, or not easily available** in all countries across Europe. 31% of Lifestyle Test respondents listed installing an air source heat pump as too expensive, while 34% listed wind-generated electricity and 32% geothermal energy as too expensive. Other highly selected barriers were the fact that these options were not available or not possible in people's life situation.

Another common issue was that the options do not fit with individuals' lifestyles. 70% of respondents consider moving to a smaller home incompatible with their life situation. This could be because they have a family, and require a specific home size to be comfortably homed. Other reasons may include local planning, as small homes are often located in poor quality neighbourhoods, or due to how housing is presented in the media and marketing. Large homes, multiple houses, and large holiday houses, are advertised as an aspiring status symbol, **encouraging people to live much beyond their actual needs,** which results in a larger climate impact.

It is critical to take action at policy level to support people in implementing sustainable actions and enable everyone to live healthier and more sustainable lifestyle without creating a financial burden.

While individuals are willing to consider these actions, economic and lifestyle factors can hinder their adoption.

Policy recommendations: how can policymakers support and enable sustainable change?

At the national and local level, policies must consider different ways to support homeowners, landlords and renters without placing the burden on the individual, especially not people in vulnerable conditions, and without pricing people out of their homes. The proposed actions in this brief offer a range of ways to support everyone to live in more sustainable homes, based around their specific needs.

1. **Provide subsidies to homeowners and landlords for sustainable renovations.** National governments can offer incentives to reduce the economic burden on individuals in renovating their homes, as is occurring in many EU Member States.

   Financial assistance can be offered to install renewable energy sources such as air pumps, geothermal heating, solar panels, and to better insulate homes and reduce energy poverty. This assistance can also ensure social safeguards, such as by integrating funding in National Building Renovation Plans to empower vulnerable households and ensure social protections as part of a just transition.

   While sustainable renovations can be expensive, they can offer long-term benefits, and are an investment in economic and overall wellbeing. Renewable energy can be a more affordable energy source over time, whereas fossil fuels are more unstable due to rising prices. Such renovations also contribute to improving health.

II. Build small and sustainable housing as part of new spatial planning that promotes sustainable energy use.

Smaller homes can offer a good quality of living when combined with high-quality, shared facilities, reducing energy consumption and increasing affordability. They can significantly reduce environmental footprints, especially when located in well-designed, high-quality neighbourhoods that enhance liveability and accessibility. Well-planned communities are essential for minimising housing's negative impact on nature. Incentives to "green" homes through nature-based solutions such as greening roofs and walls can also help to lower heating and cooling costs. Green roofs and walls can make buildings warmer in winter (up to 4.5°C) and cooler in summer (between 2.5°C and 6°C).[14] They also bring physical and mental health benefits, and make homes more liveable.

National and local guidelines on residential buildings should ensure commitments to renovations and new builds that promote sustainability. They should consider building smaller homes in combination with communal spaces, public transport hubs, and green public areas that are easily accessible to all in the community, contributing to reducing inequalities.

III. At the national level, implement the EU Energy Performance of Buildings Directive (EPBD) to improve energy efficiency of buildings.

The revised EPBD outlines steps to increase building renovation across Europe, but has less binding guidelines for residential buildings compared to non-residential.

National governments should implement measures from the EPBD that improve the sustainability and resilience of buildings while ensuring a just transition, and prioritise the refurbishment and reuse of existing buildings over new construction. This can include implementing the Minimum Energy Performance Standards (MEPS) in residential and non-residential buildings to meet climate neutrality goals. This will set concrete goals for national and local governments, so that the shift to sustainable housing is not an expectation placed on individuals alone. The EPBD should also be the basis for all energy efficient renovation programmes and National Building Renovation Plans, created in collaboration with representatives from the energy, housing, public health and social service sectors. Funding from the EU can be allocated to support these initiatives, such as through the Social Climate Fund to invest in energy efficiency and building renovations.

The EU should see that its energy legislative initiatives take clear steps in transitioning Europe to a fully renewable future. As well as supporting Member States in implementing the EPBD, other policies such as the Clean Industrial Deal and the Affordable Energy Action Plan must prioritise renewables while ensuring affordable access for households. Reliance on non-renewables including gas will continue to make energy markets unstable, while contributing to health-threatening emissions.

IV.

Support and encourage behavioural change to enable everyone to live more sustainably. Some individuals are motivated to adopt more climate-friendly behaviours and living habits, but may face socioeconomic hurdles which prevent them from committing to such habits.

National governments can offer policies such as pricing incentives to support people in switching to renewable energy, benefiting the climate and addressing inequalities. Indirect measures can also enable and encourage behavioural shifts, such as educational campaigns at national and local level to support people in implementing more sustainable and achievable choices in their homes, for instance in managing household waste.

Housing, as a major status symbol, also drives inequality across income groups, and it is crucial to shift societal aspirations. Public campaigns, educational programmes, and media regulation can help promote more sustainable, socially connected communities.

Case studies

Germany – Colder washing campaign

The consumer goods manufacturer Procter & Gamble Germany together with WWF Germany have launched a campaign (#Wirdrehenrunter) to reduce the average washing temperature of people doing their laundry in Germany, which has been shown to save CO_2 emissions. PSLifestyle partner CSCP, the Centre for Sustainable Consumption and Production, is supporting the initiative by introducing behavioural insights into the campaign design and assessing the campaign's overall impact. The campaign launched in August 2022 and will run for at least three years. Find out more here.

Finland – Re-thinking urban housing

The Re-thinking Urban Housing programme in Helsinki, Finland, explores innovative solutions to the construction, design, and housing policy of apartments, highlighting ways to enhance quality of living in apartment buildings. Projects under this initiative focus on apartment flexibility, affordability, sense of community, resident-centric design and energy efficiency. Examples include developing modifiable housing units, parking-free housing, and developing rooftop areas and comfortable courtyards. Find out more here.

Find out more

Check out the other three policy briefs here: https://pslifestyle.eu/policy-briefs

Find out more about the PSLifestyle initiative here: https://pslifestyle.eu/

Take the Lifestyle Test here: https://pslifestyle-app.net/ and help us to share the word!

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