

## **EPF Response to Call for Evidence on the European Strategy for Housing Construction**

The European Panel Federation (EPF), representing the European wood-based panels industry, welcomes the European Commission's initiative to develop a Strategy for Housing Construction, under the broader framework of the European Affordable Housing Plan and the Construction Transition Pathway.

EPF strongly supports the goal of increasing the supply of sustainable, affordable, and high-performance housing. In this context, EPF wishes to highlight the crucial role that wood-based construction materials and products, such as wood-based panels, can play in delivering on the EU's environmental, social, and economic objectives.

### **Carbon storage and substitution benefits**

Wood stores carbon throughout its lifecycle. The carbon embedded in wood-based construction materials and products remains locked in buildings for decades, thereby contributing to the EU's climate targets. At the same time, wood-based materials and products substitute for carbon-intensive materials such as concrete and steel, offering significant GHG emission savings.

### **Material efficiency, circularity and EU autonomy**

Wood-based panels are at the core of a cascading use of biomass, maximising the resource efficiency of Europe's forest-based value chains. These products are often manufactured from industrial by-products and post-consumer wood, enabling high levels of circularity and recyclability. Moreover, wood-based panels can be reused and recycled into new panels, as already demonstrated by industrial-scale closed-loop systems in Europe. In addition, because wood-based panels are predominantly sourced and manufactured within Europe, they reduce reliance on imported, carbon-intensive materials such as steel and concrete. This not only aligns with the EU's ambition to develop a strong secondary market for materials, reduce reliance on virgin inputs, and improve construction waste management, but also strengthens the Union's strategic autonomy over critical construction value chains, consistent with the objectives of the Green Industrial Deal Plan.

### **Offsite prefabrication, construction productivity & affordability**

Wood-based panels are ideal for offsite prefabrication, which increases the speed, quality, and safety of construction projects while reducing on-site labour demands and environmental disruptions. By shortening construction timelines and lowering on-site costs, prefabricated systems directly enhance affordability, which is central to the European Affordable Housing Plan. Offsite production mitigates labour shortages in the construction sector by reducing reliance on manual on-site work while creating opportunities for upskilling in digital design, automated production, and assembly, thereby making prefabrication more socially inclusive and aligned with the European Skills Agenda. These advantages are essential for improving construction productivity, which (as acknowledged in the call for evidence) has lagged behind other sectors. Prefabricated panelised systems can also integrate high-performance insulation, enhancing the

energy efficiency of buildings during use, which aligns with the goals of the Energy Performance of Buildings Directive (EPBD) and the Renovation Wave.

### **New European Bauhaus, societal value and the twin-transition**

As renewable, versatile and aesthetically pleasing materials, wood-based materials and products resonate with the New European Bauhaus initiative by combining sustainability, inclusion, and design excellence. At the same time, prefabrication with panelised systems directly supports the EU's twin transition, enhancing the green transition through improved resource and energy efficiency, and the digital transition through integration with Building Information Modelling (BIM), automation, and advanced manufacturing processes. Together, these dimensions highlight the broader societal value of wood-based construction for creating accessible, warm, and liveable spaces in both urban and rural settings.

### **Policy Recommendations**

To unlock the full potential of wood-based panels for climate-friendly, affordable housing, we recommend that the Commission:

- **Recognises engineered wood products as climate-friendly materials** and promotes their use in housing construction under the Strategy;
- **Supports the creation of lead markets** for circular, renewable construction materials under the Construction Products Regulation (CPR);
- **Streamlines approval and building permit procedures** for offsite, prefabricated wood-based systems;
- **Incentivises carbon-storing construction materials** through Green Public Procurement (GPP);
- **Avoids policy fragmentation** that could undermine material-first use principles or the availability of secondary wood raw materials.

The recent peer-reviewed article in *Nature Sustainability* (August 2025) titled “*Global wood harvest is sufficient for climate-friendly transition to timber cities*”<sup>1</sup> offers compelling scientific validation for the role of renewable materials in housing policy. It confirms that a transition toward wood-based urban construction is not only feasible, but also compatible with forest carbon preservation provided that cascading use and circularity are respected. Crucially, the study identifies **wood-based construction as one of the most effective material strategies for decarbonising the built environment**. These findings directly reinforce the strategic case for expanding the use of wood-based materials and products, including wood-based panels, across Europe's housing stock. In this context, the **European Strategy for Housing Construction should embrace wood-based materials and products as a climate-smart, resource-efficient, and socially valuable solution**, aligned with both the EU's climate ambitions and the goals of the New European Bauhaus.

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<sup>1</sup> Yayla, A., Mason, A.R., Wang, J. *et al.* Global wood harvest is sufficient for climate-friendly transitions to timber cities. *Nat Sustain* (2025). <https://doi.org/10.1038/s41893-025-01605-w>