

EPF Response - Call for Evidence on the Affordable Housing Act

The European Panel Federation (EPF), representing the manufacturers of wood-based panels in Europe, welcomes the European Commission's initiative to develop an Affordable Housing Act as part of the European Affordable Housing Plan. Europe faces a growing housing affordability crisis driven largely by structural shortages in housing supply. Addressing this challenge requires coordinated action that simultaneously increases housing delivery, reduces construction costs and supports sustainability objectives.

Wood-based panels are essential materials for modern construction systems, particularly industrialised, off-site and modular building solutions. These systems enable faster construction, reduced material waste and improved cost efficiency, making them well suited to addressing Europe's housing shortage. As a renewable, recyclable and carbon-storing material, wood also contributes to the EU's climate and circular economy objectives. EPF therefore welcomes the Commission's focus on supply-side solutions and wishes to highlight several areas where EU action can provide added value and longer-term solutions for increased housing supply.

Increasing housing supply through industrialised construction

One of the key structural constraints affecting housing supply in Europe is the **low productivity of the construction sector**, combined with labour shortages and increasing construction costs. Industrialised building methods, including off-site prefabrication, offer significant opportunities to improve efficiency and accelerate housing delivery.

Prefabricated building systems using wood-based panels allow the production of walls, floors and roof elements in controlled factory environments, which can then be assembled rapidly on site. These systems reduce construction times, improve quality control and significantly decrease waste and disruption in urban areas. They also reduce operational costs and labour intensity, at a time when the construction sector faces widespread skills shortages.

However, the wider deployment of industrialised construction is currently hindered by **regulatory fragmentation across Member States**, particularly regarding building systems and market access rules. To unlock the potential of these solutions, the EU should:

- support the development of **harmonised standards for prefabricated building elements and building kits** under the Construction Products Regulation;
- promote **mutual recognition of conformity assessments for construction systems** across Member States; and
- encourage the inclusion of **off-site construction solutions in public procurement and housing programmes**.

A more integrated European market for industrialised construction would help scale affordable housing solutions and strengthen the competitiveness of the EU construction ecosystem.

Promoting circular and bio-based construction materials

Affordable housing policies can also go hand in hand with the transition towards **low-carbon and circular construction materials**. Wood-based construction products store biogenic carbon over long lifetimes, contributing to climate mitigation by substituting more carbon-intensive materials. Also, they are recyclable and can incorporate post-consumer wood (e.g. wood-based panels), extending material lifecycles and supporting circular economy objectives.

To fully harness these benefits, the Affordable Housing Act should adopt a **whole life-cycle perspective on building materials**, recognising both embodied carbon and carbon storage effects. Policies aimed at increasing housing supply should therefore support the use of materials that combine affordability, sustainability and circularity.

EPF also highlights the importance of improving the management of wood arising from renovation, demolition and deconstruction, with a stronger focus on reuse and upcycling. Recovering more wood from buildings for continued material use would help retain the carbon stored in the material across additional product life cycles, while at the same time increasing the availability of high-quality secondary raw materials for construction applications. More than reducing waste and emissions, this links directly with affordability, as more reliable secondary raw material streams help lowering future production costs.

Ensuring a well-functioning internal market for construction products

The ability to scale sustainable and affordable construction solutions depends on the smooth functioning of the EU internal market for construction products. Currently, companies face significant administrative and regulatory barriers due to fragmented certification systems and inconsistent national rules.

In particular, the lack of mutual recognition of Environmental Product Declarations (EPDs) creates unnecessary costs and delays for companies seeking to place sustainable construction products on multiple national markets.

To address these challenges, EPF recommends that EU policy initiatives linked to housing construction:

- ensure **mutual recognition of EPDs across the EU/EEA**;
- **harmonise product standards and conformity assessment procedures** under the Construction Products Regulation; and
- **improve regulatory consistency between EU and national frameworks** to avoid duplication and unnecessary administrative burdens.

Reducing regulatory fragmentation would lower market entry barriers, increase competition and facilitate the rapid scaling of innovative and sustainable construction products.

Supporting skills and innovation in the construction sector

The transition towards more industrialised and sustainable construction methods requires **investment in skills and innovation across the value chain**. Skills development will be particularly important in areas such as prefabrication, circular design, and the use of bio-based materials in construction.

EPF therefore encourages the Commission to support training and education initiatives, such as the New European Bauhaus Academy, that strengthen competences in sustainable construction methods, including partnerships between industry, vocational training institutions and research organisations. At the same time, it is equally important to raise awareness among designers, developers, architects and other material specifiers of the benefits of bio-based solutions, so that these materials are more readily and confidently selected in future construction projects. These initiatives would tackle labour shortages while most importantly fostering the transition towards more productive and environmentally efficient construction practices.

Conclusion

Europe's housing crisis requires solutions that simultaneously address **affordability, sustainability and construction productivity**. Industrialised construction systems based on wood-based panels can play an important role in meeting these objectives by enabling faster, more efficient and lower-carbon housing development.

The Affordable Housing Act should therefore support:

- the deployment of **industrialised and off-site construction methods**,
- the recognition of circular and bio-based materials as a key solution for both the decarbonisation of the built environment and the affordability of housing, and
- a **well-functioning internal market for sustainable construction products that also contemplates products and materials recovered from renovation, demolition and deconstruction**.

By addressing these areas, the initiative can contribute significantly to increasing affordable housing supply while reinforcing Europe's climate and circular economy goals. EPF remains available to support the Commission with further technical expertise.

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