

Brussels, November 20, 2025

Dear Commissioner for Energy and Housing,
Dear Mr. Dan Jørgensen,

As members of the Special Committee on the Housing Crisis in the European Union at the European Parliament, we wish to convey our deep concern regarding the recent statements made by the First Vice President of the European Commission, Teresa Ribera, suggesting that the Commission is considering including minimum and maximum prices for renting and buying homes as part of the upcoming *Affordable Housing Plan*.

The diagnosis of the housing crisis is shared, but the response cannot be to repeat measures that, under the guise of social protection, have ended up exacerbating the problems they were intended to solve. Evidence accumulated in Europe shows that direct price controls create an illusion of immediate relief for a few, at the cost of permanently worsening access to housing for the general public. Such a statement is no small matter, given that it means opening the door to a regulatory path that has already failed.

Berlin illustrates the problem, as the *Mietendeckel* shrank the supply of rental properties by up to 60%, shifted homes to sales or tourist rentals, and drove prices up. Barcelona shows the same pattern, as Law 11/2020 reduced long-term supply by 13%, and failed to contain prices, a dynamic later repeated by the State Housing Law. Finally, Stockholm confirms the trend, as strict rent control has produced decade-long waiting lists, with over 810,000 registered applicants and an average waiting time of nine years in 2023, alongside opaque subletting and rising prices.

When prices are capped without increasing supply, scarcity becomes the norm, mobility plummets, young people and families become trapped, and inequality deepens. The Commission cannot adopt a strategy of distributing scarcity. An effective social policy does not consist of managing shortages, but of generating abundance. European experience shows that price controls discourage investment, reduce the available stock, and fuel more expensive and less transparent parallel markets.

We therefore believe it is essential that the *Affordable Housing Plan* is based on two main pillars. First, increasing the supply of affordable housing. Second, respecting the principle of subsidiarity, given the local nature of this policy. The European Union has a responsibility to promote a realistic approach: accelerating construction and renovation, strengthening legal certainty, simplifying procedures, encouraging public-private partnerships, and mobilizing private and public financing.

In this context, Vice President Ribera's statements are particularly concerning. The suggestion to set minimum and maximum prices not only lacks empirical support, but also points towards a model that has already demonstrated its adverse effects. We trust that the Commission will not incorporate these guidelines into the *Affordable Housing Plan* and will opt for effective solutions, rather than formulas that, repeatedly, lead to greater scarcity.

We sincerely thank you in advance for your cooperation and support and look forward to the opportunity to discuss the situation with you in more detail.

Yours sincerely,



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