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EUROPEAN WOODWORKING INDUSTRY WELCOMES FOCUS ON HOUSING IN URSULA VON DER LEYEN'S RE-ELECTION SPEECH

Ursula von der Leyen has been re-elected as the President of the European Commission for a second term of five years. Prior to the vote by Members of the European Parliament she delivered a wide-ranging speech setting out her priorities if she were to be re-elected.

One of the strongest parts of her speech was on housing:

“Europe faces a housing crisis, with people of all ages and families of all sizes affected. Prices and rents are soaring. People are struggling to find affordable homes. This is why, for the first time, I will appoint a Commissioner with direct responsibility for housing. We will develop a European Affordable Housing Plan, to look at all the drivers of the crisis and to help unlock the private and public investment needed. Typically, housing is not seen as a European issue. Some might say we should not get involved. But I want this Commission to support people where it matters the most. If it matters to Europeans, it matters to Europe.”

Observers of the wider European political agenda will notice the synergy at play here with the UK's newly elected government also intent on delivering policies that will tackle the UK's housing crisis. For instance these words from yesterday's King's speech at Westminster delivered the same message as von der Leyen's speech: *“My Ministers will get Britain building, including through planning reform, as they seek to accelerate the delivery of high quality infrastructure and housing”*.

An increase in the building of new homes across Europe will clearly be of direct benefit to the construction industry and in turn this will be a strong driver for the woodworking industry in general and for the sawmill industry in particular, given that timber products

are essential in the construction of new homes. Additionally the percentage of homes built using wood as the main structural component is rising in both the EU and the UK. Historically increasing housing starts has a strong correlation with increasing wood consumption but over the last few years European housing permits have massively shrunk, to the detriment of the timber industry, and there is no sign that this crisis will bottom out soon - unless there is government intervention.

According to the latest available data in February 2024 the combined amount of housing permits in a few mostly large European countries has declined by over 7% (Source: Timber Exchange). This slowdown has been the situation since 2022. Hence the news that the re-elected von der Leyen intends to appoint a Commissioner with responsibility for housing (and that the EU Parliament will have a special housing committee) is welcome news to the European woodworking industry who have had a difficult time in recent years and while the industry has displayed a commendable resilience the situation remains challenging.

The woodworking industry believes that the most appropriate response to this ongoing challenge is a whole-of-society focus on increasing construction. Such an approach will be good for the economy in general including for the many sectors that depend on construction to thrive and also for wider society given the massive increase in real estate prices over the last few years which have over the long-term significantly exceeded both salary and inflation increases. Clearly the procedures allowing access to building permits need to be simplified and made faster across Europe – including in the UK. In a similar vein the regulatory burdens on building need to be shrunk. Taken together these should be the first priorities of the Housing Commissioner, when appointed.

Ursula von der Leyen's full re-election speech can be found here:

https://ec.europa.eu/commission/presscorner/detail/ov/STATEMENT_24_3871

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