





# CHAP. 4

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**EUROPEAN  
INDEX**  
OF HOUSING  
EXCLUSION 2023

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# 1. THE LOOMING SPECTRE OF INFLATION

With the outbreak of war in Ukraine at the end of February 2022, the crisis triggered by the pandemic in 2020 appeared to have tightened its grip. After two very difficult years, Europe then experienced inflation rates not seen for over twenty years. Although significantly high everywhere, inflation has been worse in some European countries than others. In December 2022, the relatively low annual rates recorded in **Spain** (5%), **Luxembourg** (6%) and **France** (7%) contrasted with much higher rates in **Hungary** (25%), **Latvia** (21%) and **Lithuania** (20%)<sup>1</sup>. Energy and food prices were hit particularly hard. Energy prices rose sharply (25% in December 2022) as a result of the cutting off of Russian gas supplies to Europe. Food prices also saw an exceptional rise (14% in December 2022), as Ukraine and Russia accounted for almost 30% of international wheat exports<sup>2</sup>. In all European countries, food and energy, along with housing, took up the bulk of the budgets of low-income households. Energy costs were a particularly egregious burden for low-income and casual workers, many of whom live in poorly insulated homes, making them vulnerable to soaring energy prices.

In **Austria**, in the second quarter of 2022, 1.1 million people faced a significant financial burden due to housing costs, and around 19% of the population aged between 16 and 69 expected to encounter difficulties in meeting these costs in the subsequent three months. The extent of this financial burden and the expectation of financial difficulties had increased significantly compared with the previous two quarters<sup>3</sup>. In France, according to the Institut des Politiques Publiques (public policy institute) (IPP), the energy price shock reduced the buying power of the 20% with the lowest incomes by 6% in 2022<sup>4</sup>. The Abbé Pierre Foundation predicted an increase in fuel poverty among this cohort, who were already experiencing difficulty paying their electricity and gas bills<sup>5</sup>. In 2022, almost 22% of households said their homes were too cold because they couldn't put the heating on or they were poorly insulated, compared with 20% in 2021 and 14% in 2019, according to the French Energy Ombudsman<sup>6</sup>. In **Italy**, as a result of rising prices, household energy costs rose by 20% between 2020 and 2021. At the end of 2021, energy poverty was affecting 2.2 million households (9% of Italian families), a figure that could rise to four million in the years to come, according to the consultancy CGIA<sup>7</sup>. In **Poland**, the war in Ukraine had a significant impact on housing costs. Rent prices rose significantly (by almost 25% in major cities), as did interest rates, making mortgages difficult to obtain. Gas and electricity prices rose by 130% and 40% respectively from the start of the war<sup>8</sup>. Plus, by October 2022, annual inflation had risen to 17%. According to the Polish Statistical Office's Household Budget Survey, 1.6 million people were living in extreme poverty in 2021, which is 4% of the population<sup>9</sup>. EAPN Poland's forecasts for 2022 were alarming – organisations feared a return to the rates of extreme poverty seen in 2015, i.e. 7% of the population<sup>10</sup>. The Polish National Federation for Solving the Problem of Homelessness also warned of the risk

of a massive increase in the number of homeless people during the winter of 2022-2023, due to the rising costs of food, basic necessities, fuel and energy<sup>11</sup>. In **Czechia**, the rise in property prices in 2021 (up by more than 30% in some regions) prompted people traditionally inclined towards home ownership to turn to renting. As a result, demand for rental accommodation rose, and with it, rental prices (by around 5% per quarter). This increase came on top of soaring prices for energy and everyday consumer goods. As a result, the target groups for food banks expanded, and the NGO sector was preparing for crisis scenarios outside the scope of its normal activities.

European governments took steps to cushion the blow of these cost increases and protect people, but many of these measures proved insufficient to prevent the most vulnerable from falling into or falling further into poverty. Most governments favoured non-targeted measures to influence prices (i.e. reductions in excise duties and VAT) over policies to boost incomes<sup>12</sup>. In **Germany**, for example, the federal government invested more than EUR 200 billion in three packages of relief measures over the course of 2022<sup>13</sup>. Most of the measures taken in February and May were designed to relieve all citizens, regardless of income level (i.e. reduced monthly transport tickets, flat-rate energy prices, etc.). Some did specifically target those struggling the most, such as the increase in the heating costs allowance, which benefited more than two million people (recipients of housing allowance and students). The third package announced in October 2022 (known as the *"Doppel-Wumms"*) is by far the most comprehensive. Alongside individual measures (transport tickets, increased family allowances, etc.), the package included two major reforms that primarily concern the most disadvantaged sections of the population. The first involved an increase in the amount of unemployment benefit and a provisional adjustment to

benefits to bring them in line with inflation. The second concerned housing allowance, which has been increased and eligibility broadened (a heating component has also been included on a permanent basis). However, according to several observers, the threshold for accessing the application procedure is very high and many eligible households could not access their entitlements<sup>14</sup>. Finally, the federal government agreed a “brake on electricity and gas prices”, capping prices at a quota of 80% of annual consumption. In **Austria**, the government introduced the *“Klimabonus und Teuerungsausgleich”*, a climate and inflation adjustment bonus available to anyone who could prove that they had their main residence in **Austria** for at least six months of the year in 2022<sup>15</sup>. Vienna introduced financial assistance of EUR 200 for every household in December 2022, but this measure did not apply to those living in hostels<sup>16</sup>. In **France**, the government also committed considerable sums of money, but generally without targeting particular demographics. The country’s *“bouclier tarifaire”* (energy price “shield”) froze gas and electricity tariffs at their October 2021 rate, and limited price rises to

4%. At-pump price reductions on fuel were also introduced. This key measure cost the exchequer EUR 24 billion in 2022<sup>17</sup>. Some more redistributive measures were also adopted: an inflation allowance of EUR 100 was paid at the end of 2021 to people earning less than EUR 2,000 a month (costing EUR 3.8 billion) and an energy voucher of EUR 100, already dispensed in 2021, was renewed in 2022 (allocated to 12 million households at a cost of EUR 1.8 billion). But overall, the assistance granted to the most disadvantaged households did little to offset the regressive social policies that had been implemented for several years, including the cuts (of more than EUR 4 billion a year) made to the *Aide personnalisée au logement* (APL), a housing allowance benefiting the poorest 30% of households<sup>18</sup>. In **Poland**, a tax cut ensured gas and electricity prices remained virtually unchanged for all households, regardless of income. The government also introduced allowances for households using other energy sources (such as coal, used by almost half of Poles for heating), the prices of which have fluctuated with the market<sup>19</sup>.

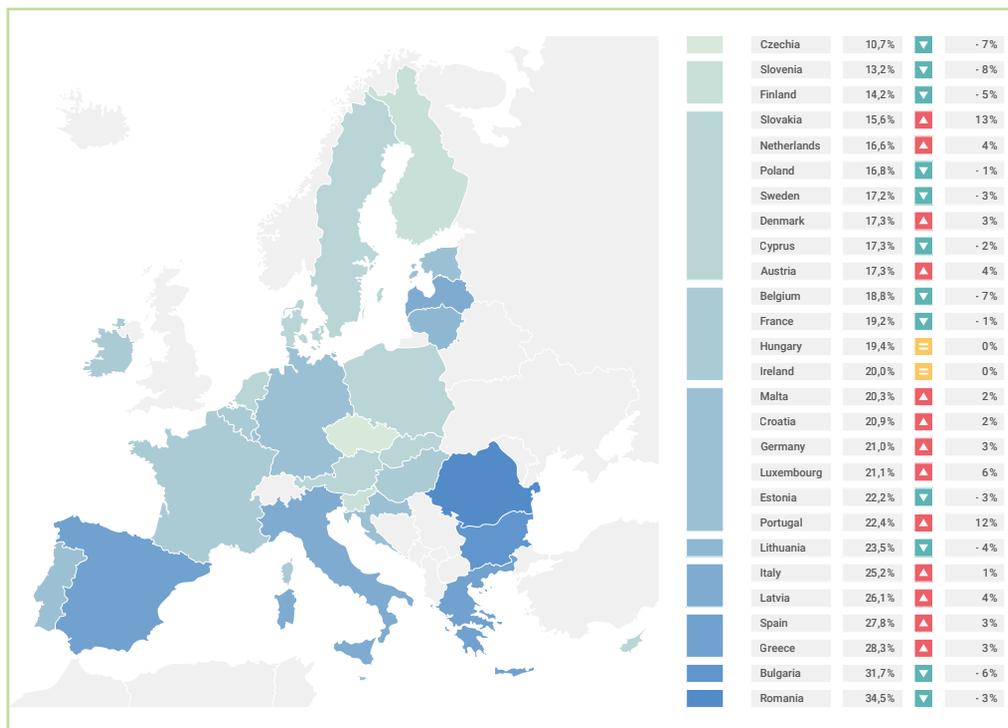
## 2. THE RISING HOUSING AND ENERGY PRICE BURDEN

The data used in this section were sourced mainly from statistics collected and compiled by Eurostat. Much of it came from the latest edition of the European Union Survey on Income and Living Conditions (EU-SILC)<sup>20</sup>. The results of this survey, published in 2023, covered households as they were in 2021<sup>21</sup>. Some of the tables and graphs presented therefore reflect housing exclusion in Europe during the second year of the Covid-19 pandemic, a year marked by a recovery in economic activity and historic growth rates for EU countries<sup>22</sup>. It was also during this pivotal year that household wages fell as gas and electricity prices soared.

### Poverty in Europe

In 2021, 16.8% of Europeans were living below the poverty line (60% of the median equivalised income after social transfers), i.e. more than 73.6 million people<sup>23</sup>. That same year, more than one in five Europeans (21.7%) was at risk of poverty or social exclusion<sup>24</sup>. The highest rates were recorded in **Romania** (34.4%), **Bulgaria** (31.7%), **Greece** (28.3%) and **Spain** (27.8%). While the proportion of the population affected by this risk had fallen on average since 2015 in the EU 27 (-9.6%), there was a slight increase between 2020 and 2021 (0.5%). During this time, the number of people at risk of poverty or social exclusion increased in 13 countries, particularly in **Slovakia** (13%), **Portugal** (12%), **Luxembourg** (6%) and **Latvia** (4%). Minors were particularly affected: in 2021, almost a quarter of Europeans under the age of 18 (24.4%) were at risk of poverty.

**FIGURE 1**  
**PEOPLE AT RISK OF POVERTY OR SOCIAL EXCLUSION**  
**(2021, IN % / CHANGE FROM 2020 TO 2021, IN %)**



Source: Eurostat · [ILC\\_PEPS01N](#) / Last update: 2023-04-16 / Series break in 2020: Germany · Denmark · France · Ireland · Luxembourg  
Series break in 2021: Luxembourg

More than one in ten Europeans (11.9 %) were unable to cover certain expenses deemed necessary to maintain an acceptable standard of living in 2021. This proportion of Europeans facing material and social deprivation<sup>25</sup> was particularly high in **Romania** (34.5%), **Bulgaria** (30.4 %)

and **Greece** (29.2%). While this rate of deprivation was still too high on average across the European Union, it fell significantly between 2020 and 2021 (-6.3%). This fall was seen in all Member States except **Italy** (+2.7%), **Malta** (+4.3%), **Portugal** (+6.3%) and **Luxembourg** (+12.8%).

**TABLE 1****PEOPLE EXPERIENCING MATERIAL AND SOCIAL DEPRIVATION  
(2021, IN % / CHANGE FROM 2020 TO 2021, IN %)**

	2021	2020 - 2021
Romania	34.5	-11.3
Bulgaria	30.4	-9.8
Greece	29.2	-4.9
Hungary	17.7	-4.3
Spain	15.4	0.0
Lithuania	13.6	-20.5
Portugal	13.5	6.3
<b>EU</b>	<b>11.9</b>	<b>-6.3</b>
France	11.4	-15.6
Italy	11.3	2.7
Cyprus	11.2	-1.8
Latvia	11.1	-25.0
Belgium	10.2	-7.3
Malta	9.8	4.3
Ireland	9.7	-19.8
Slovakia	9.2	-5.2
Germany	9.0	-1.1
Croatia	8.4	-10.6
Poland	6.3	-1.6
Denmark	5.9	-10.6
Luxembourg	5.3	12.8
Estonia	5.1	-22.7
Slovenia	4.8	-21.3
Czechia	4.8	-4.0
Netherlands	4.6	-20.7
Austria	4.4	-21.4
Finland	3.6	-21.7
Sweden	3.5	-10.3

Source: Eurostat · [ILC\\_MDS07](#) / Last update: 2023-05-10 / Series break in 2020: France · Ireland · Luxembourg  
Series break in 2021: Luxembourg

According to a survey carried out in 2022 by Ipsos and Secours populaire of 6,000 Europeans in six countries (**France, Italy, Greece, Germany, Poland** and the **United Kingdom**), one in four people said they were facing financial and material difficulties<sup>26</sup>. The results of this survey also showed that more than half of people (55%) believed they ran a

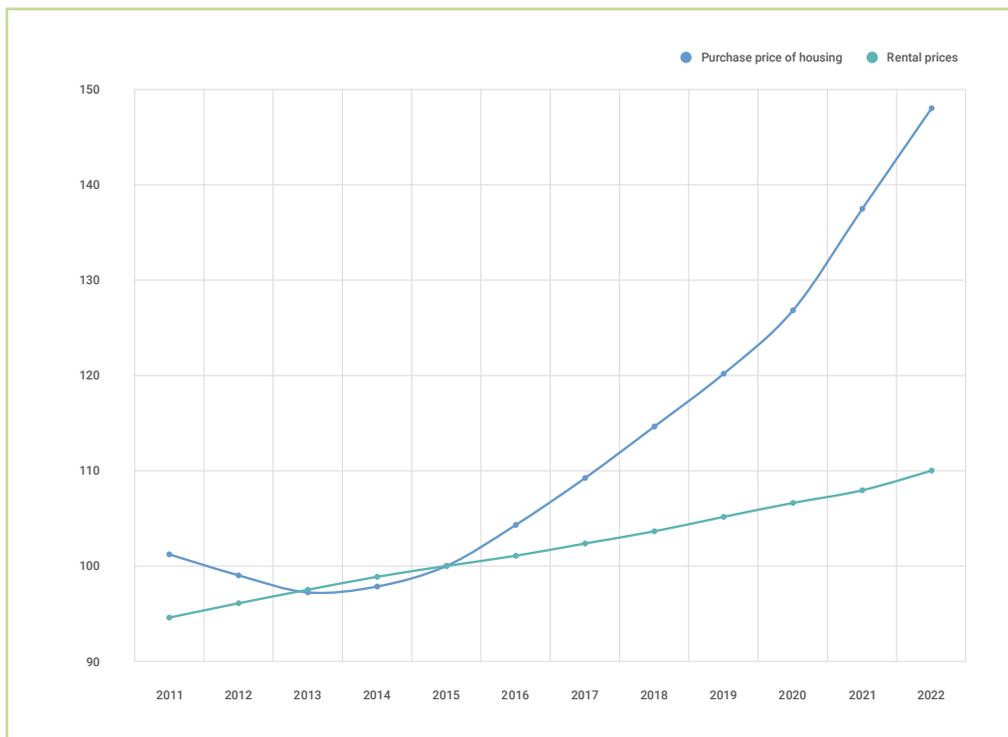
significant risk of finding themselves financially stretched in the near future. Also according to the survey, the vast majority of Europeans had already had to make difficult choices because of a tight financial situation: 62% had already had to cut down on travel, 47% had to turn down the heating to reduce the cost of their bills, 34%

had already had to forego getting treatment for a health problem and 29% had already been forced to skip meals. For some Europeans, saving was no longer enough: 42% of those surveyed had already asked friends and family to lend or give them money to meet their basic needs. In addition, 27% of those surveyed said they were afraid they might lose their home and 17% said they had already been taken in by friends or family because they could no longer pay their rent.

### A steep rise in housing costs

Between 2012 and 2022, house price indices in the European Union rose by 49.6% and rental price indices by 14.5%. This long-term trend was observed in almost all Member States. Over this period, only **Greece** (-23.1%) and **Cyprus** (-0.8%) saw rents fall. The countries with the highest increases in rents were **Ireland** (+81.1%), **Estonia** (+115.5%) and **Lithuania** (+116.7%).

**FIGURE 2**  
**HOUSE PRICE TRENDS**  
**(EU 27, INDEX: 2015 = 100, AT CURRENT PRICES)**



Source : Eurostat - [PRC\\_HPI\\_A](#) / [PRC\\_HICP\\_AIND](#) / Last updated: 2023-04-05 / 2023-04-19

As of 31 December 2022, the residential property price index in the EU 27 stood at 147.8 (100 is equivalent to 2015). While this index rose sharply in recent years (+20.7% since the end of 2019), the increase slowed significantly during 2022 (+3.5%

compared with +10.2% in 2021 and +5.8% in 2020). Nevertheless, compared with the reference year of 2015, residential property prices rose by more than 50% in 16 Member States – more than doubling in **Hungary, Czechia** and **Lithuania**.

**TABLE 2**

**RESIDENTIAL PROPERTY PRICE INDEX  
(2015 = 100, TRANSACTION VALUE, ALL HOUSING TYPES)**

Hungary	256.2
Czechia	214.5
Lithuania	203.5
Portugal	195.9
Estonia	191.4
Luxembourg	189.5
Latvia	187.4
Netherlands	184.4
Slovakia	179.2
Slovenia	178.4
Bulgaria	175.1
Austria	173.9
Croatia	170.1
Poland	169.6
Ireland	168.5
Germany	156.7
<b>EU 27</b>	<b>147.8</b>
Malta	147.2
Romania	146.8
Spain	143.0
Belgium	135.8
France	133.7
Sweden	133.5
Denmark	128.6
Finland	108.6
Cyprus	108.0
Italy	106.9

Source : Eurostat · [PRC\\_HPI\\_Q](#) / Last updated: 2023-04-05

## Housing cost overburden

On average, housing costs took up 18.9% of the disposable income of European households in 2021, an increase of 2.2% compared to 2020. For households living below the poverty line, they took up 37.7%. In **Greece**, no less than 60% of the

budget of these households living below the poverty line was spent on housing. For these same households, the cost of housing also took up a particularly high proportion of their income in **Denmark** (56.5%), the **Netherlands** (48%), **Sweden** (44.4%), **Germany** (43.8%) and **Czechia** (43.4%).

**TABLE 3**  
**HOUSING COSTS AS A PROPORTION OF DISPOSABLE INCOME OF HOUSEHOLD FINANCES**  
**(2021, IN % / CHANGE FROM 2020 TO 2021, IN %)**

	LOW-INCOME HOUSEHOLDS		TOTAL POPULATION	
	2021	2020 - 2021	2021	2020 - 2021
<b>Greece</b>	<b>60.0</b>	<b>-6.1</b>	<b>34.2</b>	<b>-7.3</b>
<b>Denmark</b>	<b>56.5</b>	<b>1.3</b>	<b>26.3</b>	<b>-0.4</b>
<b>Netherlands</b>	<b>48.0</b>	<b>8.4</b>	<b>23.9</b>	<b>7.2</b>
<b>Sweden</b>	<b>44.4</b>	<b>1.6</b>	<b>22.1</b>	<b>2.8</b>
<b>Germany</b>	<b>43.8</b>	<b>2.6</b>	<b>23.4</b>	<b>8.8</b>
<b>Czechia</b>	<b>43.4</b>	<b>4.8</b>	<b>19.3</b>	<b>0.0</b>
<b>Spain</b>	<b>39.8</b>	<b>8.7</b>	<b>18.2</b>	<b>7.7</b>
<b>Austria</b>	<b>39.7</b>	<b>-2.2</b>	<b>17.9</b>	<b>1.1</b>
<b>Bulgaria</b>	<b>37.9</b>	<b>-2.6</b>	<b>21.6</b>	<b>-6.9</b>
<b>EU 27</b>	<b>37.7</b>	<b>2.2</b>	<b>18.9</b>	<b>2.2</b>
<b>France</b>	<b>37.5</b>	<b>3.3</b>	<b>17.4</b>	<b>-1.1</b>
<b>Finland</b>	<b>36.1</b>	<b>3.4</b>	<b>17.8</b>	<b>1.7</b>
<b>Belgium</b>	<b>35.7</b>	<b>-1.9</b>	<b>17.6</b>	<b>-1.1</b>
<b>Poland</b>	<b>34.7</b>	<b>8.1</b>	<b>17.9</b>	<b>4.7</b>
<b>Italy</b>	<b>32.6</b>	<b>1.2</b>	<b>15.8</b>	<b>3.9</b>
<b>Croatia</b>	<b>31.7</b>	<b>1.9</b>	<b>16.0</b>	<b>1.3</b>
<b>Romania</b>	<b>31.6</b>	<b>9.3</b>	<b>17.0</b>	<b>2.4</b>
<b>Portugal</b>	<b>30.7</b>	<b>12.5</b>	<b>15.1</b>	<b>5.6</b>
<b>Slovenia</b>	<b>30.6</b>	<b>1.7</b>	<b>14.7</b>	<b>0.0</b>
<b>Slovakia</b>	<b>30.4</b>	<b>1.3</b>	<b>16</b>	<b>-10.6</b>
<b>Estonia</b>	<b>28.6</b>	<b>4.8</b>	<b>14.2</b>	<b>3.6</b>
<b>Latvia</b>	<b>28.1</b>	<b>0.4</b>	<b>15.2</b>	<b>2.0</b>
<b>Hungary</b>	<b>25.1</b>	<b>-9.7</b>	<b>12.5</b>	<b>-6.0</b>
<b>Luxembourg</b>	<b>24.4</b>	<b>-28.9</b>	<b>12.7</b>	<b>-23.5</b>
<b>Ireland</b>	<b>24.1</b>	<b>-19.4</b>	<b>14.4</b>	<b>-8.3</b>
<b>Lithuania</b>	<b>24.0</b>	<b>-5.9</b>	<b>11.6</b>	<b>-7.2</b>
<b>Cyprus</b>	<b>18.7</b>	<b>3.3</b>	<b>11.2</b>	<b>0.0</b>
<b>Malta</b>	<b>18.0</b>	<b>5.3</b>	<b>9.0</b>	<b>0.0</b>

Source : Eurostat · ILC\_MDED01 / Last updated: 2023-04-03 / Data missing in 2021 (data replaced by 2019-2020 data): France · Slovakia  
Series break in 2020: Germany · France · Ireland · Luxembourg · Poland / Series break in 2021: Luxembourg · Portugal

The proportion of European households overburdened by housing costs<sup>27</sup> rose from 7.8% in 2020 to 8.3% in 2021 (+6.4%). The proportion of low-income households affected by this housing cost overload was 33% in 2021, an increase

of 4.8% in one year. The increase in this cohort was particularly significant in the **Netherlands** (+40.2%), **Portugal** (+38.7%), **Malta** (+24.5%) and **Cyprus** (+24%).

**TABLE 4**  
**PROPORTION OF HOUSEHOLDS OVERBURDENED BY HOUSING COSTS**  
**(2021, IN % / CHANGE FROM 2020 TO 2021, IN %)**

	LOW-INCOME HOUSEHOLDS		TOTAL POPULATION	
	2021	2020 - 2021	2021	2020 - 2021
Greece	76.7	-8.0	28.8	-13.5
Denmark	72.1	2.7	15.5	9.9
Netherlands	46.7	40.2	12.5	50.6
Germany	41.7	5.8	11.0	22.2
Sweden	40.6	6.6	8.5	2.4
Czechia	38.2	-1.8	6.2	-4.6
Bulgaria	37.2	-10.8	11.6	-19.4
Spain	36.2	18.3	9.9	20.7
Belgium	33.3	-2.1	7.5	-3.8
<b>EU 27</b>	<b>33</b>	<b>4.8</b>	<b>8.3</b>	<b>6.4</b>
Austria	31.1	-16.2	6.1	-3.2
Italy	28.6	0.0	7.2	0.0
Poland	27.9	18.7	5.7	16.3
Romania	26.1	8.8	7.6	7.0
France	24.6	7.9	5.6	1.8
Portugal	24.0	38.7	5.9	43.9
Slovakia	22.5	-16.0	3.2	-43.9
Croatia	21.5	4.9	4.5	7.1
Slovenia	20.9	-9.5	4.1	-6.8
Estonia	18.7	10.7	4.4	0.0
Finland	17.8	2.3	4.3	4.9
Latvia	17.4	0.0	4.9	2.1
Luxembourg	16.8	-51.0	5.1	-40.0
Lithuania	12.9	11.2	2.7	0.0
Hungary	12.8	-37.6	2.4	-51.0
Malta	12.2	24.5	2.7	-3.6
Cyprus	9.3	24.0	2.5	31.6
Ireland	8.8	-54.4	2.5	-44.4

Source : Eurostat · ILC\_IVH007A / Last updated: 2023-04-03 / Data missing in 2021 (data replaced by 2019-2020 data): France · Slovakia  
Series break in 2020: Germany · Denmark · France · Ireland · Luxembourg · Poland / Series break in 2021: Poland

In 2021, a European household living below the poverty line spent an average of EUR 393 a month on housing<sup>28</sup>, a sum that has risen by 10.2% in ten years. The **Netherlands** (EUR 631), **Denmark** (EUR 630), **Germany** (EUR 572), **Austria** (EUR 560) and **Luxembourg** (EUR 539) were among the

countries where housing costs are particularly high. The largest increases in total monthly costs between 2011 and 2021 were recorded in **Romania** (+180.6%), **Bulgaria** (+67.9%), **Poland** (+36.2%), **Estonia** (+29.1%), **Slovenia** (+26.8%) and **Austria** (+23.6%).

**FIGURE 3**  
**TOTAL MONTHLY HOUSING COSTS FOR HOUSEHOLDS AT RISK OF POVERTY (€ PPA)**  
**AND CHANGE FROM 2011 TO 2021 (IN %)**



Source : Eurostat · [ILC\\_MDED03](#) / Last updated: 2023-04-03 / Data missing in 2021 (data replaced by 2020 data): France · Slovakia  
Series break in 2020: France / Series break in 2021: Luxembourg · Portugal

## Household debt

In 2021, 3.2% of Europeans were in rent or mortgage arrears. In the space of a year, this proportion of households rose sharply in **Romania** (+150.0%), **Estonia** (+85.7%) and **Cyprus** (+54.3%).

That same year, the proportion of households beneath the poverty line who were behind with such payments was 8.7% – an increase of 3.6% on 2020. The proportion of these households was particularly high in **Cyprus** (+126.5%), **Romania** (+100%) and **Croatia** (+75%).

**TABLE 5**  
**HOUSEHOLDS IN RENT OR MORTGAGE ARREARS**  
**(2021, IN % / CHANGE FROM 2020 TO 2021, IN %)**

	POOR HOUSEHOLDS		TOTAL POPULATION	
	2021	2020 - 2021	2021	2020 - 2021
Greece	18.4	-6.1	8.5	-8.6
France	17.0	-7.1	5.4	-6.9
Spain	15.8	-5.4	6.5	-5.8
Ireland	13.4	-17.3	7.0	-5.4
Sweden	12.1	37.5	2.6	8.3
Cyprus	11.1	126.5	5.4	54.3
Slovakia	8.7	-13.0	3.6	-28.0
EU 27	8.7	3.6	3.2	-3.0
Finland	8.5	-24.8	4.0	-7.0
Austria	8.1	-19.8	3.0	-9.1
Portugal	8.0	66.7	2.5	4.2
Czechia	7.8	21.9	1.6	-5.9
Hungary	6.7	9.8	2.2	4.8
Italy	6.6	10.0	2.5	8.7
Netherlands	6.5	-4.4	1.7	-15.0
Belgium	6.2	-28.7	1.8	-33.3
Luxembourg	5.9	-15.7	2.3	9.5
Slovenia	5.6	55.6	1.8	0.0
Denmark	5.5	-47.1	1.9	-36.7
Germany	4.5	9.8	2.2	15.8
Malta	3.7	-44.8	1.8	-18.2
Latvia	2.5	-32.4	1.6	-20.0
Lithuania	2.3	-28.1	0.9	-47.1
Bulgaria	1.5	0.0	1.2	-7.7
Croatia	1.4	75.0	0.7	-12.5
Estonia	1.3	30.0	1.3	85.7
Romania	1.2	100.0	1.0	150.0
Poland	0.7	16.7	0.5	-16.7

Source : Eurostat · ILC\_MDES06 / Last updated: 2023-04-21 / Data missing in 2021 (data replaced by 2019-2020 data); Slovakia Series break in 2020: Germany · France · Ireland · Luxembourg / Series break in 2021: Luxembourg · Portugal

While the statistics on gross household debt ratios<sup>29</sup> do not cover all Member States, the available data indicates that this ratio increased in 13 countries between 2020 and 2021. This rate exceeded 100% of disposable income in **France**

(103.5%), **Belgium** (106.7%), **Finland** (119.1%) and **Cyprus** (124.7%), and exceeds 170% of disposable income in **Sweden** (172.3%), **Luxembourg** (180.9%), the **Netherlands** (184%) and Denmark (207.3%).

**TABLE 6**  
**GROSS HOUSEHOLD DEBT-TO-INCOME RATIO**  
**(2021, IN % OF DISPOSABLE INCOME / CHANGE FROM 2020 TO 2021, IN %)**

	2021	2020 - 2021
Denmark	207.3	-2.9
Netherlands	184.0	-1.7
Luxembourg	180.9	4.6
Sweden	172.3	0.7
Cyprus	124.7	-1.7
Finland	119.1	1.1
Belgium	106.7	1.1
France	103.5	1.2
Ireland	95.0	-7.8
Portugal	94.2	-0.8
Spain	89.5	-2.7
Germany	88.8	2.5
Austria	86.1	-0.1
Greece	78.8	-5.2
Slovakia	75.0	4.8
Estonia	70.3	0.4
Italy	63.9	0.1
Czechia	61.2	1.2
Poland	55.8	2.7
Croatia	52.2	-5.5
Slovenia	41.9	-2.0
Lithuania	38.1	4.7
Hungary	35.9	1.1
Latvia	29.2	-4.6

Source : Eurostat - [NASA\\_10\\_KI](#) / Last update: 2023-02-13

## An increase in energy costs

As a result of the Covid-19 pandemic and the increase in international demand, electricity and gas prices began to soar. "Between December 2020 and December 2021, the import price of energy in the Eurozone more than doubled.

This increase was quite unprecedented. Energy import prices, while quite volatile, do not generally change by more than around 30% during a year<sup>30</sup>. The gradual suspension of gas deliveries from Russia to certain Member States over the course of 2022 exacerbated this energy crisis even further, i.e. the rise in gas prices has brought with it a surge in electricity prices.

**TABLE 7**  
**ANNUAL PRICE INDEX FOR ELECTRICITY, GAS AND OTHER FUELS (2015 = 100)**  
**AND CHANGE FROM 2021 TO 2022 (IN %)**

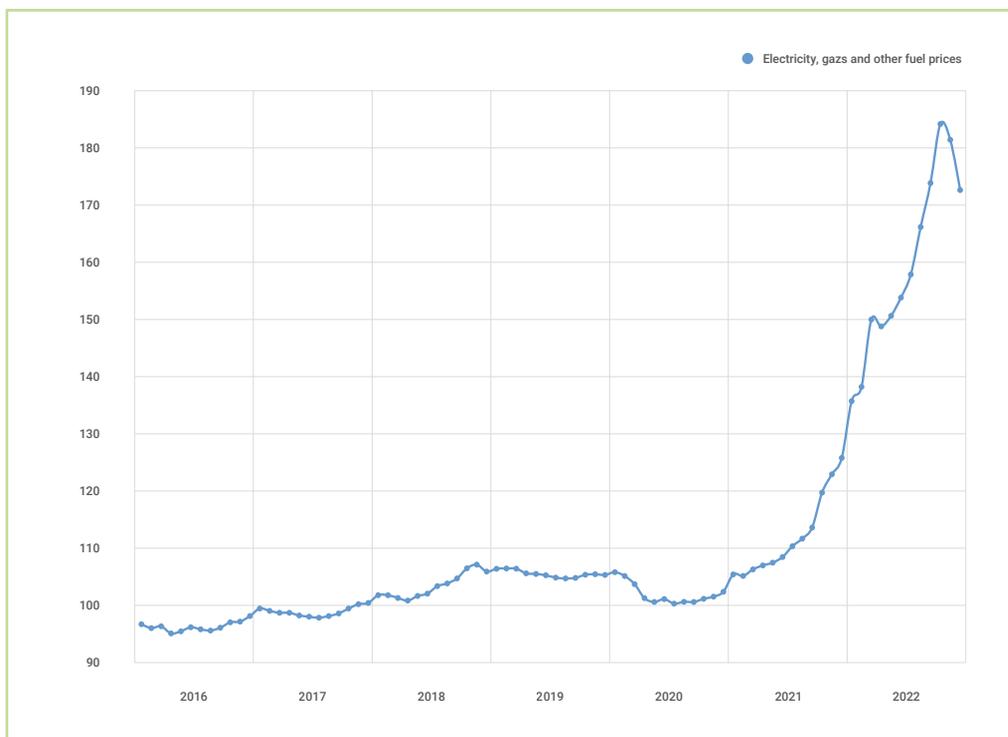
	2022	2021 - 2022
Netherlands	264.3	114.0
Belgium	226.7	73.2
Estonia	224.7	82.4
Italy	206.1	85.3
Lithuania	178.5	78.2
Ireland	172.0	52.2
Romania	169.1	29.5
Sweden	165.0	29.3
Latvia	162.8	56.3
Cyprus	160.7	40.8
<b>EU 27</b>	<b>159.4</b>	<b>42.4</b>
Greece	158.6	50.8
Finland	154.0	31.2
Denmark	153.2	47.7
Austria	151.1	38.2
France	149.1	24.1
Luxembourg	148.1	29.0
Poland	147.3	32.0
Germany	146.5	38.6
Spain	145.2	31.4
Bulgaria	142.5	22.5
Czechia	141.0	31.2
Slovenia	134.7	23.1
Hungary	131.0	26.0
Portugal	123.1	26.9
Slovakia	116.1	16.6
Croatia	114.1	17.4
Malta	99.4	0.0

Source : Eurostat · [PRC\\_HICP\\_AIND](#) / Last updated: 2023-04-19

According to the Harmonised Index of Consumer Prices<sup>31</sup>, the rise in electricity, gas and other fuel prices between 2021 and 2022 affected all EU 27 Member States except **Malta**. The surge in prices was particularly alarming in **Ireland** (+52.2%), **Belgium** (+73.2%), **Lithuania** (+78.2%), **Estonia**

(+82.4%), **Italy** (+85.3%) and the **Netherlands** (+114%). Between October 2021 and October 2022, energy prices rose by an average of 53.8% in the European Union – 38.4% for electricity and 73.6% for gas.

**FIGURE 4**  
**MONTHLY TREND IN PRICES OF ELECTRICITY, GAS AND OTHER FUELS**  
**(EU 27, INDEX: 2015 = 100)**



Source : Eurostat · [PRC\\_HICP\\_MIDX](#) / Last updated: 2023-04-19

In 2021, 6.4% of Europeans and 15.9% of European households living below the poverty line were in arrears on their utility bills (water, electricity, gas, heating). Between 2020 and 2021, an increase in

the proportion of households living below the poverty line and in arrears was recorded in 11 countries, including **Sweden** (+19.2%), **Cyprus** (+23.2%), **France** (+29.6%) and **Portugal** (+58.1%).

**TABLE 8****HOUSEHOLDS IN ARREARS ON THEIR UTILITY BILLS: WATER, ELECTRICITY, GAS, AND HEATING  
(2021, IN % / CHANGE FROM 2020 TO 2021, IN %)**

	LOW-INCOME HOUSEHOLDS		TOTAL POPULATION	
	2021	2020 - 2021	2021	2020 - 2021
Greece	49.8	-0.4	26.3	-6.7
Bulgaria	35.6	-19.6	19.2	-13.5
Croatia	27.4	5.0	15.2	11.8
Hungary	24.0	-4.0	9.7	-6.7
Spain	23.6	-3.3	9.5	-1.0
Cyprus	22.8	23.2	9.1	-1.1
France	19.7	29.6	7.1	29.1
Slovenia	19.2	10.3	7.7	-18.1
Ireland	16.9	-20.7	7.5	-5.1
<b>EU 27</b>	<b>15.9</b>	<b>0.0</b>	<b>6.4</b>	<b>-1.5</b>
Italy	15.8	4.6	6.5	8.3
Romania	14.8	-30.5	7.3	-47.5
Slovakia	13.7	-46.7	5.2	-38.1
Finland	13.6	-15.5	5.8	-18.3
Portugal	13.6	58.1	5.3	51.4
Lithuania	13.1	4.8	5.5	-12.7
Poland	12.7	10.4	5.2	10.6
Malta	12.0	-13.7	7.2	14.3
Latvia	10.7	-24.1	5.8	-30.1
Luxembourg	10.5	8.2	3.6	24.1
Belgium	10.3	1.0	2.9	-23.7
Sweden	8.7	19.2	2.2	-8.3
Austria	7.9	-19.4	2.4	-22.6
Estonia	7.8	-13.3	4.1	-18.0
Denmark	7.4	-40.3	2.9	-31.0
Czechia	7.3	-3.9	1.5	-21.1
Germany	6.5	-5.8	3.7	12.1
Netherlands	4.6	-20.7	1.2	-20.0

Source : Eurostat · [ILC\\_MDES07](#) / Last updated: 2023-04-21 / Data missing in 2021 (data replaced by 2019-2020 data); Slovakia  
Series break in 2020: Germany · France · Ireland · Luxembourg / Series break in 2021: Luxembourg · Portugal

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**22**

Growth in the EU reached 13.8 % in the second quarter of 2021. Croatia (20.6%), Ireland (19.6%) and France (18.7%) in particular posted record rates. Eurostat – GDP and main components (output, expenditure and income) (NAMO\_10\_GDP), last update: 25/04/2023, [https://ec.europa.eu/eurostat/databrowser/view/NAMO\\_10\\_GDP/default/table](https://ec.europa.eu/eurostat/databrowser/view/NAMO_10_GDP/default/table)

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The risk of poverty or social exclusion is an indicator that shows the amount of people "at risk of poverty after social transfers, severely deprived in material terms or living in households with very low labour intensity. People are counted only once, even if they are affected by more than one of these factors. People are considered to be at risk of poverty after social transfers if they have an equivalent disposable income below the at-risk-of-poverty threshold, which is set at 60% of the national median disposable income. Experiencing severe material or social deprivation means people's living conditions are severely limited by a lack of resources. People living in very low work intensity households are those aged 0 to 64 living in households where adults (aged 18 to 64) worked 20% or less of their total work potential over the past year". Eurostat (2023) – "At Risk of Poverty or Social Exclusion (AROPE)", [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:At\\_risk\\_of\\_poverty\\_or\\_social\\_exclusion\\_\(AROPE\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:At_risk_of_poverty_or_social_exclusion_(AROPE))

**25**

Material and social deprivation is an indicator that shows "an enforced lack of necessary and desirable elements to lead an adequate life". The rate of material and social deprivation corresponds to the proportion of the population unable to afford at least five of the following thirteen "goods and services": paying bills on time; heating their home properly; meeting unexpected expenses; eating protein every other day; taking a week's holiday once a year; replacing damaged or worn-out furniture; owning a car; owning two pairs of shoes; replacing worn-out clothes with new ones; meeting up with friends for dinner or a drink once a month; taking part in leisure activities on a regular basis; spending a small amount of money each week on themselves; and having an internet connection at home. The rate of severe material and social deprivation (SMSD) refers to the proportion of the population unable to cover expenditure on at least seven of the above items. Eurostat (2023) – "Severe Material and Social Deprivation Rate (SMSD)", [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Severe\\_material\\_and\\_social\\_deprivation\\_rate\\_\(SMSD\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Severe_material_and_social_deprivation_rate_(SMSD))

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The housing cost overburden rate, or households overburdened by housing costs, corresponds to "the percentage of people living in households where total housing costs ('net' of housing allowance) represent more than 40% of total disposable income". Eurostat (2023) – "Housing Cost Overburden Rate", [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Housing\\_cost\\_overburden\\_rate](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Housing_cost_overburden_rate)

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This is a purchasing power parity (PPP) calculation, a currency conversion rate used to express the purchasing power of different currencies as a common unit: "purchasing power parities are obtained by comparing the price levels of a basket of comparable goods and services that are selected to be representative of the consumption habits in the various countries". Eurostat (2023) – "Purchasing Power Parities (PPPs)", [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Purchasing\\_power\\_parities\\_\(PPPs\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Purchasing_power_parities_(PPPs))

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The household debt-to-income ratio is "the ratio of household debt arising from loans, recorded at the end of a calendar year, to the gross disposable income earned by households in the course of that year". Eurostat (2023) – "Household Debt-to-Income Ratio", [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Household\\_debt-to-income\\_ratio](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Household_debt-to-income_ratio)

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