



Opening the current edition of our Homelessness in Europe magazine is this overview of how the cost of living crisis is increasing the risk of homelessness, as well as the strain on homelessness services. From hidden homelessness to eviction rates and energy poverty, this article opens the discussion on the far-reaching ramifications that the current crises have on homelessness, which are threatening the goals that Member States set to combat homelessness.

# HOMELESSNESS AND THE COST OF LIVING CRISIS



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What began as an energy crisis has become a wider cost of living crisis. Many families and individuals in Europe are already in rent arrears, as the annual Fondation Abbé Pierre and FEANTSA's *European Index of Housing Exclusion 2022*<sup>1</sup> has shown, and since it was published, the situation has become worse. A particular concern is that while various contingency plans and special arrangements, often involving gigantic public expenditure by individual Member States, are in place for this winter, the pressures on energy costs may continue into the winter of 2023/24. The *Financial Times* has been reporting that the energy industry expects pan-European disruption to energy markets to continue for some years.<sup>2</sup>

Our recent paper in the *European Journal of Homelessness*<sup>3</sup> looked at some of the emerging and possible consequences for homelessness, while also recognising that the situation is rapidly changing and difficult to predict. Our paper talked about an incoming Prime Minister in the UK and how that might impact on the cost of living crisis and homelessness, but by the time the paper came out, the UK had a different Prime Minister. Fuel poverty has long been an issue across the EU and in other European countries, including the UK. The definitions of what constitutes fuel poverty vary, but like housing costs, one way to think about it is whether or not a family, couple or individual has got enough money left to live on once their energy costs have been paid.

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1 <https://www.feantsa.org/en/report/2022/06/30/?bcParent=27>

2 <https://www.ft.com/content/6c0b645f-2507-4b85-8c15-9b660adad324>

3 [https://www.feantsaresearch.org/public/user/Observatory/2022/EJH\\_16-2/EJH\\_16-2\\_TP1\\_v03.pdf](https://www.feantsaresearch.org/public/user/Observatory/2022/EJH_16-2/EJH_16-2_TP1_v03.pdf)


One very important difference since the crisis began is the *combination* of rapidly increasing energy costs and housing costs that, across much of the EU, were already very high relative to typical incomes. These combined housing and energy costs could push many more households into situations of housing exclusion, that is positions where their housing is unaffordable, inadequate, unsafe or presents risks to their wellbeing and increase homelessness, because it may well cause more evictions. Far too many Europeans have long been presented with the question of whether to 'heat or eat', but they may now be in a situation where they cannot pay both the rent or mortgage and an energy bill that, in many Member States is significantly bigger than it was. The worry here is that energy bills are still bigger than they were, even with all the policies and spending in place to keep energy costs down.

Alongside this, food is rapidly getting more expensive, raising the risk of increasing levels of food insecurity. Not only are families, couples and individuals having to manage on household budgets that after their high housing costs and now often higher energy costs are lower, but they are also trying to make less money stretch at the same time as even staple foods like bread and pasta are often getting rapidly more expensive. In October 2022, food inflation across the EU was estimated at 17%<sup>4</sup>. Estimates of energy inflation, again at pan EU level (there is considerable variation across Member States) were 39% in September 2022, within which gas prices were running at 71%, compared to 16% in September 2021.<sup>5</sup>

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4 <https://www.statista.com/statistics/1286407/eu-food-inflation-rate/>

5 <https://www.statista.com/statistics/1328128/eu-energy-inflation-rate-by-commodity/>



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The effects of these rapidly rising costs on homelessness will vary between Member States. One important difference is the degree of social protection offered by Member States, as some provide far wider and more generous welfare benefits than others and have greater supplies of affordable homes, including social housing. However, there are some shared risks across the EU that are worth exploring.

The first of these is the extent of hidden homelessness. Hidden homelessness is not a fixed idea, but it refers to people who, while they have a roof over their head, are in situations in which they are facing risks to their health and wellbeing. People living with very high levels of overcrowding, in housing that is in very poor repair or in which they are unsafe, including people who are at risk of domestic abuse, are in situations of hidden homelessness. The cost of living crisis is adding to another dimension of hidden homelessness, which is housing that is unsafe and unfit because it cannot be kept warm in the winter or cool in the summer. The effects of sustained exposure to cold temperatures on human health, which for healthy people means 10 degrees Celsius or less, are severe, affecting cognition, breathing and circulation, while a human body will start to react and try to defend its core temperature as soon as the temperature starts to drop below 18°C.<sup>6</sup> Heat also presents significant risks to health, which is important to consider in a context where temperatures were spiking at over 40°C across much of Europe last summer.

The second issue is the straightforward risk of rapid increases in eviction rates, as low income and poor people try to balance rapidly rising energy bills and food bills against housing costs that were already

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<sup>6</sup> <https://www.bbc.co.uk/news/health-63602501>

often very difficult to manage. Eviction does not automatically mean homelessness, but when people have little or no money, no family, friends or strong welfare nets to fall back on, the risk that homelessness will occur at some point is higher. The protections against eviction are also highly variable, as Member States like Ireland and Finland are shifting their homelessness strategies towards an integrated approach that includes as much emphasis on prevention as on housing-led and Housing First services, but this is not true everywhere.

The third issue is the costs for homelessness services themselves. The reality of providing homelessness services in many EU Member States is one of trying to manage budgets that, if they are not too small, are still often limited and in which funding can often be uncertain. Research involving one of the authors of the *European Observatory on Homelessness* found that many homelessness services are short of resources<sup>7</sup>. If the energy bill for an emergency shelter, for a homeless hostel or supported housing or a service providing food, shelter and support during the day is suddenly 200% or more of what it was a year ago, it will be difficult for at least some services to keep their doors open. There are also challenges for services that are housing-led or using a Housing First approach. For example, a Housing First service might be able to help formerly homeless people living in their own homes when they are suddenly presented with much higher energy bills and food costs if a Member State raises welfare benefits in line with inflation and provides other support. If this is not the case, however, a Housing First service might well not have the money to ensure that the people it is supporting can pay their rent, heat their homes, cook and more generally feed themselves properly.

<sup>7</sup> <https://www.feantsaresearch.org/en/comparative-studies/2022/01/31/comparative-studies-on-homelessness-11?bcParent=763>

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In many ways, policy around homelessness at EU level is more coherent, focused and clearer than it has even been, thanks to the 2021 Lisbon Declaration of *the European Platform to Combat Homelessness*.<sup>8</sup> The cost of living crisis, in a context of decades of undersupply of affordable, adequate housing across many Member States and the EU as a whole and extending to other European countries, presents multiple threats to the goals of the Lisbon Declaration unless rapid, specific and properly resourced policy responses to address homelessness in the cost of living crisis are put in place.

<sup>8</sup> <https://ec.europa.eu/social/main.jsp?catId=1550&langId=en>