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From:	The Committee of European Affairs of the Seimas of the Republic of Lithuania
date of receipt:	5 November 2026
To:	The President of the European Commission
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a framework for measures in Member States to safeguard housing affordability and availability (Affordable Housing Act) [doc. 12967/26 - COM (2026) 599 final] - Reasoned opinion on the application of the Principles of Subsidiarity and Proportionality

Delegations will find enclosed the opinion[1] of the Committee of European Affairs of the Seimas of the Republic of Lithuania on the above.

[1] The translation(s) of the opinion may be found on the Interparliamentary EU Information Exchange website (IPEX) at the following address: https://secure.ipex.eu/IPEXL-WEB/document/eu_legislative_database

LIETUVOS RESPUBLIKOS SEIMO
EUROPOS REIKALŲ KOMITETAS

SEIMAS OF THE REPUBLIC OF LITHUANIA
COMMITTEE ON EUROPEAN AFFAIRS

Gedimino pr. 53, LT-01109 Vilnius, LITHUANIA Tel. +370 5 209 6592 E-mail: erk@lrs.lt

Ms Ursula von der Leyen
President of the European Commission

Vilnius, 5. November 2026
No S-2026-5044

REGARDING THE EUROPEAN COMMISSION'S PROPOSAL COM(2026) 599 FINAL

Dear Madam President,

On 28 October 2026, the Committee on European Affairs of the Seimas of the Republic of Lithuania examined the European Commission's Proposal for a Regulation establishing a framework for measures in Member States to safeguard housing affordability and availability (Affordable Housing Act), COM(2026) 599 final, with regard to its compliance with the principle of subsidiarity.

Having considered the Proposal and the opinions submitted by the relevant Lithuanian institutions, the Committee has concluded that there are reasonable doubts as to whether the Proposal complies with the principle of subsidiarity.

In the framework of political dialogue with national parliaments, the Committee hereby forwards its opinion and invites the European Commission to take account of the arguments set out therein, to reassess the necessity and added value of binding regulation at European Union level, the suitability of the proposed regulatory approach and its potential impact on the ability of Member States and local authorities to effectively address challenges related to housing affordability and availability, and to consider less interventionist alternatives.

Enclosed: Extract from Opinion No 100-P-93 of 28 October 2026 of the Committee on European Affairs (point 8.1.), 3 pages.

Yours sincerely,

Rasa Budbergytė
Chair of the Committee

Elzė Kolelė, tel. +370 5 209 6498, e-mail: elze.kolele@lrs.lt

8.1. Regarding the compliance of the EU legislative Proposal with the principle of subsidiarity	The Committee on European Affairs of the Seimas of the Republic of Lithuania (hereinafter referred to as the Committee), *pursuant* to Article 180[6] of the Statute of the Seimas of the Republic of Lithuania; *having regard* to the principle of subsidiarity enshrined in Article 5(3) of the Treaty on European Union and Protocol No 2 on the Application of the Principles of Subsidiarity and Proportionality annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union; *having examined* the European Commission's Proposal for a Regulation of the European Parliament and of the Council establishing a framework for measures in Member States to safeguard housing affordability and availability (Affordable Housing Act), COM (2026) 599 final (hereinafter referred to as the Proposal), and its compliance with the principle of subsidiarity; *having assessed* Conclusion No 110-P-46 of 21 October 2026 of the Seimas Committee on Environment Protection, the conclusions of the Legal Department of the Office of the Seimas and the Ministry of Justice of the Republic of Lithuania, as well as Position No POZ-544 of the Republic of Lithuania; *acknowledging* that the issues of housing affordability and availability, particularly in the areas where demand for housing exceeds the supply, are becoming increasingly more relevant and are a cause of significant concern within society, while the rising housing prices and rental costs are reducing the ability of some residents to secure adequate housing, therefore requiring urgent action by competent authorities to address these issues; *supporting* the objective of ensuring that Member States and local authorities are able to tackle the issues of housing affordability and availability effectively while complying with the European Union's internal market rules; *noting* that the Proposal aims to establish a common framework for assessing, at European Union level, restrictions on activities relating to the housing market that would look into the justification, necessity and proportionality of certain restrictions, which may affect the internal market freedoms, applied by Member States and local authorities, in particular where, with a view to improving housing availability, restrictions are imposed on short-term rentals or on the acquisition of property and its use as non-primary residences;

	pointing out that the Proposal does not directly provide for measures to promote housing construction, develop social housing or otherwise increase housing supply and affordability, and that it sets out requirements which Member States and local authorities should observe when applying certain restrictions on activities relating to the housing market; *recognising* that certain restrictions on activities relating to the housing market may affect the freedoms of the European Union's internal market and that the assessment of their compatibility with European Union law must be clear and consistent, while *stressing* that housing policy, spatial planning and land-use regulation remain primarily national, regional and local competences; *emphasising* that the case-law of the Court of Justice of the European Union recognises that the objective of ensuring a sufficient supply of housing for long-term rental may justify certain restrictions on the freedoms of the internal market, provided they meet the requirements of necessity and proportionality; *noting* that national and local restrictions on short-term rentals and the acquisition or use of property must already be in line with the freedoms of the internal market enshrined in the Treaty on the Functioning of the European Union, the requirements, where applicable, of Directive 2006/123/EC on services in the internal market, and the principles of non-discrimination, necessity and proportionality, as developed in the jurisprudence of the Court of Justice of the European Union; *having doubts* as to the sufficiency of evidence provided in the Proposal and the accompanying impact assessment to demonstrate what specific obstacles to the functioning of the European Union's internal market are created by the various measures restricting activity relating to the housing market, applied by Member States and local authorities, and by the practice regarding their justification and assessment, what the extent of these obstacles is, and why they could not be adequately removed through a more consistent application and oversight of existing European Union law by providing more detailed guidance on its application or by applying other, less interventionist measures; *noting* that the Proposal not only seeks to clarify the existing requirements of European Union law, but also lays down new mandatory conditions upon which the ability of Member States and local authorities to restrict short-term residential rentals or the acquisition and use of non-primary residential property would depend, including the criteria set out in Article 6 of the Proposal for assessing housing stress, based on the price-to-income ratio, and the requirements set out in Article 9 to demonstrate the adverse effect of the restricted activities on housing affordability or availability over a specified period of time preceding the adoption of the restrictions;

	considering that such conditions could limit the abilities of competent authorities to take justified preventive measures before housing market problems become entrenched, and that additional requirements for data collection and assessment, justification and periodic review of measures could increase the administrative and financial burden, particularly on local authorities, and therefore *expressing doubts* as to whether the proposed framework would in fact facilitate the application of justified restrictions and enable the timely adoption of decisions necessary to address housing market challenges; *taking into account* the significant differences in the situation on the housing markets across Member States, their regions and municipalities, and *taking the view* that the European Commission has not sufficiently justified the need to establish, at European Union level, specific mandatory criteria for the application of restrictions on housing-related activities, which could reduce the flexibility of national and local authorities to respond to differing housing market conditions; *considering* that there are reasonable doubts as to whether the European Commission has sufficiently demonstrated why the objectives pursued by the Proposal could not be adequately achieved by the Member States at national, regional or local level, and why, given the scale or impact of the envisaged actions, these objectives would be better achieved at European Union level, as required by the principle of subsidiarity enshrined in Article 5(3) of the Treaty on European Union, hereby decides to: 1. Endorse the arguments set out in Conclusion No 110-P-46 of 21 October 2026 of the Seimas Committee on Environment Protection and recognise that there are reasonable doubts as to the compliance of the Proposal with the principle of subsidiarity. 2. Address the European Commission with a view to fostering a constructive and productive dialogue with it in the context of political dialogue with national parliaments, requesting that it take into account the arguments set out in this conclusion and reassess the necessity and added value of mandatory regulation at European Union level, the suitability of the chosen regulatory approach, and the potential impact of the proposed requirements on the ability of Member States and local authorities to effectively address challenges related to housing affordability and availability, as well as consider less interventionist alternatives.