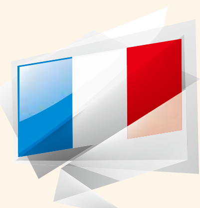
# EU New Housing Starts in 2025 and Outlook

2025 did not deliver a clean, broad-based rebound in EU new housing. Instead, it looked like a transition year where affordability pressure, planning and capacity constraints, and still-elevated financing costs kept the pipeline tight, while policy attention to housing supply moved up the agenda. For fastener manufacturers and distributors, that combination matters because it shifts demand from pure volume growth toward a more mixed pattern: fewer large, price-sensitive newbuild packages in some markets, but steadier pull-through in segments tied to energy upgrades, prefabrication, and public or semi-public housing programmes.

A key limitation when discussing "EU housing starts" is comparability. Some countries publish starts as a standard indicator, others emphasize permits and completions, and definitions differ. So the most practical way to read 2025 is to triangulate: (1) national starts where available, (2) building permits as the closest cross-country leading indicator, and (3) policy and macro signals that determine whether permits convert into starts.

## What 2025 Data Says in the Biggest Markets

### France: starts stayed under pressure



France is one of the clearer cases because official statistics track both authorisations (permits) and housing starts. According to the French SDES (Ministry for ecological transition statistics), 2025 ended with 379,222 dwellings authorised and 274,611 dwellings started. A contemporaneous industry recap reporting the SDES figures highlights the same magnitude, and frames the year as another step down from prior-cycle levels.

Implication for fasteners: **France's 2025 mix typically weakens demand for structural and framing fasteners tied to multi-family starts, but it does not erase demand.** It tends to reweight business toward renovation-related fixings, building envelope applications, and smaller-lot distribution, particularly where contractors prioritize energy performance work.

### Germany: permits remained low versus need, even if late-year data hinted at stabilization

Germany remains the single most important swing market for EU residential construction sentiment, and it is still working through a post-rate-shock adjustment. A Destatis (Federal Statistical Office of Germany) extract cited in late-2025 reporting indicates that from January to October 2025, permits were issued for 286,300 dwellings in Germany. This sits alongside the broader reality that the pipeline had already fallen sharply in the prior year. A Reuters report, referencing a German federal research institute study commissioned by the housing ministry, notes that only about 216,000 building permits were granted in 2024, far below the government's 400,000 annual target and below estimated need.

Implication for fasteners: Germany's downturn changes buying behavior. **Instead of long, stable call-offs for large newbuild sites, the market often becomes more fragmented and price-competitive,** with demand tilting toward: (a) smaller contractors,

(b) renovation and energy retrofit categories, and (c) industrialized methods where builders try to protect margins via off-site production and faster on-site assembly.

### Spain: momentum is more constructive, with policy support for industrialized delivery

Spain's housing discussion in 2025 was shaped by affordability and supply shortages, but the supply side showed more momentum than several northern markets. Reporting based on Spain's Ministry of Transport data indicated that in 2024, new-build permits rose to 127,721, up 17% year on year. In 2025, Spain also pushed policy support tied to industrialized construction of social housing, backed by multi-year EU funds, explicitly aiming to deliver more units faster through factory-based methods.

Implication for fasteners: industrialized housing construction is typically fastener-intensive in a different way than traditional builds. **It tends to pull more standardized, specification-driven components, with stronger emphasis on quality consistency, corrosion protection, and traceability.** That can favor suppliers with strong technical documentation, stable coatings, and packaging optimized for production lines.

**Table 1. New Housing Activity Indicators** (latest official releases)

| Country | Metric | 2025 Figure | Change vs Prior Year | Coverage / Definition |
|---|---|---|---|---|
| France | Dwellings permitted | 379,222 | +15.0% | Full-year 2025 (permits) |
| | Housing starts | 274,611 | +5% | Full-year 2025 (starts, early estimate) |
| Germany | New-build dwelling permits (total) | 175,200 | +13.9% | Jan to Nov 2025, new residential buildings only |
| | New-build permits, single-family | 40,700 | +17.0% | Jan to Nov 2025 |
| | New-build permits, two-family | 11,500 | -1.6% | Jan to Nov 2025 |
| | New-build permits, multi-family | 114,800 | +13.5% | Jan to Nov 2025 |
| Spain | New-build dwellings authorised (visados) | 122,122 | +2.11% | Full-year 2025, architects' approvals (permit proxy) |

### Three quick takeaways for the outlook

1. **France:** Approvals rebounded strongly but starts rose only modestly. That gap usually signals delayed project execution and a more cautious release of new sites, so demand skews toward selective new-build phases plus renovation and energy upgrades.
2. **Germany:** The pipeline improved year-on-year, but the absolute volume remains low by historical standards. The mix is still dominated by multi-family permits, which typically concentrates fastener demand in façade systems, drywall, flooring, and MEP support as projects progress.
3. **Spain:** Approvals were stable to slightly higher, and the market narrative remains constrained by delivery capacity and affordability. This tends to support steadier consumption for anchors, screws, and fixings tied to continuous mid-rise residential output, plus rehabilitation-driven categories.

Following these country signals, the next step is the EU-level driver. **In 2025, housing policy and affordability moved closer to the center of the EU economic and social agenda.** That shift matters for housing starts because it influences permitting reform, public financing tools, and delivery models such as industrialized construction. These, in turn, shape the construction pipeline that feeds fastener demand over the next 6 to 24 months.

### EU-level driver in 2025: the housing affordability crisis moved to the center of policy

At EU level, the signal in late 2025 was clear: affordability constraints are no longer treated as only a local urban issue, but as a systemic drag on labor mobility, social outcomes, and competitiveness. The European Commission's Staff Working Document accompanying the European Affordable Housing Plan explicitly frames the crisis as EU-wide, outlines demand drivers and supply constraints, and documents distributional stress (for example, the housing cost overburden rate and the much higher burden for at-risk-of-poverty groups).

This matters for starts because policy focus usually precedes permitting reforms, public financing tools, and accelerated delivery mechanisms. However, policy intent does not instantly convert into starts. In practice, the conversion depends on land availability, planning throughput, labor capacity, and the financing channel for developers and buyers.

## What This Means for the Fastener Industry in 2025

### 1. Volume was uneven, but technical mix improved in several subcategories

When starts soften, commodity fastener volumes linked to structural shells can decline. At the same time, the technical mix often improves because more work shifts to building performance upgrades and compliance-driven installations. Even in softer newbuild years, demand can remain resilient in:

- building envelope fixings (facades, cladding substructures, insulation systems)
- window and door installation fasteners
- roofing and waterproofing systems
- mechanical, electrical and plumbing supports
- mounting hardware linked to on-site electrification and energy equipment upgrades


### 2. Industrialized construction is a structural tailwind, not a short cycle

Spain's explicit push and broader EU interest in faster delivery methods suggest that prefabrication and modular methods will keep gaining share where supply shortages are acute. For fastener suppliers, this shifts the sales motion toward earlier engagement, specification work, and repeatable bill-of-materials supply.

### 3. Procurement behavior stayed defensive

Across many EU markets, contractors and distributors typically manage risk by reducing on-hand inventory for slow-moving SKUs, tightening supplier terms, and favoring proven availability. That tends to reward suppliers that can deliver high fill-rates and stable lead times, even if headline construction volumes are not growing.

## Outlook: 2026 to 2027 Scenarios that Matter for Starts

**Base case: gradual improvement, led by policy-supported supply and easing financial stress**

The Commission's affordability workstream signals continued policy pressure to expand supply, improve access, and reduce bottlenecks. If this translates into faster permitting, more public or quasi-public projects, and scaled industrialized delivery, starts can recover gradually even without a rapid private-developer boom. Spain's direction is an example of the kind of supply response policymakers now want to replicate.

**Upside case: faster permit-to-start conversion in core markets**

Germany is central here. If the pipeline stabilizes and public tools and planning reforms begin to bite, the distance between underlying housing need and delivered supply becomes a powerful driver. The Reuters-cited study estimate of roughly 320,000 apartments per year needed to 2030 highlights how large the gap is. A faster recovery would lift demand for construction fasteners broadly, and it would typically tighten pricing power for higher-spec products with certification requirements.

**Downside case: construction capacity and affordability remain binding constraints**

Even with policy focus, the EU can fail to generate starts if labor shortages, land constraints, and financing affordability remain restrictive. The Commission document is explicit that supply is not keeping up with demand and that averages can hide acute regional tightness. In that case, the market stays selective: public housing and industrialized projects move, while private multi-family development remains patchy.

## Fastener Supplier Playbook for the Next 12 to 24 Months

- **Treat housing as a portfolio, not a single cycle:** balance exposure between newbuild structural categories and renovation/energy-performance categories.
- **Build an "industrialized-ready" offer:** consistent coatings, QA documentation, line-friendly packaging, and stable repeat supply for factory-style assembly. Spain's policy direction makes this a near-term commercial opportunity, not just a trend.
- **Prioritize markets with clearer conversion signals:** France's official starts data shows where the floor is, Germany shows the scale of unmet need, and Spain shows policy-backed supply acceleration.
- **Stay alert to public programmes:** EU and national affordability responses can drive project pipelines that behave differently from private development, often with stricter compliance and tender specifications.

## Closing View

2025 was not a uniform "recovery year" for EU housing starts. It was a year where the supply shortage became impossible to ignore, but the build pipeline still reflected the lagged impact of financing conditions, planning throughput, and capacity constraints. For the fastener industry, the near-term opportunity is less about chasing a broad volume upswing and more about winning in the categories and delivery models that keep moving regardless of the cycle: envelope and performance work, standardized industrialized construction, and policy-supported housing supply. ■


Sources

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