PRESS RELEASE

Europe is pricing out the people who keep its cities running

In The Closed Door, economist Jaime Luque traces the quiet displacement of young people and workers across Europe and asks how affordable housing can be built and financed at scale.

Madrid, November 2026. — Matteo is 28, has a master's degree and a permanent job in Milan, yet still sleeps in his childhood bedroom. In Berlin, Sabine has to leave her home after an energy renovation and a steep rent increase. In Barcelona, Marc and Laia face a rental market increasingly dominated by short-term contracts. And in Seville, Carlos rents out the flat he inherited from his mother to visitors. Their circumstances differ, but together they illustrate a housing crisis unfolding across Europe.

These are composite characters, built from situations and patterns described in responses to a European Commission public consultation. Their stories form the narrative thread of The Closed Door: Europe's Housing Crisis and the New Exodus, a book combining human stories, economic research and housing-policy analysis.

Luque, Professor of Real Estate at ESCP Business School and a former member of the European Commission's Housing Advisory Board, draws on 13,325 contributions to the consultation from across the EU. The responses do not constitute a statistically representative survey, a limitation discussed in the book. Instead, they reveal the lived pressures behind the figures: postponing independence, being pushed away from work or struggling to keep a home.

The crisis extends far beyond rising rents. A shortage of new homes in economically dynamic cities is compounded by construction costs, financing barriers and policies whose unintended effects can sometimes constrain supply. The book examines what happens when wages and local housing costs move further and further apart.

Rather than look for a single culprit, Luque considers holiday rentals, investment flows, rent regulation, pricing algorithms and the risk that energy upgrades displace existing tenants. He also explores approaches to long-term affordability, from Vienna's cost-rental model to housing policies in Finland.

The book moves from diagnosis to possible solutions. Luque argues for building more permanently affordable homes, supported by patient, long-term finance and cooperation between public institutions and private capital. His central argument is that Europe's housing predicament is the result of choices—and therefore demands better choices.

More information: jaimeluque.com/the-closed-door/

THE BOOK

The Closed Door

A 28-year-old professional unable to leave his childhood home in Milan. A healthcare worker priced out of Berlin after an energy renovation. A Barcelona couple navigating a market of temporary tenancies. And a Seville property owner choosing to let a family home to tourists. Through these composite characters, inspired by contributions to a European public consultation, Jaime Luque explores why education and work no longer guarantee a place to live. The Closed Door examines housing supply, tourism, rent regulation, financing, algorithms and the energy transition. It then turns to practical alternatives, including Vienna's cost-based rentals and the patient capital needed to fund affordable homes over decades.

About Jaime Luque



Jaime Luque is Professor of Real Estate at ESCP Business School and Director of its Institute of Real Estate Finance and Management (IREFIM). His work focuses on real-estate finance, housing policy and innovation. In 2025, he served on the European Commission's Housing Advisory Board, which made independent recommendations for the European Affordable Housing Plan. He has taught and conducted research internationally and is a co-author of Affordable Housing Development: Financial Feasibility, Tax Increment Financing and Tax Credits (Springer, 2019).

Book details

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For the media

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Sources: Jaime Luque, The Closed Door (2026), preamble and endnotes; European Commission, European Affordable Housing Plan (2025).