

THE COPENHAGEN WAY FORWARD

HOUSING AS INFRASTRUCTURE



WHAT IF, IN THE FUTURE, WE STRUCTURED AFFORDABLE AND ACCESSIBLE HOUSING AS CRITICAL INFRASTRUCTURE?

The current housing crisis presents a unique opportunity to position Europe as a global leader in sustainable urban development. A renewed housing system could generate employment, stimulate economic growth, and improve the quality of life. It could transform Europe's cities into hubs for talent, investment, and innovation, and strengthen Europe's capacity to act as a stable and unified force in a time of geopolitical uncertainty. When we invest in housing, we are not simply constructing buildings. We shape the future of Europe's economic resilience, environmental stability, social cohesion, and global leadership.

To facilitate this, we must recognise affordable housing as a strategic tool for improving societal well-being. Building on this, we can imagine a future where investments are pooled and directed toward more holistic solutions that deliver both affordability and climate mitigation and adaptation.

Reliable infrastructure and services, such as mobility and childcare facilities, would reduce investment risks while improving access to peripheral urban areas, particularly underutilised industrial zones suitable for retrofitting. New legislation could support the funding of affordable housing practices, and more effective use of existing space could be enabled through strategic retrofitting and redistribution.

To achieve this goal, we must reform financial structures by integrating planning across sectors and strengthening collaboration across municipal borders.

The sustained demand for tenants across European cities supports stable returns for investors and reinforces the perception of housing as a resilient and reliable asset class. The increasing and persistent demand for urban housing also highlights the potential to view housing more explicitly as a form of essential infrastructure.

“This is more than a housing crisis. It is a social crisis. It tears at Europe’s social fabric. It weakens our cohesion. And it also threatens our competitiveness..”

Ursula von der Leyen, *State of the Union speech*, 10 September 2025, President of the European Commission

WHY

The rapid urbanisation of the past few decades and the massive influx of people into European cities have placed severe pressure on housing markets. In most cities, the primarily market-driven housing sector has seen skyrocketing prices, and in most European cities, income has grown more slowly than housing costs. Millions are longing for a future where housing is not a commodity but the backbone of thriving, inclusive cities.

The existing system has led to an affordability crisis across nearly all major European cities. Today, more than 10.6% of the urban population in the EU lives in households spending over 40% of their disposable income on housing, a threshold regarded as severely overburdened. In Danish cities, the situation is particularly acute, with 23.3% of city residents facing this burden²⁷. Meanwhile, a recent analysis of 36 major European cities found that not a single city met the traditional affordability benchmark of a rent-to-income ratio of 30 %. Instead, average rent-to-income ratios hover around 56%.²⁸

The consequence of inadequate housing is a significant strain on society. The deepening inequality caused by high housing costs is a major factor contributing to political alienation and the rise of political extremism, threatening social cohesion and democratic stability. Furthermore, the lack of adequate and affordable housing sets barriers to labour mobility, hinders talent attraction and retention, and forces key workers out of cities²⁹, effectively challenging cities' social and health infrastructures and undermining their overall competitiveness. The disproportionate impact of housing costs on younger generations³⁰ plays a significant role in Europe's demographic decline and affects the mental health of the population.

Hence, today, Europe's housing crisis is not just about affordability; it's a systemic risk. When homeownership and rent become unattainable, social trust erodes, inequality deepens, and economic stability falters. As Mayor of Barcelona, Jaume Collboni, describes it, the housing crisis is a social emergency and an existential threat jeopardising the future of Europe. And if Action is not taken, he warns: “We're running the risk of having the working and middle classes conclude that their democracies are incapable of solving their biggest problem.”³¹

At a time when Europe must act with unity in an increasingly volatile world, this crisis threatens to pull us apart. The need for housing also poses increasing pressure on the planet. The built environment is one of the world's leading sources of CO₂ emissions, yet as we continue to strain the environment even further, we still fail to meet demand.

Paradoxically, we are building too much, yet still unable to provide the housing that is needed. The effects of inadequate housing clearly demonstrate that housing is one of the most fundamental components of a city's or nation's success. However, the system we have relied on to meet this demand is unable to deliver.

Hence, Europe faces a dual challenge: reducing the carbon footprint of its buildings while ensuring housing remains accessible. We cannot afford a housing market where affordability and sustainability conflict. Instead of choosing between social and environmental priorities, we must align them to achieve a more sustainable balance. This means rethinking investment structures, scaling circular construction, and ensuring long-term affordability. Done right, housing can be the engine that drives both social equity and climate action while enabling competitiveness.

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28. [Housing Europe. \(2024\). The private rental sector and housing affordability in European cities: It is time for better data and improved monitoring.](#)
29. [CBRE Investment Management. \(2024, March\). Europe's forgotten middle: Where housing crisis meets an investment opportunity.](#)
30. [Bonneyrat, S. \(2024, September\). Becoming adults: quarter of young Europeans face housing problems. EUobserver.](#)
31. [Hernández-Morales, A. \(2025, February\). Housing crisis is as big a threat to the EU as Russia, Barcelona mayor says. Politico.](#)

Source State of the union speech:
European Commission. (2025). 2025 State of the Union Address by President von der Leyen, 10 September 2025, Strasbourg.



BUILDING AN ALLIANCE OF CO-RESPONSIBILITY

Align Public, Private, and Civic Power to De-Risk and Deliver Affordable Homes

Creating a framework to deliver on affordable housing requires co-responsibility: a shared mission across public authorities, private developers, financial institutions, and civil society. National and city governments must provide regulatory clarity, targeted guarantees, and taxation models that lower risk and reward social and environmental performance. Private actors bring innovation, design excellence, and operational efficiency. Civil society ensures legitimacy, rootedness, and long-term stewardship. This alignment not only diversifies responsibility but also distributes risk and reward more equitably, fostering resilient housing ecosystems.

Such alliances have proven successful in other contexts. Denmark’s experience with financing renewable energy offers a template. Wind farms transitioned from state-led projects to mixed public-private ownership, demonstrating stable revenue streams and profit-sharing structures that catalysed broad investment while building local support. Applying similar principles to housing could transform underused building stock, accelerate retrofits, and enable mixed-income developments that remain affordable over time.

” Housing in urban areas or nearby could benefit from similar models as those used in the renewable energy sector, as it shares key characteristics such as guaranteed demand, long-term commitments, and stable partnerships between public and private actors. The affordability agenda does not necessarily need to rely on government subsidies but can be supported through the provision of services and infrastructure, which would help de-risk investments for private developers. While substantially increasing accessibility to the city centre.”

Torben Möger, Chair of the CIP foundation

Innovative models already point the way forward. Profit-sharing and tenant shareholder schemes, pioneered by companies like Home.Earth aligns the interests of residents and investors, fostering stable tenancies and community resilience. Blended finance mechanisms that combine public guarantees with private capital are emerging to fund both environmentally conscious new builds and deep retrofits. Community land trusts secure affordability across generations by separating land ownership from housing costs.

Clear responsibilities and transparent financial structures

Clear responsibilities and robust financial structures are essential to translate ambition into delivery. Aligning the agenda with land-use, mobility, utilities, and climate policy within a single integrated planning framework brings the roles of public and private actors to the forefront and distributes risk fairly. Clear objectives, standards, and lines of responsibility clarify who funds what and provide transparency on governance and financing. Coordinated transit and social infrastructure help secure tenant demand and reduce uncertainty for private capital. Planning in concert with energy and utility networks raises building-level efficiency, while all-electric systems reduce lifetime costs and emissions. This system can outline requirements for both private investors and public authorities, delivering affordable housing and essential services while achieving social, environmental, and economic outcomes.

What follows are examples of how this alignment can take shape in practice: from the provision of transport and services that unlock new sites for development, to financial instruments that make affordable housing investable, to planning frameworks that integrate climate adaptation and affordability into a single action. Together, these tools illustrate how shared responsibility can shift housing from a speculative asset to an essential public good, and why this shift is necessary to deliver the scale of transformation Europe’s cities now demand.

EXPANDING OUR UNDERSTANDING OF AFFORDABILITY AND INCREASING MOBILITY ACROSS THE HOUSING MARKET

Introduce multiple affordability tiers

Europe’s affordable housing systems have traditionally catered primarily to very low and low-income groups. However, the noticeable and sustained increase in housing prices over recent decades has also placed significant pressure on the middle-income group, which comprises approximately 64% of the population. This group often falls between the eligibility thresholds for social housing and the financial capacity required for homeownership, leaving them disproportionately affected by the housing crisis in Europe.³²

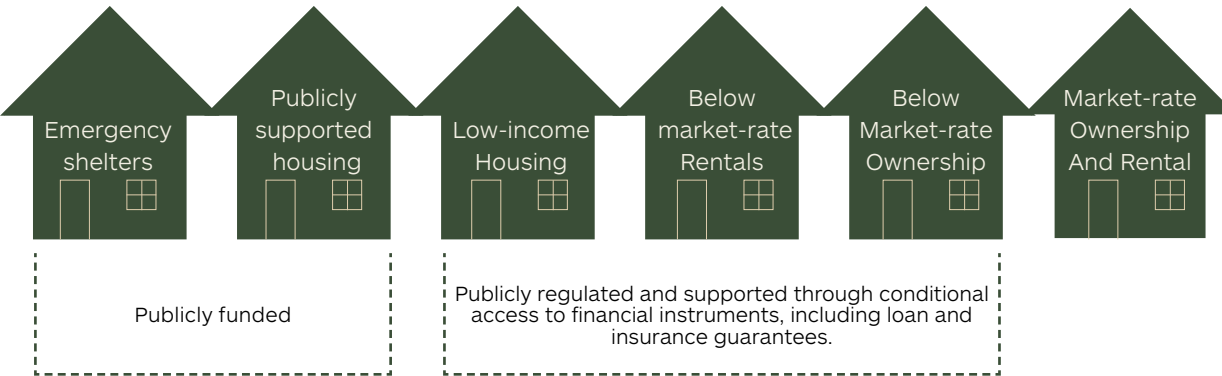
At the same time, this crisis presents a new opportunity for the private sector to engage more actively in improving housing affordability. Housing targeted exclusively at households without stable employment remains particularly difficult for the private market to deliver without public subsidies. However, if we reimagine the concept of affordability to include a broader range of income tiers extending from low to middle-income households, the private sector could play a much more significant role in addressing the housing agenda.

Increase mobility across the housing system

This broader understanding of affordable or adequate housing also presents an opportunity to address another persistent issue in the housing sector: the lack of mobility across the system. Currently, the housing system is highly siloed, divided primarily between social housing, private rental, and homeownership. Transitions between these forms often place a significant financial burden on individuals and create bottlenecks that further strain both the affordable and social housing sectors.

Developing a more diverse housing system that better reflects the varied needs and incomes of the population would be more effective. This housing continuum model encompasses social housing, affordable rental housing, shared equity or co-ownership, and market-rate ownership. It would improve residents’ ability to move more flexibly between housing types over time, alleviating pressure in various typologies for those who need it most.

This expanded concept of affordability offers substantial innovation potential. To make new housing typologies attractive and viable for private sector involvement, we must create the right enabling conditions. From an institutional perspective, this could include favourable guarantees, low-interest loans, partnership structures that share or reduce financial risk, and the provision of essential services and infrastructure to mitigate investment risk. From a policy perspective, zoning regulations combined with conditional access to land could help ensure a balanced mix of housing types that reflect the population’s needs.



32. [OECD. \(2019\). Under pressure: The squeezed middle class. OECD Publishing.](#)



REFRAME HOUSING AS “INFRASTRUCTURE”

To advance the affordability agenda, we need to develop financial models that are attractive and relevant to the industry. At the same time, we must address the dual challenges of affordability and decarbonization. Achieving these goals requires close collaboration between public and private actors, unlocking innovation, mobilising capital, and building a shared commitment to long-term development. This includes forming alliances that pool resources, share risks and rewards, and align investments with both social and environmental value. Bringing private capital into affordable housing will require rethinking and redesigning financial frameworks and policy structures. These must be aligned with clearly defined affordability goals and structured to reduce the risks associated with both housing provision and decarbonization. Fortunately, many tools already exist to support this effort, including cross-sectoral partnerships, innovative financing models, and targeted loan guarantee mechanisms.

“Many private-sector urban stakeholders and commercial banks have identified affordable housing as a strategic priority. However, few are actually delivering on these intentions, as it is difficult to build the business case.”

Jakob Pilegaard Hansen,
Head of DK Large Cap, Origination, EIFO

Treating housing as an essential infrastructure

The persistent and growing demand for housing across European cities reveals two realities: housing is among the most resilient asset classes, and simultaneously one of the most pressing social and climate challenges of our time. Treating housing as essential infrastructure on par with energy grids or transport systems opens the door to a new investment logic, one that can mobilise significant private and institutional capital while directly addressing the transformation our cities so urgently require.

Infrastructure investments typically deliver lower returns than speculative real estate but involve far

larger sums of capital and are designed for stability over decades. This shift from short-term profit expectations to long-term, patient capital is precisely what is needed to align housing delivery with climate goals and social equity. A framework that positions housing as infrastructure can thus attract pension funds, sovereign wealth funds, and other institutional investors seeking reliable, de-risked opportunities with measurable impact.

Enhance accessibility to low-cost capital for the affordable housing agenda

The growing trend of urbanisation, both nationally and across Europe, has contributed to increased long-term tenant security within cities. This tenant stability, combined with predictable income patterns, provides a solid foundation for rethinking the financial framework that underpins affordable housing. One promising approach is to introduce new forms of guarantees and insurance that reduce the loan premiums typically required by private lenders. These financial incentives should be conditional: developers should only gain access to favourable terms if they commit to delivering housing that creates both social and environmental value. This model also presents an opportunity for the public sector to steer the agenda by offering public loans with integrated guarantees, coupled with clear requirements that ensure new housing contributes to broader societal and ecological goals.

“From both an export and a solution perspective, there could be significant value in creating a financial model that can be replicated and in showcasing how financial innovation can drive affordability.”

Jakob Pilegaard Hansen,
Head of DK Large Cap, Origination, EIFO

Provision of services and transport infrastructure

When aiming to increase the supply of housing under conditions of spatial scarcity and the need to decarbonise, retrofitting old industrial sites on the outskirts presents a valuable opportunity. These sites are often underutilised, located in lower-cost areas, and largely

inaccessible, making them an unattractive investment case for private capital.

However, providing high-quality public transport and social infrastructure not only improves accessibility to these areas but also serves as a tool for reducing investment risk. This reveals a hidden potential in the planning and provision of infrastructure when aligned with the affordability agenda. Infrastructure can offer the necessary mobility for residents while giving private investors greater confidence in entering new development zones.

Planning infrastructure in partnership with private developers and guided by a clear social and environmental agenda can help identify areas suitable for

retrofitting. Establishing partnerships early among all involved actors creates a framework for defining specific requirements and responsibilities. This approach also enables the integration of climate adaptation measures by leveraging natural systems and local soil conditions, thereby informing the direction of new development.

This approach will require an expanded group of stakeholders and partnerships for infrastructure planning across municipal borders, which are essential to advance this agenda. Stakeholders involved in decarbonization and adaptation must be consulted to ensure coordinated and sustainable development.

CASE: HAFEN CITY & CITY OF HAMBURG

THafenCity Development drives the social and affordability agenda through a range of policy structures that allow for innovation and long-term impact. A key turning point in Hafen City development came with the update to the HafenCity Masterplan in 2010, which explicitly incorporated social mix goals by requiring 20% subsidised housing units. This share was later increased to one-third with the 2011 citywide policy shift.

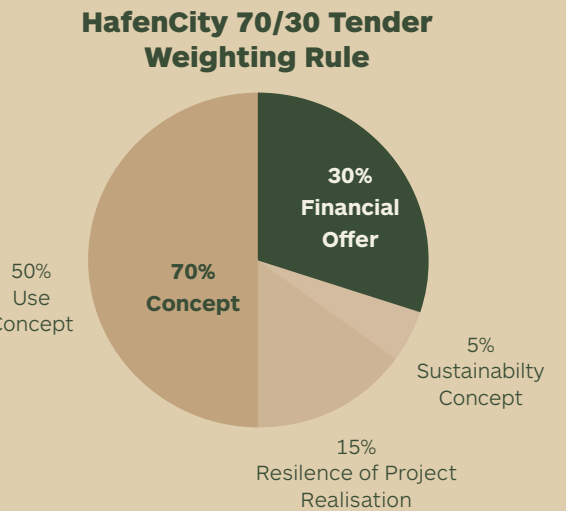
The revised master plan also introduced a new tendering process that prioritised concept quality over profit. Known as the 70/30 rule, 70% of the evaluation criteria focused on the proposed concept, while only 30% was based on the financial offer. This shift opened the door for innovative housing solutions and new actors to enter the development process. These changes were introduced in response to early criticism of HafenCity’s initial development phase, which was seen as overly homogeneous and dominated by high-end, luxury housing.

The housing agenda was soon taken up by the City of Hamburg, which introduced the new law Mix of Thirds (Drittelmix) in 2011 as a broader strategy for affordable housing. The policy mandates that new developments include one-third publicly subsidised affordable housing, one-third middle-income housing, and one-third

market-rate housing, aiming to ensure a more socially inclusive urban fabric.

The first pilot project to reflect these policies and regulatory frameworks was Am Lohsepark, followed by Elbbrücken in 2014, which was masterplanned to implement the new affordability model fully. These neighbourhoods featured a high share of projects developed by housing cooperatives and non-profit developers. They included substantial amounts of subsidised units, positioning HafenCity as a testing ground for a new model of social sustainability.

Beyond its affordability agenda, HafenCity also focuses on developing urban concepts that enhance public life, encourage community participation in planning, and support the implementation of social infrastructure.





Conditional land access

Sustained tenant demand and low vacancy rates give residential development in successful cities an infrastructure-like risk profile, characterised by stable, long-duration cash flows. This reduced revenue risk strengthens the public sector’s bargaining position in land disposition, allowing it to attach binding social and climate conditions without deterring private capital. The public sector can leverage this by establishing clear terms of entry that require private developers to deliver both affordability and decarbonization, aligning private investment with public objectives. A complementary approach is to prioritise concept over price in land tenders, selling or leasing sites not to the highest bidder, but to proposals that credibly deliver social and environmental outcomes, thereby supporting innovation and decarbonization, as demonstrated in Hamburg’s HafenCity.

Activate Housing Associations as a Climate-Adaptation Infrastructure

With resources tightening and urban space increasingly scarce, housing associations are a largely untapped lever for climate action. They steward extensive assets, including buildings, roofs, open spaces and land, which makes them ideal platforms for integrated climate solutions. Treating housing associations as part of a broader network of infrastructure can mobilise the sector as an active agent of climate adaptation.

In coordination with utility system operators, adaptation agencies, the research and development sector and municipalities, they can put land and buildings to multiple uses, for example, on-site renewable energy generation, green roofs and rain gardens for storm-water retention, biodiversity enhancement and green corridors, while generating new revenue streams and reducing energy and maintenance costs.

At the same time, they can act as reliable purchasers and early adopters of innovative climate solutions, strengthening competitiveness in the green and clean tech industries.

The opportunity is clear

By reframing housing as infrastructure, we can mobilise the scale of capital required to simultaneously decarbonise Europe’s building stock and address the housing crisis. The task ahead is not merely technical; it is a rebalancing of values and priorities. It demands that housing be recognised as a human right and a public good, even when it is financed through private markets. Building an alliance of co-responsibility is about reshaping our collective understanding of value, social, environmental, and financial, in the places where we live.

Translating this vision of housing as infrastructure into practice requires moving from broad principles to concrete mechanisms and clarifying who delivers what, and under which conditions. Co-responsibility does not mean diffusing responsibility; it means defining shared roles so that public, private, and civic actors can each leverage their strengths to deliver more than any could alone.



Tingbjerg
Rights: SLA | Photographer: Rasmus Hjortshøj

3. FUTURE OF PLANNING

1. THE ORCHESTRATION OF CO-RESPONSIBILITY

Copenhagen’s transformation has shown what planning can achieve when it is long-term, cross-sectoral, and rooted in co-responsibility. But the next phase demands more than evolution. It requires structural change in how planning is conceived, governed, and financed.

The future of planning depends on our ability to align direction, capability, and responsibility across a diverse set of actors. It must bring together contributions from public, private, civic, and institutional actors around shared goals, and enable different capabilities to take the lead when the task demands it. In this sense, planning begins to resemble a musical orchestra: structured, collaborative, and adaptive.

The municipality plays the role of conductor, holding long-term direction, ensuring overall coherence, and maintaining continuity across political cycles. But this does not mean leading alone. Visiting conductors will step in when the task demands it: private developers, the Almene housing sector, national authorities, agencies, and project organisations, each taking the lead where their specific capabilities are most relevant. The orchestra must be structured to allow for this kind of leadership rotation while keeping the overall composition intact.

Within this structure, a wide range of actors must be present: utilities, infrastructure providers, pension funds, social housing organisations, cultural institutions, civil society, and long-term investors. Depending on the challenge, whether housing delivery, energy transition, mobility reform, or climate adaptation, different first chairs will step forward. What matters is not hierarchy, but ensuring that the best-suited actors are enabled to lead at the right time in the right configuration.

The flexibility is intentional. The framework must allow capabilities to lead without disrupting alignment. This requires not just coordination but also co-responsibility and transparency: who is responsible for what, when leadership changes hands, and how different contributions connect to form a shared outcome.

Co-responsibility only works when it is transparent. Each actor must understand their role, when to lead, how to support, and how their actions relate to those of others. This clarity is not a bureaucratic formality. It is what enables trust, commitment, and long-term performance.

Planning in this way is not just a new governance model. It is a different way of solving problems, by structuring for alignment, designing for flexibility, and building the conditions for shared leadership. This is what makes it possible to meet complex urban challenges, not through control, but through collective capability. Based on the learnings throughout this report and the foresight work conducted with stakeholders, this chapter outlines a concrete way forward.

2. DEFINE PLANNING AS A STRATEGIC SYSTEM ALIGNMENT

Planning is no longer just about zoning and land use. It is about orchestrating the infrastructure, financing, regulations, and partnerships that shape how systems perform together over time. This means starting not from a site but from the structural challenges cities face: climate adaptation, affordability, space scarcity, and social cohesion and then defining what kinds of development are needed to address them.

This demands a proactive planning role where authorities don’t just regulate but initiate: identifying the areas, systems, and alliances needed to solve shared problems. The success of the cloudburst plan shows how shifting from plot-based logic to systems-based framing can de-risk decisions and attract investment.

Similarly, from Nordhavn’s five-minute city model to Tingbjerg’s public-private regeneration without displacement, the Copenhagen experience shows that social outcomes depend on aligning housing, energy, water, and mobility from the outset. This requires moving from sectoral approval processes to integrated planning frameworks that mandate shared targets, data, and timelines. The Copenhagen experience demonstrates that spatial planning is not a technical afterthought, but a strategic instrument.

3. TREAT GOVERNANCE AS A STRUCTURE

The institutions that hold planning together are as critical as the plans themselves. By&Havn demonstrates how a single platform with a clear mandate can align land, capital, and infrastructure to deliver transformation. The Øresund Model shows how a governance structure can unlock cross-border labour mobility and create regional competitiveness. Brainport in the Netherlands proves that competitiveness depends on institutional structures that enable cities to pool knowledge, talent, and innovation into a critical mass that no single city could achieve on its own.

This demands a shift from project-based taskforces to enduring regional institutions that can manage co-investment, coordinate across municipalities, and buffer political cycles. For Northern Europe, this means creating a governance structure for the Y Region, encompassing Copenhagen, Malmö, Gothenburg, Oslo, Stockholm, and Hamburg, that treats planning as a shared strategy and infrastructure. Not another bureaucratic layer, but a platform for joint decision-making and execution that integrates capital, regulation, and systems across borders. Scaling this across Europe will require similar institutions: durable, mission-driven structures capable of holding direction when politics and markets shift.

4. FINANCE AS THE ENABLER, NOT THE CONSTRAINT

Planning is constrained not by ideas but by misaligned financing. Copenhagen’s land value capture model (e.g. by & havn) has shown what’s possible, but upcoming challenges, such as climate adaptation, circularity, and affordability, require new financial coalitions.

From climate-resilient public realms to affordable housing built within planetary boundaries, the path forward lies in blended finance and de-risking mechanisms, including public & corporate guarantees, conditional access to land, utility co-investment, and lifecycle-based ROI models. As interviews and research highlighted, there is capital ready to move. Still, the enabling frameworks must be structured through planning, which provides certainty rather than planning that is perceived as uncertain and a barrier to execution.

5. BRING STAKEHOLDERS IN EARLY AND ORGANISE HOW THEY STAY

The foresight work revealed a persistent problem: critical actors across the value chain all believe they are brought in too late to shape plans, contributing to reduced impact and increased costs. Future planning must institutionalise co-design from the beginning. This is not about everyone getting what they want or reaching consensus on every decision, but about orchestrating co-responsibility through collaborative leadership.

That requires formalised roles for civil society, long-term investor perspectives, and mission-driven actors from the outset. Copenhagen’s housing-as-infrastructure scenario highlights this logic: housing providers, climate adaptation actors, and mobility planners are developing joint value cases rather than parallel projects. Only through such orchestration can planning align diverse interests into a shared outcome

Delivering this new way requires more than new tools or policy adjustments. It demands a shift in how roles, leadership, and responsibility are distributed across the planning ecosystem. The question is no longer only what needs to be done, but who must do it, when, and in what relation to others. To move from ambition to execution, planning must be structured in a way that allows actors to lead where they are strongest, while staying aligned toward a shared direction.

EUROPE FROM A CROSSROAD TO A FUTURE BUILT ON RESILIENT CITIES

Europe stands at a crossroads. From climate disruption to demographic shifts, from migration and inequality to political fragmentation, the continent faces crises that are interconnected and global in scale. No single European nation can address these alone. Yet history reminds us that progress often emerges from moments of disruption.

Over the past century, humanity has rebuilt from devastation, expanded education, extended life expectancy, and lifted millions from poverty to prosperity. The question is not whether Europe can adapt, but how. The answer lies in Europe's cities, which are not merely clusters of infrastructure and local affairs, but rather, among the continent's most strategic yet underutilised assets. Cities generate over 70% of Europe's GDP and are home to more than three-quarters of its people. They are the spaces where vulnerability and opportunity converge, where innovation typically occurs first, and where systemic change can be scaled fastest. They are, quite simply, the places where Europe's future will be won or lost.

Cities are not static backdrops; they are living systems. Housing, health, energy, mobility, education, digital infrastructure, and public trust are not separate domains but interdependent networks. When one system is strengthened, it has ripple effects in others. When neglected, the impacts multiply. This is what makes cities both vulnerable and powerful. Their systemic complexity means they must be understood and governed as a holistic infrastructure. Investing in them is a matter of urgent strategic necessity.

Copenhagen shows what this means in practice. In one generation, it turned decline into prosperity, environmental pollution into green growth, and local investments into global influence. This was not achieved through isolated projects, but through long-term vision, integrated planning, and public-private partnerships that treated the city as a whole system. The lesson is clear: urban transformation can drive national renewal, and by extension, continental resilience.

Europe cannot afford to underplay its cities. They must become the primary engines of a resilient, competitive, and inclusive Europe. Places where new energy systems are deployed, and climate adaptation measures are accelerated; where skills and innovation cluster, and trust in democracy is rebuilt through tangible improvements to inhabitants' everyday lives. Europe's cities must be large enough to shape markets and policy, yet close enough to people to act with speed, precision, and legitimacy. Crucially, their impact must extend far beyond city limits: the cities of the future must drive inclusive growth that lifts surrounding towns, regions, and rural areas, creating a web of shared opportunity, resilience, and prosperity. Only when cities act as engines of both local vitality and national renewal can Europe compete and thrive on a global stage.

If Europe empowers its cities with the right frameworks, investment tools, and governance models, it will realise more liveable and resilient communities that benefit the continent as a whole. They will serve as buffers against crises, create growth ecosystems, and anchor Europe's autonomy in an era of global competition. Neglect them, and Europe risks drifting further behind.

By positioning cities as drivers of change, Europe can move from fragmentation to cohesion, from short-term fixes to long-term resilience. The aim is to move beyond urban development and help secure the continent's democratic values, economic prosperity and sustainable development in a changing world.

That future will have to be built across Europe city by city, street by street, system by system. But it can be done with the right vision and commitment.