

'Renovation Wave' key to success of the

GREEN DEAL

According to one of the most recent releases from the EU, a refurbished and improved building stock will help pave the way for a decarbonised and clean energy system. It points out that the building sector is one of the largest energy consumers in Europe, responsible for more than one third of the EU's total emissions.

The construction, use and renovation of buildings require significant amounts of energy and mineral resources (e.g. sand, gravel, cement). Buildings also account for 40% of energy consumed yet, in parallel, 50 million consumers struggle to keep their homes adequately warm. Today the annual renovation rate of the building stock varies from

0.4 to 1.2% in the member states. This rate will need to at least double to reach the EU's energy efficiency and climate objectives.

Renovation of both public and private buildings is an essential measure in addressing this challenge and so has been singled out in the European Green Deal as a key initiative to drive energy efficiency in the sector and deliver

on objectives. The so-called "Renovation Wave Initiative" will address current low decarbonisation and renovation rates across the EU, and tackle the underlying barriers for improving the energy efficiency of the EU building stock. Currently, roughly 75% of the building stock is energy inefficient, yet almost 80% of today's buildings will still be in use in 2050.

Renovation is also a major opportunity for economic growth as it provides jobs and boosts the construction sector, which is largely dominated by local businesses, while strengthening Europe's industrial competitiveness. Building renovation is therefore central to the post-COVID 19 economic recovery, and was specifically referred to in the recovery plan published by the European Commission in May 2020.

The renovation wave initiative will build on measures agreed under the *Clean Energy for all Europeans* package, notably the requirement for each EU country to publish a long-term building renovation strategy (LTRS); other aspects of the amending Directive on the Energy Performance of Buildings ((EU) 2018/844); and building-related aspects of each

member state's national energy and climate plans (NECP).

As a preparatory step, the Commission published a roadmap on the initiative in May 2020, allowing a four-week public consultation period to feed into the Commission preparation of this initiative. On consideration of responses the Commission plans to publish a strategic communication and an action plan on the initiative in the Autumn of this year. These will cover concrete legislative and non-legislative measures and enabling tools; financing and non-financing aspects; and take into account different levels of action at EU, national and local or regional level, to make faster and deeper renovation.

In addition, the Commission will rigorously enforce the legislation related to the energy performance of buildings. This will start with an assessment in 2020 of member states' national long-term renovation strategies. It will also consider the possibility of including emissions from buildings in European emissions trading, as part of broader efforts to ensure that the relative prices of different energy sources provide the right signals for energy efficiency. The Commission will also review the

Construction Products Regulation. It should ensure that the design of new and renovated buildings is in line with the needs of the circular economy at all stages, and lead to increased digitalisation and climate-proofing of the building stock.

In parallel, the Commission proposes to work with stakeholders to include an open platform bringing together the buildings and construction sector, architects and engineers and local authorities, to address the barriers to renovation. This initiative will also include innovative financing schemes under InvestEU. These could target housing associations or energy service companies that could roll out renovation, including through energy performance contracting. An essential aim would be to organise renovation efforts

into larger blocks to benefit from better financing conditions and economies of scale.

The Commission will also work to lift national regulatory barriers that inhibit energy efficiency investments in rented and multi-ownership buildings. Particular attention will be paid to the renovation of social housing, to help households who struggle to pay their energy bills. Focus should also be put on renovating schools and hospitals, as the money saved through building efficiency will be money available to support education and public health. ■

Related links

For more detailed information on the various EU bulletins, Directives and Regulations covering these issues see links below which can be copied into your browser.

- A European Green Deal
- Green Deal recovery plan
- Energy Performance of Buildings Directive (2010/31/EU)
- Amending Energy Performance of Buildings Directive (2018/844/EU)
- Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU (2019)

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