



HouseEurope!
Power to Renovation
The European Citizens' Initiative

(I)

INTRODUCTION

The European Union is committed to becoming a global leader in sustainability — bringing together economy, ecology and society — by leveraging the potential of green technologies and markets, while pursuing ambitious climate goals in the different sectors, and creating liveable and affordable living spaces. These objectives are embodied in the EU's vision of synergizing new technologies and market opportunities in order to maximize available resources for economic, ecological and social benefits.

The renovation of public and private buildings presents enormous potential, as proposed by the European Union under the "Renovation Wave" of the Green Deal. The ambitious and legally binding goal of EU member states to decarbonize the building stock by 2050 can be translated into tangible numbers: Currently, only 25% of the European building stock has been renovated, meaning that 75% of the work is still ahead of us¹. At the current annual renovation rate of 1%, it would take 75 years, three times longer than we have to reach the agreed climate goals. Therefore, we face the challenge of tripling the renovation rate to meet the target, as detailed in the European Green Deal².

The building sector is pivotal in this endeavor. It stands as one of the most profitable and vital markets within the EU, yet it is also one of the most significant contributors to CO₂ emissions and energy consumption. According to the European Commission, buildings are responsible for approximately 36% of CO₂ emissions and 40% of total energy consumption in the EU, representing 35% of energy-related EU emissions in 2021. Moreover, the sector generates over 35% of the EU's total waste³, highlighting its substantial environmental footprint.⁴

Nevertheless, our current approach to building is founded on outdated principles that favor demolition and new construction over the preservation, renovation, and alteration of existing

¹ https://single-market-economy.ec.europa.eu/news/renovation-wave-doubling-renovation-rate-cut-emissions-boost-recovery-and-reduce-energy-poverty-2020-10-14_en

² https://ec.europa.eu/clima/eu-action/european-green-deal_en

³ <https://www.eea.europa.eu/publications/construction-and-demolition-waste-challengeS>

⁴ https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings_en

structures. This model, which thrived when resources seemed inexhaustible and new construction was cheaper and simpler, has become unsustainable.

First, the present material and energy shortages underline the urgency of transitioning to more sustainable practices. Second, we have realized that both the past and the future must be considered. Buildings are the homes of tomorrow at yesterday's prices, and risks associated with potential future crises must be factored in. Scarce resources can no longer be wasted on unnecessary new constructions. Because demolition is as outdated as food waste, animal testing, fast fashion, and single-use plastics. Third, preserving existing structures helps maintain cultural and historical continuity, fostering a sense of identity and community.

Moreover, the adaptive reuse of existing buildings offers significant potential to create affordable living spaces efficiently. These structures, constructed when land and material costs were considerably lower than today, provide an opportunity to leverage historical cost advantages to address current housing challenges. By repurposing existing industrial and commercial buildings—such as factories, warehouses, retail spaces, and offices—not only are the materials and resources already invested conserved, but the economic advantages inherent in existing infrastructure are also realized. Importantly, renovation and alteration yield substantial social benefits; demolition for new construction often leads to increased rental prices — studies indicate rises of 20-30% — and accelerates the gentrification of neighborhoods, resulting in the displacement of established communities.⁵ Emphasizing adaptive reuse can mitigate these adverse effects, preserve community integrity, and promote more equitable urban development. The Europe-wide potential for using such areas is enormous. In many cities there is considerable open space. For example, in Berlin there is a vacant lot of approx. 1.5 million m², which could be converted into approximately 19,000 apartments (the situation is similar in other major European cities: For Brussels approx. 1 million m² = approx. 12,500 apartments; for Milan approx. 1,4 million m² = approx. 17,500 apartments; for Warsaw approx 10,000 apartments, etc.).⁶

The building sector is therefore integral to achieving the EU goals, offering a substantial lever to address social, economic, and ecological needs. By adopting policies that incentivize renovation and the sustainable use of existing structures, we can preserve histories and communities and align economic incentives with environmental stewardship. This has the potential to fundamentally transform the construction and architecture sector, shifting from a material-intensive to a labor-intensive economy, as renovation offers not only the opportunity to reduce emissions but also to create new jobs in the construction industry all over Europe.

Our proposals are designed to stimulate the Europe-wide renovation market through different measures such as tax incentives, harmonization of standards to leverage the potentials of existing buildings, and more valuation of existing buildings and their embodied energy. These proposals build on existing EU legislation, foremost the Energy Performance of Buildings

⁵ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Housing_price_statistics_-_house_price_index

⁶ With regard to the potential for apartments to be created, an average size of 80 m² is assumed. The figures for vacant status were compiled from various sources.

Directive (“EPBD”). The EPBD places significant emphasis on energy renovations, aiming to enhance the energy efficiency of existing buildings, which, due to the high operational costs of buildings, is a logical and powerful lever. Nevertheless, it is not enough and only a first step, as it does not fully take into account the embodied energy in the buildings, which represents the majority of emissions in a building's life cycle.

Thus, our proposals build on existing tools to preserve this energy and renovate more efficiently. First and foremost, the life cycle assessment includes all energy needed to construct a building - from the extraction of raw materials, production, and construction phases, through the use phase, to the end-of-life phase, including demolition and disposal⁷. However, it does not account for the grey energy, which is the CO² that was emitted in the past to build the existing buildings and is stored within them. Nevertheless, it is essential to calculate and account for this invested energy in order to shift its past impact toward future potential.

These incentives not only promote practices that not only reduce emissions, but also enhance the market potential and cultural heritage of our built environment. By valuing the historical and cultural identity embedded in our buildings, we can foster a sense of continuity and identity that enriches our collective future.

In conclusion, transforming the building sector is essential for the EU's sustainable growth. By making the impact of yesterday the value of tomorrow, we can create a resilient and prosperous Europe that honors its past while building a sustainable future.

⁷ <https://eplca.jrc.ec.europa.eu/lifecycleassessment.html>

(II)

LEGAL PROPOSALS

1. Boosting Renovation Markets with Tax Incentives

Exemptions from VAT must be granted for the renovation of buildings in order to promote the renovation market and in this way contribute to reducing greenhouse gas emissions in the building sector.

Tax incentives are a crucial instrument to promote renovation markets across the EU. To make renovations financially more attractive than demolition and new construction, it is essential to expand the current scope of incentives. Currently, Member States have only had the option of setting reduced VAT rates for certain renovation works. However, given the increasing challenges of material shortages, volatile supply chains, lack of housing and climate change, it is necessary to further enhance these incentives. The VAT Directive must therefore be amended to fully exempt sustainable renovation works of all existing buildings from VAT. Such an exemption should cover the costs of labour and construction materials necessary to carry out renovations. Building materials should only be exempt from VAT if they are produced from renewable raw materials ⁸ or if they are used construction products ⁹.

Legal basis: Article 113 TFEU

Why a VAT exemption?

A classic tool in the toolbox of policy makers is taxes as a means of guiding behavior in the relevant policy area. The aim of this proposal is to offer developers incentives to carry out renovations and to make renovations more attractive compared to the construction of new buildings. Based on the extensive practical experience of the initiators and organizers, an efficient solution would be to provide incentives through an exemption from VAT for the performance of renovation work, as it is already the case in some European countries such as Italy, France or Belgium. The approach chosen here would also best follow the approach chosen by the European legislator in the VAT Directive, according to which exemptions from VAT should be

⁸ In line with the definition set out by the European Environment Agency, this includes all resources that have a natural rate of availability and yield a continual flow of services which may be consumed in any time period without endangering future consumption possibilities as long as current use does not exceed net renewal during the period under consideration.

⁹ A used product is not waste or has ceased to be waste in accordance with Directive 2008/98/EC, and which has been installed at least once into a construction work, and that:
(a) has not undergone a process going beyond checking, cleaning or repairing recovery operations by which the product or components of products are prepared so that they can be used for construction purposes without any other pre-processing; or
(b) has been subject to a transformative process going beyond checking, cleaning and repairing recovery operations which, according to the applicable harmonized technical specification, is qualified as non-essential to the product's performance.

possible if this is necessary to achieve objectives in the public interest. In this sense, Article 11 of the Treaty on the Functioning of the European Union according to which, environmental protection requirements must be integrated into the definition and implementation of the Union's policies and activities, in particular with a view to promoting sustainable development.

2. Fair and Harmonized Assessment Standards for Renovations

The introduction of mandatory Europe-wide standards for risk assessment of the building stock is necessary to harness the potential of existing buildings, strengthen the internal market, and promote investment in renovation projects.

Whether a building is renovated and transformed or demolished and rebuilt depends on an assessment aimed at determining its condition. Within the European Union, there are significantly different approaches to this assessment, ranging from methodological standards and regulations on what is assessed to the role and tasks of the experts commissioned to carry out the assessment.

As a result, assessments in the Member States vary greatly when determining the extent to which buildings can be renovated or not. Not least because financial institutions base their investment decisions largely on the above-mentioned risk assessments, leading to significant differences between the Member States in investment scope within this sector.

In many cases, the current standards lead to a distorted assessment because they focus solely on the presumed risks of existing buildings, but completely ignore their potential. At the same time, they do not address the important risks associated with the construction of new buildings, including in particular resource limitations, material shortages, and volatile supply chains. This may put renovation projects at a double disadvantage compared to the construction of new buildings, which in turn significantly undermines efforts to achieve sustainable development.

In order to strengthen the internal market and promote investments in renovation projects all over Europe and at the same time reduce the emissions of greenhouse gases in the building sector resulting from the construction of new buildings, the standards for risk assessment must therefore be harmonized across Europe. These objectives could be achieved by harmonizing the existing rules on the methodology for technical assessment of buildings for their reuse and reprogramming, as well as the role and tasks of the experts commissioned to carry out such assessments. In order to provide practical and workable guidance, the European Union should also involve the European standardization organizations, including in particular the European Committee for Standardization, in the development and preparation of the standards for risk assessment. In line with the EPBD, the following aspects should in particular be addressed in this context: fire safety, accessibility for persons with disabilities, hazardous materials including asbestos, structural capacities for additions and transformations, mechanical plant exchange for heating, ventilation and air conditioning (HVAC) and energy retrofit.

Other elements to be taken into account in the assessment relate to the potentials arising from relevant renovation projects including in particular any time benefits associated with carrying out renovations, (lack of) dependencies on global supply chains and the impact on climate change. With regard to the latter point, the results of the intertemporal life cycle assessments (see proposal 3.1 below) and the Union's climate goals should be taken into account in particular. At the same time, uniform standards should be introduced for determining the market value of the building stock on the basis of the above-mentioned technical assessments,

in particular with regard to their potential for future additions, upgrades or transformations. Risk assessments of financial institutions should necessarily be carried out on the basis of the above-mentioned standards. Such standards could be established on the basis of the European Union's competences in the areas of the internal market.

Legal basis: Article 114 (1) TFEU

Why harmonized rules?

Standard-setting is another important regulatory strategy to address internal market and environmental challenges. Practical experience has shown that a very significant hurdle to carrying out renovation projects comes from the different assessment of existing buildings between the Member States. In many cases, assessments solely focus on estimated risks and disregards the potentials of such renovation projects, while at the same time overlooking the risks of new construction. This often leads to obstacles to investing in renovation projects, as banks' investment decisions largely depend on these assessments. Typically existing concerns about the unification of standards, which arise from the fact that the legislature often does not have sufficient information to address all relevant aspects, should be counteracted by involving the European standardization organizations. The European Union has extensive experience in setting standards, as it is a regulatory tool regularly used by the institutions to establish the European internal market or to remove obstacles to it.

3. Introduction and Application of Intertemporal Life Cycle Assessments in the Building Sector

The introduction of intertemporal life cycle assessments is key to revealing how many CO² emissions are actually associated with a building, from the past to the present and future. Currently, the life cycle assessments as defined in the EPBD particularly include production and transport of construction products, construction-site activities, the use of energy in the building and replacement of construction products, as well as demolition, transport and management of waste materials and their reuse, recycling and final disposal. Especially to promote climate protection and raise awareness about effective CO² emissions, it is necessary to extend the scope of application of life cycle assessments to all existing buildings and to define for this purpose specific criteria for the calculation of emissions for existing buildings and to include the relevant information in the energy performance certificates (see 3.1.). In order to promote sustainable investments in the building sector, the principles of intertemporal Life Cycle Assessments should also be taken into consideration within the framework of the taxonomy regulation (see 3.2.). Intertemporal life cycle assessments should also be used extensively when checking the approval of construction projects (see 3.3.). In order to be more effective, sector-specific emissions targets should also be set (see 3.4.). In addition to these measures, the European Environment Agency should also be given appropriate reporting and monitoring tasks with a view to implementing the principles of intertemporal life cycle assessment (see 3.5.).

3.1. Obligation to Document Expended CO₂ Emissions of Existing Buildings in Accordance with the Principles of Intertemporal Life Cycle Assessments

In the building sector, intertemporal life cycle assessments shall be carried out in order to disclose how many emissions are associated with the construction and operation of buildings and to promote renovations over new buildings.

The application of intertemporal life cycle assessments ensures that, in addition to the emissions resulting from the operation of the building, the grey emissions generated during the construction of the existing building and, following any demolition, during the construction of the new building are also taken into account.

Due to the high overall energy efficiency, grey emissions become the majority of a building's overall life cycle emissions. Measures to reduce embodied emissions can achieve further greenhouse gas savings, often at little additional cost. The first step is therefore to make these grey emissions visible. This could encourage greater promotion of sustainable building practices and make renovations more attractive compared to the construction of new buildings and lead to more informed decisions in the construction sector.

To this end, the scope of application of life cycle assessments in the EPBD should be extended to all existing buildings. For this purpose, the information on all emissions generated over the life cycle should be included in the energy performance certificates. For comparability and

transparency, uniform standards must be established across Europe for determining grey emissions, using the available tools as part of the life cycle assessment calculation that is already part of current EU legislation. Since an accurate determination of historical emissions is too complex, the evaluation is to be based on current benchmarks for component emissions.

In this context, it must also be taken into consideration that the existing legislation at EU level does not place any value on the embodied energy contained in existing buildings, making it more attractive for investors to demolish and rebuild buildings rather than preserving existing buildings. This practice often leads to unnecessary CO₂ emissions and the loss of valuable building structure.

In order to address this problematic practice, the area of the existing building should be taken into account when determining within the framework of the life cycle assessment the CO₂ emissions per m² resulting from construction projects aimed at preserving the substance of the existing building (“integrated carbon footprint calculation”). Using this calculation method, the resulting CO₂ emissions would be based on a larger area which would significantly reduce the emissions per m² of the respective renovation project. This privilege when determining CO₂ emissions should be given to all renovation projects, alterations, expansions and all other construction measures, which preserve the substance of the existing building.¹⁰ Renovation projects that lead to a significant reduction of the carbon footprint on this basis should be eligible to receive EU funding (see below proposal n° 4).

The objectives of this proposal could be achieved in particular by supplementing Directive 2024/1725, which lays down the basis for the energy performance certificates, with appropriate requirements. Due to the complexity of determining embodied emissions for existing buildings, Directive (EU) 2024/1275 should also be amended correspondingly to provide the basis for the details to be set out by the Commission in a delegated act. The methodology shall be reviewed and, where needed, updated every five years to take account of all relevant new technological developments.

Legal basis: Articles 192 (1) and 194 (2) TFEU

¹⁰ To illustrate this with a concrete example: if an existing building with an area of 2,000 m² is to be expanded by additional floors with an area of 1,000 m² as part of a construction project, the emissions per m² resulting from this construction work should be determined taking into account the existing area of 2,000 m² provided that the planned construction work does not affect the substance of the existing building.

Why Intertemporal Life Cycle Assessments?

The starting point for the promotion of renovation projects over the construction of new buildings for the purpose of climate protection is the establishment of guidelines for the implementation of intertemporal life cycle assessments for existing buildings and the obligation to document all emissions for each building based on these guidelines (see 3.1). Specific areas of application and related additional legislative amendments are proposed under 3.2 - 3.5.

3.1. Obligation to Document CO2 Emissions of Buildings in Accordance with the Principles of Intertemporal Life Cycle Assessments

One of the central elements of the demands of this European Citizens' Initiative is the introduction of the "intertemporal life cycle assessment". The starting point should be the obligation to document for all existing buildings all emissions generated as part of the "intertemporal life cycle assessment". In this context, it is particularly important to give the grey energy in existing buildings a significant value in order to create stronger incentives for carrying out renovation projects instead of constructing new buildings.

This proposal could best be addressed by amending the Directive on the Energy Performance of Buildings.

3.2. Utilizing the Taxonomy Regulation to Boost Investments

The assessment of the sustainability of investments in renovation projects should be based on a life cycle assessment.

Achieving the climate goals requires significant investments that cannot be financed with public funds alone. The financial sector must therefore make a significant contribution to achieving the goals of the European Green Deal. The ecologically sustainable economic activities that are considered worthy of investment are determined in a uniform European classification system based on the Taxonomy Regulation, which is intended to replace a large number of inconsistent sustainability assessment systems.

To be considered ecologically sustainable, an economic activity must, in particular, make a significant contribution to the achievement of the environmental objectives defined in the Taxonomy Regulation and not lead to a significant impairment of one or more of these environmental objectives. The listed environmental goals include, in particular, climate protection, adaptation to climate change, the transition to a circular economy, the prevention and reduction of environmental pollution, etc.

In particular, economic activities that avoid or reduce CO² emissions, as well as activities that, without directly reducing the CO² content in the atmosphere, enable other economic activities to make a significant contribution to one or more of the environmental goals to achieve environmental goals or as transitional activities that still cause CO² emissions but represent significant progress towards complete CO² avoidance.

According to the current legal situation, renovations in this sense only make a significant contribution to climate protection if the renovation leads to a higher overall energy efficiency of the building or the renovated part or to an improvement in primary energy requirements. In line with the objectives of the initiative, the assessment in such a case should also take into consideration the outcome of intertemporal life cycle assessments. In this way, the level of investment in renovations could be increased and ultimately contribute to lower emissions in the building sector.

Legal basis: Article 114 (1) TFEU

3.2. Utilizing the Taxonomy Regulation to Boost Investments

Various considerations come into play here. On the one hand, it is about effectively applying the concept of life cycle assessment beyond documentation requirements. On the other hand, it is also about mobilizing capital to carry out renovations, since public funds alone are not sufficient to achieve this goal due to the extensive building stock in the European Union. The crucial criterion is therefore whether the respective investments are sustainable. The current legal provisions of the Energy Efficiency Directive serve as guidance in the implementing acts. In the future, the above-mentioned requirements should also be used for guidance. As things stand, more specific specifications cannot be made in this regard, as the organizers believe that the legislator should first develop concrete standards within the framework of Directive on the energy performance of buildings for carrying out the life cycle assessment as a first step.

3.3. Strengthening EU Climate Targets with Sector-Specific Goals

In order to increase the pressure to act to reduce greenhouse gas emissions, binding sector-specific targets should be set, especially for the building sector in accordance with Intertemporal Life Cycle Assessments, including the expended CO2 of existing buildings.

The Effort Sharing Regulation sets binding national annual targets for reducing greenhouse gas emissions for each Member State. These commitments are also part of the national energy and climate plans provided for under the Governance Regulation. In order to increase the pressure on the Member States to act and achieve the annual targets, the annual targets set out in the Effort Sharing Regulation (and in the following regulations) should be broken down in regards to the building sector and all other relevant areas. When setting goals for the building sector, the life cycle assessments of the existing building stock to be applied under this initiative should also be taken into account.

The sector-specific targets must be sufficiently strict, otherwise the overall European target cannot be achieved („ambition gap“). In addition, the said targets should be progressively tightened in order to meet the goal of climate neutrality within the prescribed timelines. In this context, renovation quotas should also be set - tailored to the conditions in the various Member States - and included in the national building renovation plans in order to achieve the objectives of this initiative. In order to encourage the Member States more strongly to achieve these targets, their fulfillment should be linked to the financial support granted under the European Structural and Investment Funds („conditionality mechanism“).¹¹

Legal basis: Articles 192 (1) and 194 (2) TFEU

3.3. Strengthening EU Climate Targets with Sector-Specific Goals

As things currently stand, European law only provides for cross-sector emission reduction targets for each Member State. In order to increase the pressure to act on the building sector, one should also introduce sector-specific targets, supplemented by renovation quotas for the construction sector.

It is unclear which emissions should be included in the sector-specific emissions. Since there are overlaps with other areas (e.g. transport), it would be appropriate to set emissions targets for other areas too. Since it would be necessary to take into account numerous aspects, it could make sense to define the further details by means of implementing acts. If necessary, it would make sense to define the individuals by means of implementing acts. In any case, it would have to be ensured that no relevant emissions are omitted from the statistics.

¹¹ The legal bases mentioned in Proposal 4 should also be taken into account in this respect.

The current rules also stipulate that the emission reduction targets should be achieved in the most sovereign way possible. In concrete terms, this means that there are only limited effective means of achieving these goals. However, in view of the ever-increasing climate change, it is no longer justifiable to continue to stick to the status quo. It is therefore necessary to give more leverage to the Commission, which monitors compliance with climate targets. For this purpose, the achievement of these objectives should be linked to the support granted under the European Structural and Investment Funds (“conditionality mechanism”). European law knows similar mechanisms, for example from the context of the cohesion policy or the “European Semester”. In this way, the relevant provisions can be made more effective.

3.4. More Meaningful Consideration of Climate Effects

As part of the substantive examination of the admissibility of construction projects, the associated greenhouse gas emissions must be comprehensively taken into account on the basis of an intertemporal life cycle assessment.

As things currently stand, under European law, climate protection concerns can essentially only be taken into account for certain construction projects as part of the environmental impact assessment process. Currently, the consideration of climate protection concerns is primarily of a procedural nature. To give greater weight to climate protection concerns, the principles of intertemporal life cycle assessment for existing buildings should also be applied to construction projects. This is not yet the case in legal practice. So far, climate protection concerns have only a relatively small scope of application. In addition, unlike before, climate protection concerns should also be systematically taken into account in the examination on the merits of all projects on the basis of a life cycle assessment. It should also be made clear that, as part of the considerations to be made, climate protection must be given particular weight. When examining projects, the required sector-specific goals as mentioned above would also have to be taken into account. By applying stricter standards for the approval of construction projects, an incentive can be created for more renovation projects or other more sustainable solutions.

Legal basis: Article 192 (1) TFEU

3.4. More meaningful consideration of climate effects

The aim of this proposal is to implement the principles of intertemporal life cycle assessment in connection with the approval of construction projects.

In particular, the historical emissions that were created during the construction of a building that is to be demolished for the purpose of a new building must be taken into account. According to the current state of affairs, there is only an obligation to take this into account for certain construction projects. According to current practice, the specific weight that should be given to climate impacts is determined by the applicable sectoral law. According to this proposal, the consideration of climate impacts is to be elevated from a procedural obligation to a substantive assessment standard. The stricter the emissions targets in the building sector become, the more weight this point should be given in the weighing process. At the same time, this still leaves room for other relevant considerations, such as hardship cases, in order to do justice to the specifics of the individual case.

3.5 Monitoring and Reporting

The application of life cycle assessment in the building sector should be monitored by the European Environment Agency and be the subject of an annual report with a view to its contribution to reducing greenhouse gas emissions.

The European Environment Agency should be given the task of monitoring the application of the principles of intertemporal life cycle assessment and submit an annual report on the contribution this makes to reducing greenhouse gas emissions. For this purpose, the Regulation on the European Environment Agency should be amended accordingly.

Legal basis: Article 192 (1) TFEU

3.5. Monitoring and Reporting

This is a complementary measure to implement the other proposals included in this list. Regular reports on the application of the principles of life cycle assessment and its contribution to reducing greenhouse gas emissions promote transparency and highlight the need for action, while at the same time ensuring that the topic remains a subject of political discourse.

4. Financial Support

The Union should provide appropriate financial resources to support renovation projects across Europe and research in this area.

In the future financial framework for the period from 2028 to 2034, financial resources should also be made available to the extent necessary for the Europe-wide funding of renovation projects, especially if they lead to a reduction in the carbon footprint (see proposal 3.1 above).

The Cohesion Fund, the European Regional Development Fund and all other appropriate EU funding programs should be supplemented for this purpose, in order to provide appropriate funding opportunities. Without adequate financial support, Member States will not be able to reach the sector-specific CO² targets and support renovation projects as envisaged by this initiative (delivery gap).

In order to achieve the goals set, it is also necessary to pursue new, innovative approaches. Appropriate funds should therefore also be made available in the area of research and development. In particular, the planned successor program to Horizon Europe for the period 2028-2034 should be used for this purpose.

**Legal basis: Articles 122, 173, 175 (3), 177, 178, 182 (1), 183, 188 (2), 311, 322 and 349
TFEU**

Why Financial Support?

Given that negotiations on the 2028-2034 financial framework have already begun, now is the right time to ensure the provision of appropriate financial resources to support renovation projects. Financial resources should also be made available for research in this area. In this way, a contribution could be made to providing even more substance to the political demand for greater support for renovations.

5. Socially Just and Effective Financial Support for Energy-Efficient Renovation Projects

The Union should ensure a socially just and fair distribution of the burdens for the implementation of energy-efficient renovation projects

The prerequisite for the successful realization of the goals of climate protection in the building sector is a socially just and fair distribution of burdens. This is particularly true with regard to the implementation of energy-efficient renovation projects.

In this context, given that the Union is obliged to ensure social protection and combat social exclusion when defining and implementing its policies, it is necessary to ensure that energy efficient renovation projects do not lead to further burdens for households with lower net household incomes and that existing burdens are alleviated. In this way, a contribution could also be made to social cohesion and securing affordable housing within the Union.

At the same time, it must be ensured that the existing funding programs offer sufficient incentives for owners and investors to access the available financial resources. According to current funding practice, funding often remains unused because it ultimately does not go to the owners and investors, but merely acts as a transitory item. In order to promote energy-efficient renovations more, the European legislator must remedy this.

Another important incentive is to provide higher funding amounts for owners and investors. Special incentives should be granted for carrying out “deep renovations”. In view of the increasing pressure to act to strengthen climate protection in the building sector, higher funding rates are necessary. Particular support should be given to energy-efficient renovations of “worst performing buildings”.

Legal basis: Article 9, 122, 173, 175 (3), 177, 178, 194 (2), 311, 322 and 349 TFEU

5. Socially just and effective financial support for energy-efficient renovation projects

Sustainable energy and climate policy can only be designed and implemented under the premise of social justice. Only in this way is it possible to gain broad acceptance among the population for the measures to be taken, to maintain social cohesion and to involve everyone in the necessary transformation processes. This applies particularly to the building sector, where social issues are more urgent than ever. On the one hand, this requires that the distribution of burdens to achieve the goals of climate protection be designed in a socially fair manner and, on the other hand, that existing financial support be expanded and access to it made easier and more attractive. Without a readjustment of the political instruments, there is a very significant risk that the climate protection goals will not be achieved.

* * * * *