



## European Green Deal: Commission proposes to boost renovation and decarbonisation of buildings

Brussels, 15 December 2021

The Commission has proposed today to align the rules for the energy performance of buildings with the European Green Deal and decarbonise the EU's building stock by 2050. This [proposal](#) will facilitate the renovation of homes, schools, hospitals, offices and other buildings across Europe to reduce greenhouse gas emissions and energy bills, improving quality of life for millions of Europeans. Today's revision of the energy performance of buildings directive translates the Commission's [Renovation Wave Strategy](#) into concrete legislative action.

Executive Vice-President for the European Green Deal, Frans **Timmermans** said: *"Stimulating renovation of homes and other buildings supports economic recovery and creates new job opportunities. Moreover, energy renovation leads to lower energy bills and in the end the investment pays for itself. By targeting the obstacles to renovation and providing financial support for the necessary upfront investment, today's proposal on the energy performance of buildings aims to boost the rate of energy renovation across the EU. Its focus on the worst performing buildings prioritises the most cost-effective renovations and helps fight energy poverty."*

Commissioner for Energy, Kadri **Simson**, said: *"Buildings are the single largest energy consumer in Europe, using 40% of our energy, and creating 36% of our greenhouse gas emissions. That is because most buildings in the EU are not energy efficient and are still mostly powered by fossil fuels. We need to do something about this urgently, as over 85% of today's buildings will still be standing in 2050, when Europe must be climate neutral. Improving our homes is also an effective response to high energy prices – the worst-performing buildings in the EU consume many times more energy as new or properly renovated ones. And it's often the most vulnerable who live in the least efficient houses and therefore struggle to pay the bills. Renovation reduces both the energy footprint of buildings and the energy costs for households, while also boosting economic activity and job creation."*

The Commission proposes that **as of 2030, all new buildings must be zero-emission**. To harness the potential of faster action in the public sector, all new public buildings must be zero-emission already as of 2027. This means that buildings must consume little energy, be powered by renewables as far as possible, emit no on-site carbon emissions from fossil fuels and must indicate their global warming potential based on their whole-life cycle emissions on their Energy Performance Certificate.

When it comes to renovations, new EU-level minimum energy performance standards are proposed, requiring the **worst-performing 15% of the building stock of each Member State to be upgraded** from the Energy Performance Certificate's Grade G to at least Grade F by 2027 for non-residential buildings and 2030 for residential buildings. This initial focus on the lowest performing buildings fulfils the twin objective of maximising the potential for decarbonisation and for the alleviation of energy poverty.

Energy performance certificates provide publicly available information about energy consumption and are important guides to investment, buying, and rental decisions. With today's proposals, **Energy Performance Certificates will become clearer and contain improved information**. The **obligation to have an energy performance certificate is extended** to buildings undergoing major renovation, buildings for which a rental contract is renewed and all public buildings. Buildings or building units which are offered for sale or rent must also have a certificate, and the energy performance class will need to be stated in all advertisements. By 2025, all certificates must be based on a harmonised scale from A to G.

**National Buildings Renovation Plans will be fully integrated into National Energy and Climate Plans**. This will ensure comparability and tracking of progress, and make a direct link to mobilising financing and triggering the reforms and investments that are needed. These plans will need to include roadmaps for **phasing out fossil fuels in heating and cooling by 2040 at the latest**, along with a pathway for transforming the national building stock into zero-emission

buildings by 2050.

Easier **access to information and lower costs for consumers** help to boost renovation. Today's proposal introduces a building 'Renovation passport' that provides owners a tool to facilitate their planning and a step-by-step renovation towards zero-emissions level. The proposal defines 'mortgage portfolio standards' as a mechanism to incentivise lenders to improve the energy performance of their portfolio of buildings, and encourage potential clients to make their properties more energy efficient. The Commission also invites Member States to include renovation considerations in public and private financing rules and to establish appropriate instruments, in particular for low-income households. No financial incentives should be given for the installation of fossil fuel boilers as of 2027 and Member States are given the legal **possibility to ban fossil fuel use in buildings**.

The new rules encourage the use of information and communication technology (ICT) and smart technologies to ensure buildings operate efficiently, and calls for digital building databases to be established. Regarding mobility, the proposal **supports the rollout of charging infrastructure for electric vehicles** in residential and commercial buildings, and makes more dedicated parking space available for bicycles.

## **Background**

The revision of the Energy Performance of Buildings Directive is part of the [Commission's "Fit for 55" proposals to deliver on the European Green Deal](#) and the [European Climate Law](#). It complements the other components of the package adopted in July 2021, setting the vision for achieving a zero-emission building stock by 2050. It is a key legislative instrument to achieve the 2030 and 2050 decarbonisation objectives: buildings account for 40% of energy consumed in the EU and 36% of energy-related greenhouse gas emissions; heating, cooling and domestic hot water are responsible for 80% of the energy that households consume.

The Commission is determined to alleviate energy poverty. There are more than 30 million building units in the EU consuming excessive energy (at least 2.5 times more than average buildings) which drives up energy bills of households. The benefits of lower energy bills are even more relevant in the current context of high energy prices. People living in worst performing buildings and those facing energy poverty would benefit from renovated and better buildings, as well as from reduced energy costs, and be buffered from further market price increases and volatility.

By increasing the renovation rate, the measures in the revised directive will create local jobs, supporting innovation diffusion and SMEs. Increased intensity of renovations needs to be supported by adequate capacity and skilled workforce.

Alongside today's package, the Commission has published a [Staff Working Document](#) outlining possible scenarios for a transition pathway toward a more resilient, greener and more digital construction ecosystem. With this document, the Commission invites Member States, industry stakeholders and all the other relevant actors to take active part in co-creating a vision for the future of the construction ecosystem. Additional information, views, as well as ideas for concrete actions, commitments and investments can be provided through an [EU Survey](#), which is open until 28 February 2022.

## **For More Information**

[Q&A on the Energy Performance of Buildings](#)

[Factsheet on the Energy Performance of Buildings](#)

[Proposal for a Directive on the energy performance of buildings](#)

[Annexes to the Proposal for a Directive on the energy performance of buildings](#)

[Energy performance of buildings webpage](#)

[Renovation Wave Strategy](#)

[Renovation Wave webpage](#)

[Staff Working Document with the analysis of the national long-term renovation strategies](#)

[Long-Term Renovation Strategies webpage](#)

[European Green Deal](#)

[Staff Working Document on Sustainable Construction](#)

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