



MARCH 2022

**UIPI FEEDBACK ON THE PROPOSAL FOR A  
RECAST DIRECTIVE ON THE ENERGY  
PERFORMANCE OF BUILDINGS (EPBD)**



## KEY MESSAGES

Ensuring carbon neutrality is a key societal challenge. The recent events are also showing how important it is to reduce our energy dependency. To reach these objectives, all actors of the society have a role to play to contribute towards achieving the 2050 climate goals. As [UIPI](#), an association representing property owners, be they owner-occupier households or individual as well as professional landlords, we are fully committed to help our members to improve the energy efficiency of their stock and more generally the sustainability of our built environment.

Traditionally, Energy Performance of Buildings Directive (EPBD) has been a crucial file for our sector, and we have continuously took part in the in the revision process over the last decade.

For our sector to encourage, and for citizens to accept and support the transformation of our building sector, **we need to guarantee that any further policy measures and actions to reach these objectives are conceived and implemented according to the principle of cost-effectiveness, technical and functional feasibility, while accompanied by guaranteed and accessible financing opportunities. This should also be done with the highest consideration for harvesting the benefits while mitigating the possible negative impacts of the measures on the European households.**

Therefore, for the EPBD to effectively contribute to the boosting of sustainable renovations in the building sector, we consider that some adjustments of the policy framework proposed are needed. Please find here below key points of our recommendations which constitute a non-exhaustive list of amendments that we will circulate with the policy makers in due course of the legislative procedure.

### WE WELCOME:

- ❖ **THE CALL ON MEMBER STATES TO PROVIDE THE APPROPRIATE FINANCING AND SUPPORT MEASURES AS WELL AS TECHNICAL ASSISTANCE FACILITIES**, such as one-stop-shops, to address market barriers and stimulate renovations (Article 15 and Art. 9(3)) but, despite the great effort done at EU and national level, we fear that there is no guarantee that the necessary level of support to face the magnitude of the task that lies ahead.
- ❖ **THE END OF THE INCENTIVES FOR FOSSIL FUELS BOILERS** (Art.15 (10)) as we consider that it is crucial to use financial incentives to stimulate investment in more efficient, renewable types of heating and cooling.
- ❖ **THE POSSIBILITY TO KEEP THE ENERGY PERFORMANCE CERTIFICATE (EPC) STRAIGHTFORWARD** by making the long list of additional indicators displayed in the EPC a voluntary option for Member States, as we are worried about the readability, reliability and cost of the EPC for consumers if too many information and data are to be displayed (Annex V).

### WE QUESTION HOWEVER:

- ❖ **THE TIMEFRAME AND THE PROPORTIONALITY OF THE MEASURES TO MEET MINIMUM ENERGY PERFORMANCE STANDARDS (MEPS)**

The measures proposed create a blank and direct obligation on owners of the worst-performing buildings to renovate their properties, no matter if they are individual households or large



companies, if they are private or public bodies or if they can afford it or not. Regardless also if it is a residential or non-residential building, if it is rented or used as a private home or facility and if it follows the life cycle of the building. **Such requirements do not leave enough flexibility to Member States to adapt to the local context, feasibility, economic necessity and financial ability.** If we agree with the fact that there is no time to lose to improve our building stock, we need to set realistic objectives: it is a herculean task to improve the energy performance of at least 35 million buildings<sup>1</sup> (to at least E standards) in a five-to-eight-year time frame (Art. 9).

We therefore consider that, in line with the subsidiarity and proportionality principle, and while keeping some focus on the worst performing stock, Member States should be granted more flexibility to introduce MEPS in their own terms and with the consideration of the state and possibilities of their national building stock.

#### ❖ THE NARROW DEFINITION OF ZERO-EMISSION BUILDING (ZEB)

The emissions of a building are closely linked to the energy consumed in that building and thus to the energy source. **Buildings' standards and building decarbonisation should rest, at least partly, on the energy sector becoming a zero-emission sector.** In that respect, the ZEB's definition fails to integrate the full potential of decarbonised energy systems provided from the grid. Setting to strict and narrow standards (focusing on on-site or local solution only) and without a full consideration of the available well-functioning energy system, risk making the green transition more expensive and unachievable. Energy plants such as hydropower plants, offshore wind farms and large solar parks on land might be far more efficient than smaller plants installed at building level.

It is therefore a positive step in a technology-neutral direction that the definition of zero-emission buildings also includes renewable and waste energy from district heating, district cooling and energy communities on top of on-site renewable sources. However, **the list is still too restrictive as other energy sources, such as decarbonised energy supplied via the grid, should also be included to a greater extent than through the exemptions mentioned in the proposal** (Art. 2(2) and Annex III).

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<sup>1</sup> Data on the stock are scarce and difficult to compile in Europe. Part of the available data are expressed in numbers of available dwellings, others in total building floor area. But we consider that there are approximately 118 million residential and non-residential buildings within the European Union<sup>1</sup>. If up to 15% of them are G rated and approximately another 15% are F, this means that between 35 to 40 million buildings across the EU will have to be renovated by 2033.

The numbers on the overall stock here are based on the work done under the [European Building Stock Observatory](#) and compiled by [RICS Data Services](#). It refers to the number of buildings.

The assumed percentages to be renovated for class G and F are extracted from the Proposal Art. 16, which states that the highest-class A will represent a zero-emission building, while the lowest class G shall include the 15% worst-performing buildings in the national building stock. The remaining classes (B to F) have an even bandwidth distribution of energy performance indicators among the energy performance classes. This means that Class F should at the very least represent 15% of the stock – probably more knowing that there will be hardly any A buildings. Therefore, if all buildings should achieve E by 2033, at the very least 30% of the entire stock will need to be renovated by 2033.



❖ **THE LEGAL AND ECONOMIC UNCERTAINTY GENERATED BY A COMPLETE RESCALING OF THE ENERGY PERFORMANCE CLASSES MEANT TO SERVE AS BENCHMARK FOR THE MEPS**

Reliability and greater comparability of Energy Performance Certificate (EPC) between Member States would have been welcome. However, the proposed rescaling of the EPC classes by 2025 does not necessarily meet these requirements and has two major flaws. It implies that obligations (MEPS) set now are based on a scale that will be amended in the middle of the game (by 2025). This means that individuals, investors and public bodies cannot fully predict the rating of their properties and the obligations that will result from it. The rescaling also partly sets arbitrarily the classes of a substantial part of the building stock (by setting that class G is to correspond to the worst 15% of each national stock), without consideration for the actual performance and the existing methodologies or standards. This provision, meant to even the renovation efforts between Member States, penalises Member States which have a better performing stock and **risk to increase disparities rather than greater comparability of the Energy Performance Certificate (EPC) classes between Member States** (Art. 16(2)).

❖ **THE OVERALL PRESCRIPTIVE AND SOMETIMES COUNTERPRODUCTIVE NATURE OF SOME OF THE PROVISIONS**

Some of the requirements – including, but not only, the growing level of details of the requirements for infrastructures for sustainable mobility (Art. 12) – are too specific and sometimes disproportionate. They risk to complicate and increase the cost of investing in energy efficiency measures and renewable energy sources. The Directive should focus on improving the energy efficiency of our stock first, preventing costly adaptation obligations, unnecessary requirements that could potentially be disproportionate compared to their advantage, compete with the much needed renovation work to be undertaken and impact on housing affordability.



## ABOUT UIPI



### International Union of Property Owners (UIPI)

*European Commission's Transparency Register No. 57946843667-42*

UIPI is a pan-European not-for-profit association comprising 31 organisations from 28 countries. Jointly, they represent more than 5 million private property owners and some 20 to 25 million dwellings. Founded in 1923, the UIPI aims at protecting and promoting the interests, needs and concerns of private landlords and owner-occupiers at national, European and international levels. The UIPI is involved in many issues, including general housing; taxation and inheritance concerns; technical matters and new regulations such as energy saving in buildings; the private rented agenda; as well as universal consumer rights and social responsibilities.

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