

EBC position on “A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives”

About EBC

Established in 1990, the European Builders Confederation (EBC) is a European professional organisation representing national construction employer associations of micro, small and medium-sized enterprises. EBC is a member and partner of SMEUnited, the European association of SMEs, and Small Business Standards (SBS), the European association representing SMEs in standardisation.

The construction sector is of vital importance to the European economy. With 3.4 million enterprises and a total direct workforce of 18 million, the construction sector contributes at around 9% to the GDP of the European Union. 99.9% of the European construction sector is composed of micro, small and medium-sized enterprises.

General remarks

Buildings are a central element of the daily life of Europeans by providing a space to live, learn and work. Indeed, research suggests that Europeans spend over 90% of their time indoors, so our health and well-being strongly depends on how these buildings are built, maintained and renovated.

It is estimated that buildings are responsible for approximately 40% of energy consumption and 36% of the greenhouse gas emissions in the EU, making them the single largest energy consumer in the EU and a core component for action to achieve the 2050 climate neutrality target. Approximately 85-95% of the buildings standing today will still be in use in 30 years although the majority of them, roughly 75%, is considered energy inefficient, a consequence of the appearance of building codes with specific regulation on thermal insulation of the building envelop only after the 1970s in Europe.

Based upon this, EBC welcomes the European Commission's Communication on “[A Renovation Wave for Europe – Greening our buildings, creating jobs, improving lives](#)” as an essential step to further improve the European building stock and as a possible stimulus for the construction sector. However, EBC is worried that a constantly changing policy framework and too excessive renovation requirements, which are neither practicable nor economically justified, could inhibit rather than stimulate demand. Hence, we believe it is essential that the Commission acts with proportion regarding additional regulatory requirements and provides the means to support people in their renovation journey, but also construction SMEs in their efforts and challenges to make the European built environment green.

Specific remarks

a) Increase demand for energy efficiency renovations

The renovation of residential and non-residential buildings plays a vital role in cutting carbon emissions. In order to bring the built environment on track to reach the 2050 climate neutrality target of the EU, the current rate and depth of energy efficiency renovations in buildings will have to be considerably increased so that around 35 million building units are renovated until 2030. However, there are many barriers keeping property owners from renovating their buildings, such as a lack of information and changing regulatory requirements for buildings, which can strongly influence costs.

Recommendations

- Ensure **proportionate mandatory minimum energy performance requirements**, which are gradually introduced through a pre-defined long-term path and flanked by earmarked financial support and funding for property owners.
- Increase the **quality of Energy Performance Certificates** and ensure their affordability for small landlords and SMEs.
- Extend the existing renovation target of 3% to **buildings owned by all public administration levels**, regardless their size.
- Before introducing [Digital Building Logbooks](#), undertake an in-depth assessment of their added value as a tool to positively influence owners' knowledge and professionals' services and put specific attention to topics such as data ownership, access rights and liability issues.
- Establish an expert group, including representatives from the construction sector, to clarify the **legal status of [Digital Building Logbooks](#)** as well as issues related to maintenance and updating obligations before introducing the tool in order to avoid uncertainty.
- Assure that [Building Renovation Passports](#) are connected to service-desks with knowledge on funding as well as financing possibilities.

b) Strengthen technical assistance and provide financial support for renovations

The fragmentation of the renovation value chain and the lack of information and financial support act as a substantial access barrier to energy retrofitting. Hence, it is important to provide substantial financial incentives for energy efficiency renovations but also to inform and accompany building owners in their renovation journey, e.g., through one-stop-shops for energy renovations of buildings, which display a transparent and accessible advisory tool that can be a linked to new, innovative business models.

Recommendations

- Guarantee the availability of public funding and financing for the renovation of the built environment through a stringent application of rules when approving financial means under the **Multiannual Financial Framework** and the **NextGenerationEU** instrument.
- Encourage Member States to use **exceptional fiscal measures** in order to support the renovation of existing buildings (e.g., reduced VAT rates on labour intensive services in construction, eco bonus etc.).
- Improve the functioning and **uptake of one-stop-shops** delivering tailored renovation advice, by addressing challenges related to processes, expectations and capacity.

- Provide Member States with recommendations and best-practice examples (e.g., presented by stakeholder ambassadors) on how to successfully establish **public and private financing schemes for energy efficiency renovations**, putting particular attention on the aggregation of small-scale energy efficiency renovation projects.

c) Support the sector in upskilling workers and attracting new talents

The construction sector suffers from a lack of qualified labour and specifically young apprentices and women. At the same time construction workers have to demonstrate new abilities related to digitalisation, circular economy and energy efficiency, which requires considerable investment in their upskilling. Therefore, better promotion to attract qualified workers and new talents to the sector and funding dedicated to the upskilling of construction workers are essential.

Recommendations

- Improve information, access and adequate funding for the **upskilling of workers** in the construction sector, with particular attention to SMEs.
- Support the construction sector in its efforts to **attract and retain skilled professionals** in order to fight the shortage of workers and the lack of women.
- Develop a **collaborative campaign**, based on successful examples of other sectors and the use of modern communication channels, to attract labour to the construction sector.
- Promote awareness raising and information for employers and workers on **occupational health and safety** and ensure a proper implementation of existing regulations, including the cutting of red tape.
- **Training, awareness raising and information** for both employers and workers are key elements for the success.

d) Create the conditions for a sustainable built environment

The change towards a sustainable built environment brings a number of challenges to the construction value chain and in particular construction SMEs, which tend to have less capacity, know-how, and financial capabilities to adapt to changing demand. Hence, it is important that policy initiatives happen gradually and are accompanied by measures supporting construction craftsmen and SMEs so that they are neither left behind nor kicked out of the market.

Recommendations

- Take into account the different roles, capacities and financial capabilities of the actors involved in a construction process when developing the **roadmap for reducing whole life-cycle carbon emissions** and make sure to include existing national or regional initiatives on this topic.
- Ensure that an appropriate number of **recycling and collection centres or grouping/storage platforms** located close to construction businesses or worksites are in place before further strengthening material recovery targets for construction and demolition waste.
- Ensure that any **training material developed at the European level** (e.g., in relation to the use of Level(s)) is translated into all official EU languages and takes into account the average capacity and knowledge of construction SMEs.

- Provide financial support through subsidies or tax credits to facilitate the **purchase and use of recycled materials as well as reused and sustainable products** in the EU, while ensuring the maintenance of a level playing field.

e) Enable a digital construction sector

The digital transformation of the construction sector is a process that will have long-lasting effects on the status quo. Based upon this, transformation needs to be steered in an optimal way through an enabling, holistic and stable long-term framework that considers the possibilities and abilities of the different actors according to the “think small first” principle of the Small Business Act, allowing SMEs sufficient time to adapt and to stay competitive.

Recommendations

- Make the digital transformation of the built environment and **the construction sector a priority in European funding programs** and put special attention to the inclusion of SMEs to enable all enterprises, independent of their size, to participate.
- Support the **Built4People public-private partnership** to promote the digital transformation of the built environment in Europe.
- Foster the construction sector’s innovation by creating a framework, establishing better **links between enterprises**, in particular SMEs, **and innovation/R&D centres**.
- Provide more support for **construction-specific digital innovation hubs**, which focus on showcasing innovation to enterprises and on training workers about new innovative methods and tools.

f) Improve the functioning of the internal market

The vast majority of construction enterprises and craftsmen in the EU operates at the regional and national level, whether due to market preferences, language barriers, technical requirements or cultural differences. Nevertheless, construction SMEs are strongly influenced by European legislation on this matter, whether through public procurement rules or standardisation. Hence, it is important to ensure that the internal market offers a level playing field to ensure that SMEs are not disadvantaged (e.g., in public tenders) but rather supported through funding, support and an enabling legislation.

Recommendations

- Ensure that the [Construction Products Regulation](#) is the only piece of legislation regulating construction products in order to avoid overlaps and legal uncertainty in the market.
- Address the **existing challenges of the standardisation system** through pragmatic solutions within the current legislative framework and, where needed, legislative adaptations.
- Ensure the **proper interpretation of EU public procurement legislation**, to grant SMEs direct access to public tenders and avoid distortive criteria disadvantaging them.
- Strengthen the rules and implement a zero-tolerance policy with regard to [late payment](#).