

This edition of the newsletter will deal with the topic of **energy efficiency** and recent developments in this field.

CEPI participated in a symposium at the European Parliament on 18 September entitled "**Towards a European Policy for Sustainable Housing?**" This was organised by MEPs Jean-Marie Beaupuy and Alain Hutchison, with the participation of the European Commission and various stakeholders. A number of messages emerged from this debate which we would like to highlight.

Firstly, there are three "key" existing directives concerning energy efficiency. They are:

1. The 2002 Energy Performance of Buildings Directive
2. The 2006 End-use Efficiency and Energy Services Directive
3. The 2005 Eco-design of Energy-Using Products Directive.

All three directives have elements of interest to property professionals. However, the main focus at present is on the **Energy Performance of Buildings Directive (EPBD)** due to the fact that the existing Directive is to be revised. The revised Directive is due to be presented as part of an Energy Efficiency Package in November. It will be remembered that buildings represent the largest potential for energy saving in the EU, 40% of energy consumption in Europe being caused by buildings.

The important requirements of the EPBD in its present form are that it imposes:

- (a). A general framework for a methodology of the integrated energy performance of buildings.
- (b). The application of minimum requirements on the energy performance of new buildings (if the useful total floor area is over 1000m² Member States must ensure that the technical, environmental and economic feasibility of alternative systems, such as renewable energy, is considered and taken into account before construction starts).
- (c). The application of minimum requirements on the energy performance of large existing buildings that are subject to major renovation (for buildings of more than 1,000m² energy performance must be upgraded in order to meet minimum requirements in so far as this is technically, functionally and economically feasible).
- (d). Energy certification of buildings (an energy performance certificate is to be made available when buildings are constructed, sold or rented out).
- (e). The regular inspection of boilers and of air-conditioning systems in buildings and in addition an assessment of the heating installation in which the boilers are more than 15 years old.

There are three main areas under consideration in the revision of the EPBD:

1. Improving the quality of buildings by strengthening certificates and inspections.
2. Lowering the threshold (1000m²) for existing buildings being renovated so that more buildings fall within the rules. This could mean the elimination of the threshold altogether.
3. The establishment of a benchmarking system for comparison with a view to better performance.

Possible other areas include measures aimed at encouraging public authorities to promote energy efficiency and also to encourage the concept of "passive" (low energy using) houses.

There were two main schools of thought expressed at the symposium. Speakers on behalf of industry, such as the Federation of European Construction Industry, welcomed the proposed revision but felt that certification is not enough and that governments must be required to strengthen their building regulations to impose higher energy efficiency requirements. In general the impression was given that industry is ready to deal with the changes to be made, subject to the proviso that education, particularly of those who do the installation, is improved.

However those speaking on behalf of consumers tend to take a different point of view. Their concern is who will pay the cost of an extension of the rules? The International Union of Property Owners (UIPI, a summary of their intervention is available on their website www.uiipi.com-www.uiipi.eu) expressed concern about the issue of compulsory energy certification of all existing buildings. This is something which UIPI feel may dissuade buyers and tenants from considering older buildings and increase the cost of housing. In particular, in the case of rented property, landlords will in many cases not be able to pass on the cost of the investment to tenants. Therefore they propose including in the Directive the estimated depreciation times of the energy saving improvements during which the necessary cost can be charged to those profiting from the energy saving alterations. They also feel that the lack of financial support for owners to upgrade existing buildings could lead to more old buildings being abandoned. The question of multi-owned buildings also presents particular challenges, both in terms of large costs and the difficulty of ensuring agreement and co-operation amongst inhabitants and tenants.

From another standpoint, the International Union of Tenants (IUT, www.iut.nu) also has concerns about the cost of improvements. These improvements may be complicated by the fact that heating for a building may be provided by a collective source, or individual heating. Many tenants particularly those housed in low quality buildings in Eastern Europe are vulnerable and IUT is arguing for incentives, such as rent reductions, to promote energy efficiency measures.

These questions raise the matter of **finance**. Apart from a few programmes with limited funding aimed at promoting best practice (such as Concerto, a Commission initiative for sustainable development in local communities, and Intelligent Europe, a funding programme) the European Commission is looking to national and regional authorities to provide the financial incentives and subsidies. At the symposium support was also expressed on behalf of the European Commission DG for Regional Policy for making energy efficiency in the buildings sector a priority in the allocation of structural funds for the development of public housing.

A major issue with the EPBD has been lack of implementation. On 12 September RICS published a report "**Working towards an Energy Efficient Building Stock 2008**", concerning the implementation of the EPBD in EU Member States. This report highlights difficulties of implementation, particularly in the new EU Member States (except Hungary and Slovakia). However, in a significant number of countries measures have been put in place concerning the certification of buildings, establishment of training schemes and more inspectors. The report gives an overview of measures put in place in each individual country, together with the various skill and qualification requirements to practice as energy inspectors in different countries.

So far there have been more than 20 infringement cases brought concerning the EPBD. Requirements concerning the inspection of boilers and air conditioning systems appear to have been a particular cause for delay. Many countries which are having problems with the implementation of the Directive are taking advantage of an additional three year derogation period and will not fully implement before 4 January 2009. The report is available at www.rics.org/Newsroom/Keyissues/Energy/EPBD_Implementation_II_r_050908.html.

A **green building code** which has become recognised and popular at **international** level is due to be revised in early 2009. The US Green Building Council (USGBC), which introduced this system in 2000, has announced that a revised Leadership in Energy and Environmental Design (LEED) mechanism will be launched in January 2009. The original LEED rates buildings according to a points system based on five criteria: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. In the new LEED, the USGBC says that "points will be allocated differently and reweighed, and the entire process will be flexible to adapt to changing technology, account for regional differences and encourage innovation".

If any member associations have any comments to make on this subject, particularly concerning the revision of the **EBPD**, please let the Secretariat know as soon as possible.