

## GCP Europe Position on the Renovation Wave Initiative

We spend on average 90% of our time indoors and the recent confinement and safety measures have increased this to approximately 98%, further emphasizing the importance of having good indoor environmental quality. Furthermore, according to the European Commission's estimates, buildings account for around 40% of European energy consumption. With the twin objectives of achieving a carbon neutral economy and improving the quality of life and comfort of European citizens, we strongly welcome the European Commission's initiative for the Renovation Wave.

With rising temperatures and more extreme weather conditions caused by climate change, there is an increasing demand for heating and cooling services, which reflects in a gradually higher share of building's energy demand. In this context, our members that include European installers and building professionals for building technologies, plumbing, ventilation, air conditioning, refrigeration and heat pump equipment, will play a vital role in implementing many of the building renovations that will take place under this initiative. Strongly committed to the success of this initiative, we would like to comment on specific elements of this strategy.

### Tackling worst-performing buildings

GCP Europe supports the Commission's intention to propose **mandatory minimum energy performance standards** as part of the revision of the Energy Performance of Buildings Directive (EPBD). However, it will be very important to present these standards as a minimum benchmark that should be exceeded and not as a level to merely meet. In addition, while these minimum requirements should be set at National level, Member States should report on the measures taken in the national energy and climate plans.

Moreover, **performing energy audits should be mandatory for the public sector**. These audits should be accompanied by a timeline to implement the proposed measures as well as a defined energy performance level to be achieved.

In addition to improving the energy efficiency of the buildings stock, **the Renovation Wave should also target improvements in indoor environmental quality (IEQ) through mandatory minimum requirements**. Access to public funding for renovations should be conditional on improvements in IEQ, as well as the smartness and energy efficiency of the building.

## Adequate financing tools

**The current renovation rate of 1% has been found to be insufficient to meet the climate objective. A much higher rate will be needed – as a minimum it should be 3%, but we recommend decision-makers strive for a higher target.** While this will require more resources than originally anticipated, it will have the benefit of helping revitalise the economy and stimulate employment and training growth.

With the economic damage created by the ongoing COVID19-triggered economic and health crises, mobilising private investment for building renovations will become increasingly challenging. According to the European Commission's estimates "additional investment needs to reach EU 2030 energy and climate targets is around EUR 325 billion annually, with approximately EUR 250 billion for residential and EUR 75 billion for public buildings. Similar magnitude of annual investment is needed to reach climate neutrality by 2050"<sup>1</sup>.

In this matter, **GCP Europe welcomes the Accompanying Document on EU funding of the Renovation Wave<sup>2</sup> detailing the different funding possibilities and the commitment by the Commission to ensuring that buildings are included as a top priority when assessing national recovery and resilience plans.**

## Supporting the increasing demand for skills

**Supporting skills and employment strategies will be key elements to meet the climate targets as well as essential to the recovery of the European economy.** Investment in a skilled workforce will help support the growth of jobs in the European Union. In addition, apprenticeships in the construction sector will ensure better and more energy efficient solutions and installations.

**Delivering the deep renovations needed will depend on the knowledge and expertise of building professionals,** who have the most in-depth knowledge on the design of systems, proper maintenance and operation and who can provide tailor-made solutions to maximise energy efficiency gains and indoor environmental comfort and quality. However, even though the services of our industries are vital for achieving the objectives of the Renovation Wave, our sectors face challenges in attracting and retaining talent in the industry.

One of the key challenges is raising the profile of the industry and its societal purpose. Social Media campaigns can be a good way to promote these trades.

**Given the quick pace of technological progress there is a need for promoting life-long learning opportunities and supporting the curricula for vocational education training programmes to address the digital transition.** In this context, making companies aware of the need for continuous training will also be key.

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<sup>1</sup> [European Commission Roadmap "A Renovation Wave initiative for public and private buildings"](#)

<sup>2</sup> [Commission staff working document "Support from the EU budget to unlock investment into building renovation under the Renovation Wave"](#)

## Promoting the uptake of smart buildings and technologies

It is undeniable that digitalisation and technological development will be vital in the decarbonisation of the building stock by enabling functions such as demand-response. At the moment, the definition of a smart building is too broad and there are competing definitions. **We believe that to promote their uptake we need to clearly define “smart buildings” in European legislation, in order to develop workable and concrete objectives.** While smart buildings are closely linked with energy efficient buildings, the distinction is necessary. Furthermore, **smart buildings should not only address the energy consumption of the building itself, but also address its adaptability to the needs of the user, including healthy indoor environmental quality criteria.**

Building technologies will be smarter and more connected to achieve optimal efficiency from an energy, environmental and comfort point of view. Plug-and-play equipment, essentially unserviceable, is growing in numbers. However, the biggest change our sector faces certainly lies in the industry’s transition from product-based towards a system approach: versatile systems working with different energy sources and adapting to weather and climate conditions, and more technologically advanced systems integrating artificial intelligence abilities. In this context, contractors’ role is crucial by ensuring the proper design, installation and functioning of the plumbing, ventilation, air conditioning, refrigeration and heat pump systems, that satisfy essential societal needs.

The building stock have potential to be an active part of the climate solution through integrating renewable production and renovations that increase energy performance of building but also by increasing flexibility on the demand side of the energy system.

**It is important that the Commission addresses how to raise awareness and use of more smart technologies and data to achieve an efficient energy performance of buildings.** Today, these technologies exist but are unfortunately not always part of the renovation of existing buildings. Smart technologies that enable buildings to interact with the energy systems and provide data for facility management and service companies will be key elements towards a greener and more digital future.

The Smart Readiness Indicator, by providing a common European Union scheme for rating the smart readiness of buildings, can be a useful tool to help evaluating the share of smart buildings- as well as the level of smartness- in the building stock.

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### **About GCP Europe:**

*GCP Europe is the voice of the efficient building engineering services. The association represents the interests of 17 member associations in 13 countries in the Building Services Engineering Sector: plumbing and HVAC at the European Union level.*