

Call for evidence – Housing simplification package

The current housing crisis is weighing on people's budgets, access to property, and living conditions. Across Europe, households are increasingly confronted with rising rents, limited availability of affordable homes, and growing energy and water bills that further exacerbate housing stress. In many cases, housing stress is driven not only by purchase prices or rents, but also by high operating costs, particularly energy and water bills.

A simplification approach to the housing crisis should not come at the expense but facilitate established renovation and construction trajectories. The regulatory framework recently adopted plays a crucial role in achieving the EU's affordability agenda while strengthening the competitiveness of the construction sector. Energy and water efficiency technologies are already available and can play a central role in **lowering bills** and **increasing supply of affordable housing**.

Affordability through efficiency

Today, roughly 75% of the EU building stock is energy inefficient, and around **41 million people in the EU** (9.2% of the total EU population) are unable to keep their homes adequately warm¹. Years of inaction have left Europeans exposed to energy price hikes. The **rollout of water and energy efficiency and climate resilience solutions in buildings will lead to lower energy bills** and shield occupants from price shocks, ensuring long-term affordability.

As heatwaves become more frequent and intense, **inefficient buildings expose households not only to high heating bills in winter, but also to rising cooling needs in summer**. This can increase electricity demand, put pressure on grids and contribute to price spikes during periods of extreme heat. ACER reports that during a 2025 heatwave, electricity demand rose by around 6% across Europe within a week².

Solutions are already available in Europe: insulation, heat pumps, district heating, efficient windows, lighting, taps and showers, Building Automation and Control Systems (BACS), blinds and shutters. These technologies can reduce energy demand, improve living conditions and lower household expenditure.

A recent Commission analysis³ indicates household savings could reach up to around €900, depending on renovation depth, energy prices and dwelling characteristics. The European regulatory framework should encourage the uptake of these solutions, which are crucial to long-term affordability.

Renovations can also contribute to housing supply. In 2021, approximately **47 million dwellings in Europe were unoccupied** (around 20% of the stock).⁴ While not all these dwellings can be mobilised for long-term housing, renovations can **put vacant spaces back on the market** and transform them into affordable housing options.

Innovative approaches such as vertical extensions can further increase the number of dwellings within existing buildings, creating new homes where demand is highest while optimising land use, reducing construction costs and environmental impact. **Offsite construction** also offers affordability benefits, with purchase prices up to 30% lower than other traditional construction methods and reducing whole-life carbon emissions by up to 50%.⁵

¹ 9.2% of EU population struggled to keep their home warm - News articles - Eurostat

² ACER Key developments in European electricity and gas markets - 2026 Monitoring Report

³ Energy renovation of buildings - Energy - European Commission

⁴ This category includes vacant units and seasonal homes. 2510092_FEANTSA - Report_Reclaiming_vacant_spaces_WEB_spreads.pdf

⁵ BPIE, *Offsite Construction: A Solution for Affordable Housing in Europe* (2026), <https://www.bpie.eu/publication/offsite-construction-a-solution-for-affordable-housing-in-europe/>

Turning current legislation into action

The Housing Simplification Package must **recognise the positive role of existing legislation in improving the quality, affordability and resilience of the housing stock**. The **Energy Performance of Buildings Directive (EPBD)** is central to this objective. If well-implemented, it will increase both housing affordability and the supply of affordable housing. These positive impacts should be properly considered in any cost/benefit analysis conducted on existing EU legislation.

Particularly, Efficient Buildings Europe wishes to highlight that the EPBD:

- ▶ Focuses action where it is most needed: the **worst-performing buildings**. In the residential sector, there are homes where households are most exposed to high energy bills and poor comfort. The Directive provides a flexible framework for accelerating improvements where they can deliver the greatest benefits with **national renovation trajectories**.
- ▶ Helps lower the cost of living through **better buildings**. The Zero-Emission Buildings (ZEB) standard will help avoid locking households into high operational costs for decades.
- ▶ Supports **vulnerable households and tenants**. Implementation should be accompanied by accessible financing, one-stop shops, technical assistance and safeguards to avoid unfair cost impacts.
- ▶ **Delivers early energy savings**: the rollout of Building Automation and Control Systems (BACS) could deliver 450 TWh annual final energy savings, and €36 billion lower energy bills.
- ▶ Creates a **long-term market signal for demand reduction**. Minimum energy performance standards and national renovation trajectories give manufacturers and installers the predictability needed to invest in manufacturing capacity.
- ▶ **Improves and centralises knowledge on the housing stock**. Instruments such as the Energy Performance Certificates, the renovation passports and digital building logbooks give households, public authorities and market actors clearer information on buildings' performance, renovation needs and investment pathways.
- ▶ **Supports the optimisation of energy use**. Hydronic balancing, for instance, ensures that heat is distributed evenly across radiators or underfloor heating systems by optimising water flow and pressure in the heating circuit. This improves comfort, reduces wasted energy and can support lower energy bills.

Considering the side-effects of EPBD simplification

Efficient Buildings Europe urges the European Commission to consider the multiple negative side-effects that could result from the weakening of the legislation on the energy performance of buildings.

Member States are currently transposing the Directive. At this stage, it is too early to assess its full impact, identify implementation challenges or draw evidence-based conclusions on its success.

The Directive already includes a **review clause**, with a review planned by the end of 2028. This should be the appropriate moment to assess implementation, based on evidence from Member States, local authorities, housing providers, financial institutions and market actors.

Reopening the EPBD before it has been properly implemented would create legal uncertainty. It would weaken the investment signals needed by manufacturers, installers, construction companies, housing providers, financial institutions and households.

This would also be counterproductive for housing affordability. The energy crisis has shown that inefficient buildings are too expensive for households, public budgets and the energy system. High energy bills turn inefficient homes into affordability traps.

Simplifying renovations

EU building policy can deliver its objectives most effectively when households, public authorities, housing providers and businesses have **access to simple, coherent and predictable renovation procedures**. The Housing Simplification Package should simplify the path by removing the practical barriers to renovation. As renovation usually makes better use of existing structures and materials, it is generally less carbon-intensive than demolition and new construction, while also improving the use, quality and affordability of the existing housing stock.

Accessible and affordable finance

The EU's total investment needs for energy efficiency in buildings are estimated at **approximately €242 billion per year between 2021 and 2030**.⁶

Several population segments currently struggle to **access affordable private finance**. Scaling up affordable and efficient housing requires **adequate and accessible financing** for households, banks, and public authorities. Mobilising public and private investment and allow blending financing will be essential to support households, de-risk projects, and accelerate the deployment of efficient solutions.

An **EU Renovation Loan facility** would provide guarantees to retail banks for **low-interest loans**, supporting energy renovations and the deployment of energy efficiency technologies in buildings.

- ▶ Efficient Buildings Europe calls for the **operationalisation of the EU Renovation Loan Facility** as part of the new European Competitiveness Fund.

Our recent study on the first batch of draft National Building Renovation Plans⁷ shows that financing instruments for renovation **lack coordination and a coherent delivery architecture**. Renovation finance works better if embedded in a stable institution, linked to affordability safeguards, and able to manage performance risk.

- ▶ Efficient Buildings Europe calls on the European Commission to pay particular attention to the operationalisation and diversification of financing instruments for renovation during the assessment of the draft National Building Renovation Plans. The European Commission should provide **guidance to Member States on how their planned funding streams interact, the households and building segments targeted, and their timeline**.
- ▶ Efficient Buildings Europe welcomes the creation of the **European Energy Efficiency Financing Coalition**. The Commission must exploit the resources and expertise of stakeholders in the Coalition, for instance through a peer review of the NBRP's financing chapters, by providing support to national hubs, or technical assistance to ensure absorption and aggregation of pipelines of renovation projects.

Good practices:

- ▷ Denmark's Landsbyggefonden is a national revolving housing fund that finances large-scale renovations in the **non-profit housing sector**. The Fund is safeguarding affordability through subsidy schemes and keeping rent affordable in renovated buildings.
- ▷ The Spanish draft NBRP demonstrates the value of a **diversified financing toolbox**, with a combination of energy savings certificates, green mortgages, guarantees, co-investment and PACE-style products.
- ▷ Romania's draft NBRP created a separate budget stream dedicated to the **enabling conditions of renovations**, with one-stop shops and technical assistance.

⁶ [Financing building renovations - Energy - European Commission](#)

⁷ [NBRPs_Study.pdf](#)

Accelerating renovations' delivery

Unlocking the potential of renovations and repurposing requires addressing bottlenecks such as long and complex permitting procedures. They should be streamlined, particularly for renovation projects that improve energy performance or increase housing supply.

- ▶ The **Housing Simplification Package should explore the creation of Energy Renovation Acceleration Zones for Affordable and Efficient Housing projects**, following the logic of renewables acceleration areas from the Renewable Energy Directive.

They would simplify the administrative path for renovation and conversion projects that fulfil the objectives of the Affordable Housing Plan: lower energy bills, better living conditions and more affordable homes. They should be **voluntary zones or building portfolios**, designated by Member States, regions or cities, where predefined renovation works benefit from simplified procedures, standard documentation, clear deadlines and coordinated support.

Energy Renovation Acceleration Zones could also help **aggregate renovation demand across similar buildings and neighbourhoods**. This would create economies of scale, reduce project costs and support more standardised renovation approaches. This could be technically supported with the deployment of one-stop-shop networks, laid out in the EPBD.

A predictable pipeline of renovation projects would also support Europe's offsite and industrialised renovation sector, in line with the **European Strategy for Housing Construction** and its objective to make construction and renovation faster, more productive and more cost-effective.

- ▶ **Digitalisation** can also play a key role here: the use of Building Information Modelling (BIM) can enhance efficiency, transparency, and speed across construction and renovation processes. The BIM mandate for major public works in the proposed Public Procurement Act is a good first step to accelerate digitalisation in the buildings sector.

Unlocking decision-making in multi-owner buildings

Co-owned buildings, such as condominiums and multi-apartment buildings, represent a key segment to renovate. High voting thresholds, fragmented ownership, uneven financial capacity among owners, and limited technical expertise can delay or block projects that would lower energy bills and improve living conditions.

- ▶ The Commission should provide **guidance to Member States on how to adapt decision-making rules for energy renovation in co-owned buildings**. This could include moving from unanimity or high voting thresholds to appropriate majority voting for works that improve energy performance, while preserving safeguards for owners in vulnerable situations.

Good practices:

- ▷ Countries such as **Estonia, Germany, Austria and Spain**⁸ moved away from unanimity for condominium renovation decisions.
- ▷ In France, the **MaPrimeRénov' Copropriété** scheme is dedicated to co-owners' associations, including project-management assistance, support for common areas and grants linked to energy savings.⁹

⁸ EUR-Lex - 52025XC06438 - EN - EUR-Lex

⁹ MaPrimeRénov' Condominium | Service Public

Clear rules for efficient public housing

Simplification should also improve coherence across the existing legislative framework, especially concerning **housing owned by public authorities**. The Energy Efficiency Directive (EED) sets out the principle of public bodies leading by example, which should be applied to the Affordable Housing Plan.

Provisions from the EED and the EPBD can support the delivery of affordable and efficient public housing. To support public authorities in this regard, the Housing Simplification Package should:

- ▶ **Align the Public Procurement Act's rules on the purchase and new rental of buildings with the Energy Performance of Buildings Directive's Zero-Emission Building standard.** This would help public authorities lead by example while avoiding confusion, duplication and unnecessary administrative burden.

The Public Procurement Act should avoid creating parallel performance requirements that are difficult for public buyers to interpret alongside the EED, the EPBD and the EU Taxonomy. For new buildings, procurement rules should clearly refer to the **EPBD Zero-Emission Building standard and timeline**.

Making renovations work for owners and tenants

Although numbers vary greatly across EU Member States, around 32% of the European population is living in rented housing¹⁰. This means that approximately **a third of the European population pays the price of inefficiency through higher energy bills and poorer indoor conditions** and rely on property owners' decision to improve the energy performance of their home. This creates a **split incentive**: if owners do not benefit directly from the energy savings, they have little incentive to invest in improvements.

Without fair cost-sharing mechanisms and safeguards, this can slow down renovation and leave tenants in inefficient homes exposed to high and volatile energy costs.

The Housing Simplification Package should promote:

- ▶ **Incentives for landlords to renovate**, such as Minimum Energy Performance Standards (MEPS) combined with new fiscal measures supporting landlords in delivering renovation that will increase the face value of their property.
- ▶ **'On-bill repayment'**, e.g. schemes in which works related to energy efficiency are paid by the tenants via their electricity/gas invoices.

Good practice:

- ▷ In Germany, the **CO2 Cost Allocation Law** entered into force in 2023. This text links the allocation of CO2 costs from fossil fuel heating fuels between landlords and tenants to the energy performance of the building. This creates a financial incentive for landlords to invest in energy efficiency, while maintaining fairness for tenants¹¹. As a result, the carbon costs are shared between tenants and landlords according to the energy performance of buildings:
 - In highly efficient buildings, tenants pay 100 % of the CO₂ costs.
 - In moderately efficient buildings, the costs are shared roughly 50:50.
 - In very inefficient buildings, landlords bear up to 95 % of the costs¹².
- ▷ Since 2025 in France, homes with a G EPC can no longer be rented. The rule will extend to EPCs F and E from 2028 and 2034.¹³ Rents for F- and G-rated homes are also frozen since 2022. This creates a

¹⁰ 68% of people living in EU households own their home - News articles - Eurostat

¹¹ Carbon cost splitting in practice – how much do landlords and tenants pay? | oeko.de

¹² <https://www.oeko.de/en/blog/who-pays-for-carbon-germanys-answer-to-the-landlord-tenant-dilemma/>

¹³ Je suis un propriétaire bailleur | France Rénov'

clear signal for landlords to renovate the worst-performing homes, while protecting tenants from paying higher rents for inefficient housing.

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For further information

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About Efficient Buildings Europe

Efficient Buildings Europe represents Europe's leading companies involved with the manufacture, distribution and installation of energy efficient products, equipment, and services for buildings. The members of Efficient Buildings Europe employ more than 280,000 people in these activities in Europe and have over 1,200 production facilities and office locations in the EU. The mission of Efficient Buildings Europe is to work together with the EU institutions to help the EU to move towards a more efficient use of energy in buildings, thereby creating an efficient, decarbonised, and flexible building stock that actively contributes to the achievement of Europe's commitments on climate change, energy security, and economic growth.

Efficient Buildings Europe Members (2026)

