



Mr Pavel Misiga
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cc:

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Ms Victoria Petrova, Adviser to the Director of Sustainable Growth, DG Enterprise & Industry
Ms Marzena Rogalska, Head of Sustainable Industrial Policy & Construction, DG Enterprise & Industry
Mr Antonio Paparella, Task Manager, Construction Competitiveness, DG Enterprise & Industry
Mr Paul Hodson, Head of Energy Efficiency, DG Energy

27 September 2013

Dear Mr Misiga,

Fundamental Issues Raised by the Sustainable Buildings Consultation

The overarching question posed by the Commission's sustainable buildings consultation is whether EU policy on the energy efficiency of buildings should be extended to cover broader sustainability issues.

The signatories to this letter represent a vast proportion of the European private built environment, residential and commercial, urban, rural and historic, as well as the valuation profession. We have all been involved in the work on EU energy efficiency legislation since the inception. No other EU regulatory policy has such impact on the home owners, landlords and property companies and professionals that we represent. Extension of policy beyond energy efficiency to broader sustainability will inevitably have very great consequences. With so much at stake, we must address ourselves directly to you in the hope that our views on the fundamental issues raised will be recognised, understood and given the consideration they deserve.

If you strip away the numerous soft measures floated in the questionnaire, there remain three 'hard options':

- "address different national reporting requirements on environmental performance of buildings" (4M)
- "support increased uptake of better environmental performing buildings via voluntary or mandatory European frameworks for core indicators, benchmarks" (7A)
- "stimulate demand for better performing public and private, residential and non-residential buildings via a label/certification based on a European framework" (8D & 8G)

EU energy efficiency regulation stems from the high imperative of combatting climate warming and threats to security of supply. This is what justified the task of adjusting national rules and slowly building a common administrative culture for energy efficiency via, inter alia, the EU-monitored National Energy Efficiency Action Plans.

More than ten years after the first Energy Performance of Buildings Directive, national enactment and indeed the Directives themselves are still going through a process of trial, error and improvement. This was inevitable, and the work done by all parties to this process merits respect. But it places an obligation on the Commission, in its capacity of taking appropriate initiatives to promote the general interest of the Union, to consider the particular challenges posed by extending the scope of policy instruments from pure energy efficiency to broader sustainability and to plan the proper and efficient sequence of policy instruments leading to the desired building sustainability outcomes.

With this in mind, we would ask the Commission to consider its proposals 4M, 7A and 8D & 8G together:

Harmonise national sustainability reporting requirements / EU frameworks for core indicators/benchmarks – 4M, 7A

4M speaks of harmonising national approaches but the last paragraph of the Commission Background Document indicates that in fact few member states have done anything at all. This would make any EU initiative a top-down, command-and-control exercise which, in our view, is not the way to begin.

We believe the priority should be to concentrate on the core indicators and benchmarks (7A). Without progress here, it will be hard to achieve any kind of approximation or comparability of national overall building sustainability reporting requirements. However, we strongly advise against any ex nihilo initiative by the Commission in this field. On the contrary, the Commission can bring added value by leading the effort to ensure pan-European comparability of existing voluntary building-related indicators. We have some ideas on this that we would like to discuss with the Commission in the future.

It is to be stressed that these are comparability tools and this is what the Commission's goal should be: to enable comparability as and when member states sovereignly decide to move toward broad building sustainability reporting. The goal should not be to create a common scheme.

As this would be a comparability exercise, there can be nothing mandatory about it.



EU building sustainability label – 8D & 8G

Far greater clarity on building rating methodologies is also a prerequisite for even beginning a debate on an EU building sustainability label, but on that matter certain things are clear to us even now.

As we have already remarked on several occasions including when DG Environment consulted us on its recent exploration of policy options for water performance of buildings, the Commission should completely rule out any possibility of imposing multiple building certificates – one for energy, another for water performance, etc. Not only would the extra cost be completely unacceptable – especially for residential – but it would be highly confusing. There are limits to the capacity of private citizens and economic actors to usefully assimilate eco-information. We would also expect member states to raise major administrative burden issues.

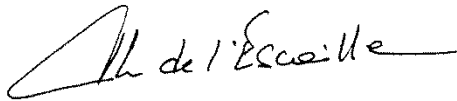
The alternative is to replace the existing Energy Performance Certificate by a sustainability certificate. We do not consider this a viable option for the foreseeable future:

- Since the inception of energy performance certificates in the first Energy Performance of Buildings Directive, member states and regions and real estate owners and professionals have experienced a very difficult learning curve. It will require at least another decade to iron this out.
- Real estate professions have had to invest heavily in creating an energy efficiency culture and need time to consolidate. For example, valuers are only just now beginning to factor EPCs into market value as the market has been slow to recognise the implications of EU policy. European Valuation Standards do now address energy performance renovation and EPCs but achieving this was a complex and difficult process which must be allowed to mature before adapting this entire machinery to new and even less market-sensitive labels.
- Getting the mix of energy efficiency factors right was difficult enough. Combining this in a single certificate with water and waste will be a challenge, especially in terms of deciding weightings for the various components. On this matter the Commission would need to consult with real experts and organise a wide debate before tinkering with the energy performance certificate.

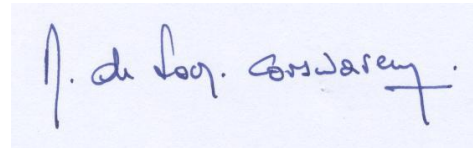
Another option is a voluntary EU sustainability certificate for buildings. The Commission is currently infringing EU law as it progresses with extreme slowness in its work on the common EU certification scheme for the energy performance of non-residential buildings which Article 11(9) of Directive 2010/31/EU stipulates must be adopted by 2011. This perhaps flags a warning about the complexities involved in achieving a useful single European sustainability certificate for buildings.

In short, we, the united European property sector, recommend that the Commission – and the Communication – eschew reporting requirements and labels and work in close cooperation with stakeholders on initiatives enabling pan-European comparison of different leading elective building rating methodologies.

Yours sincerely



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