Views of the International Union of Tenants (IUT) on the revision of the Energy Performance Buildings Directive: Establish housing cost neutrality for renovations at European level

With the implementation of the Fit for 55 package and the EU renovation wave, the housing market is facing enormous challenges, and climate policy and affordable housing must not be played off against each other. Although the European Commission clearly has stated its aim being the protection of the most vulnerable housing consumers, we fear the requirements of the proposal would result in even greater challenges for housing applicants to find a reasonably priced rental home. As the voice of 1/3 of the European citizens, namely those who rent their homes, the International Union of Tenants supports the climate-neutral conversion of the building sector. However, for a socially acceptable implementation of these goals, it is crucial that refurbishments are carried out housing cost neutral without affecting rents.

- Housing cost neutrality (entailing rents, energy costs and local taxes) should be the main principle of the EPBD. As renovation costs can be passed on to the tenants in most European Member states, renovation often contributes to the displacement of residents and the gentrification of entire quarters. Affordability in renovation means that rent increases are fully balanced by energy-savings. The model of housing cost neutrality thus combines social and climate goals in an ideal way and prevents "renovictions" (evictions by renovation).

- In the rental housing sector, Minimum Energy Performance Standards proposed in Article 9 can be a game changer. However, the IUT asks for a dialogue at level playing field taking sufficient account of tenants living in energy-inefficient housing, since the tenants concerned can hardly influence the buildings's energy standard. This can only be done by the landlords. But landlords are not affected by those standards, as costs are passed on to the tenants by rent increases. For this reason we need also legally based positive and/or negative incentives aimed at landlords. For example, a ban on rent increases for homes that do not meet a Minimum Energy Performance Standard.

- Maintain local democratic principles: Tenants' participation should be mandatory when deciding about the standard and costs of renovation. Public funding should be based on projects where a thorough participation of tenants in planning and execution have been guaranteed. Public funding for the renovation of private rental housing should be combined in line with rent caps in order to prevent the capitalization of funding.

- IUT welcomes the provisions on the financial and regulatory framework in Article 15 EPBD and recognises the considerable efforts made at the European level to provide financial support for building renovation through the Resilience and Reconstruction Facility, the Climate Social Fund or through regional funding. Targeted incentives like climate housing allowances for the affected tenants should be implemented (subject subsidies) and the

use of the EU social climate funds (2021/0206/COM) shall be further explored in order to add on national funding to prevent energy poverty for low- and medium- income groups. The tenant unions are ready to contribute to this dialogue

- The IUT calls on the Commission to ensure that, in the proposed measures for improving energy efficiency the principle of subsidiarity is also respected insofar as the Member States are themselves responsible for public housing. According to Protocol 26 to the Treaty on European Union and to the Treaty on the Functioning of the of the EU, Member States have the right to decide how to organise this service of general economic interest.

- In terms of funding, the clarity as relates to Member States' responsibilities towards "providing appropriate funding, support measures and other instruments" is exemplary. Expecting EU Member States to have a long-term plan and budget for the transition to an increasingly energy-efficient and climate-neutral building stock is reasonable. Therefore, national plans based on the specific conditions provide the best opportunity to identify the measures most effective in each Member State.

- The revised EPBD presents several overlapping concepts with other legislation (EED, RED) while leaving it to the Commission to further define in delegated acts. This makes any impact assessment almost impossible, while leaving compliance uncertain.

- The introduction of so-called renovation passes risk resulting in a resource-intensive system rather than an efficient tool stimulating energy-efficiency. However, if the purpose is to facilitate step-by-step support for energy-efficiency renovations such a proposal could have certain potential.

- Regarding the Energy Performance Certificates (EPCs), a reliable system of measuring and comparing existing conditions and predicting effects of energy savings is crucial. The measuring should be in kwh/m², in order to allow transparency and comparability, which is not the case in the current different national systems of labelling in energy classes.

- Information exchange as proposed is of doubtful value for tenants unless such exchanges relate to their own dwelling and directly affect the tenant's costs. Furthermore, unlimited information exchange could jeopardize the protection of privacy.

- Although the potential for identifying cost-effective measures in buildings with the worst energy performance is great, it is unfortunate that in order to optimally coordinate energy-efficiency with maintenance needs no account is taken of the life-cycle of a building.

- Sustainable built environment: De-carbonizing strategies should be area based, not only building based. The improvement of local energy systems, tapping local energy resources, the emission reduction at local level, the fostering of ”prosumer”- models, mainly supported by social, affordable, public and cooperative housing providers, can lead the way to entire green quarters, where housing security, affordability and health of the residents are at the forefront.

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