

Summary Policy Paper / Published in September 2018

Visegrad Countries Yet To Unlock the Development Potential of Buildings

This paper describes how Visegrad countries, societies and economies suffer from low quality of buildings and how the countries could benefit from increased focus on coordinated development and implementation of public policies fostering building renovation and construction.

Buildings – issues and potential

Day by day, the 64 million people of the Visegrad 4 use more than 10 million residential (24 million housing units) and hundreds of thousands of non-residential buildings. They live, work and study, heal or recreate in buildings. Many of the citizens spend as much as 90 % of their time indoors. Therefore the quality of buildings impact their productivity, health and general well-being.

The building stock, ownership of housing and climate conditions are very similar in V4 countries. So are the negative societal, environmental, economic and energy security impacts of energy inefficient and non-renovated buildings.

In Slovakia alone, these include the highest energy bills per income in the European Union, 3 thousand premature deaths annually due to air pollution caused by heating with solid fuels and 1.5–2.9 times more frequent health issues due to unsatisfactory housing. It is estimated that the Visegrad region pays EUR 5,3 – 11,2 billion a year in healthcare cost attributable to low quality of buildings.

On the other hand, comprehensive research suggests that healthy (office) buildings increase productivity by as much as 8 % representing a potential 16,5 billion EUR in GDP increase of the Visegrad Countries (estimated 1 % increase attributable to work in office or similar buildings).

Both the issue and the potential are great. 2/3 of Visegrad residential buildings need renovation. That represents an opportunity for public policies to drive renovation and construction of new buildings so that they respond to the climate change, quickly aging population and urbanization – major trends related to buildings in the Visegrad. Buildings – consuming about 40 % of all energy – can also deliver large part of sustainable improvement of Visegrad’s energy security, while at the same time increase productivity and well-being of societies.

Public policies to unlock buildings' potential

Public policies promoting quality renovation and new-build are needed to reduce the negative and deliver the positive impacts of buildings. Comprehensive and effective policy framework for all types of buildings and population segments is, however, lacking across the V4 as national capacities are insufficient to focus on the entire issue in its broad scope.

The need to adopt mid- and long-term national strategies and policies impacting building renovation and construction in the Visegrad 4 becomes urgent as we speak. During transposition and implementation of the Energy Efficiency Directive, Energy Performance of Buildings Directive or negotiations for the next Multiannual Financial Framework, Governments will take decisions on several topics. How can buildings help deliver energy efficiency target for 2030 and annual savings equal to 0,8 % of energy consumption? How to draft a really effective Renovation Roadmap and implement it, including a focus on NZEB buildings and energy poverty issue? How to properly reflect the Energy Efficiency First Principle in all these policies? How to do the above in situation when ESIF 2021-27 is yet to be agreed? How to best set up the Operational Programs for 2021 – 2027? How to approach the National Energy and Climate Action Plans to be developed in 2019?

Where to focus

As Visegrad experts agreed, the cooperation of the four Governments could bring about necessary boost into building renovation and construction, if it focused on the following:

1. Ambitious transposition and implementation of the EU Directives under the Clean Energy for All package driving real change in the market.
2. Enforcement of existing regulation on Energy Performance Certificates. Their capacity to drive energy efficiency investments can only be provided through public policies that ensure that energy class in the Certificate reflects real state of the building and is published in real-estate advertisements. User-friendliness and elements of building renovation passports should be examined.
3. Development of incentive programs independent from "EU Funds" (ESIF 2021 - 2027). To respond early to the future decrease of allocations on building renovation support in "EU Funds", incentive programs must be based on long-term and various funding sources, integrated (one stop shop), simplified (application process) and motivating (building quality).
4. Low income population housing policies. These are needed to bring as much as one fifth of the Visegrad population from the vicious circle of low income – unsatisfactory housing – poor health – low value in job market and low work mobility, cementing the low income for generations. These policies often address the air pollution issue from heating of buildings and must be coordinated with social policies.

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