

### Die Wohnungswirtschaft Deutschland

### **GdW Statement**

Concerning Directive 2010/31/EU on the energy performance of buildings COM (2016) 765 as part of the proposed package of measures "Clean Energy for All Europeans"

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## GdW Statement concerning Directive 2010/31/EU on the energy performance of buildings COM (2016) 765

#### Introduction

The housing sector welcomes the aim of the package "Clean Energy for all Europeans" to supply EU consumers with safe and clean energy. Overall however, the questions regarding housing and investment costs are neglected as well as the issue of affordable housing and building. In several EU countries (e.g. Germany) construction and renovation costs for social / affordable housing are not covered by the government or municipalities. Higher construction or renovation costs lead to higher rents.

The explanations of the directive mention that Energy savings and efficiency improvement of the housing stock would enable many households to escape energy poverty.

This view, however, is onesided. Every investment needs to be financed. Interest and repayment costs are incurred which for many years are higher than the saved energy costs. In several Member States (e.g. Germany) these costs are not taken over by the public authorities. In particular energy standards, which are prescribed by the German EnEV cannot be funded. With additional obligatory measures the basic rent (without operating costs) will therefore increase for rented dwellings. This increase in rent is practically always higher than the energy cost savings. Additional measures in Germany may thus reduce energy poverty, but overall housing costs will increase. This causes difficulties for affordable housing as a whole.

The EU focusses on the economic impact of cost-efficient modernizations on the EU economy. The interplay between "profitability for the investor" versus "affordability for the tenant" in the housing market is not being looked at.

The importance of measures affecting several sectors and regulatory areas is growing. This applies both to energy efficiency, renewable energies and climate protection, which in the building sector cannot be looked at separately anymore, as well as heat market, e-mobility, decentralized electricity generation and "smartness", including repercussions on the grids which influence each other.

GdW asks for more freedom for landlords in the production and usage of electricity from renewable sources in buildings. Moreover, GdW proposes to couple climate protection to a key indicator in the building sector and to aim for a "nearly-zero-greenhouse gasbuilding". At the same time, simple instruments should be developed that take into consideration the whole life cycle.

With all the requirements and impact assessments it is essential for affordable housing to take into account the gross-rent (including operating costs).

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<sup>&</sup>lt;sup>1</sup> Nikolas D. Müller, Andreas Pfnür (2016): Wirtschaftlichkeitsberechnungen bei verschärften energetischen Standards für Wohnungsneubauten aus den Perspektiven von Eigentümern und Mietern – Methodisches Vorgehen und Fallbeispiel. In: Andreas Pfnür (Hrsg.), Arbeitspapiere zur immobilienwirtschaftlichen Forschung und Praxis, Band Nr. 32.

In the following, GdW will make suggestions for modifications including explanations/justifications. The changes are marked in grey and the deletions or additions in bold.

#### **Proposed Amendment** Art. 8 Technical building systems Paragraph 3

3. Member States shall ensure that newly built residential buildings and those undergoing major renovations, with more than ten-parking spaces on the building's plot, include empty pipes the pre-cabling to enable the installation of recharging points for electric vehicles for every parking space. **The number** is to be defined by the member states in accordance with the building types, for example social housing. Member States shall ensure that in residential buildings undergoing major renovations,-including the electricity system, conditions are created such that, at the request of a tenant, charging sockets may be provided at the parking space on the building's plot. All charging sockets should only be normal charging

points.

#### **Justification**

The housing industry is willing and able to provide parking spaces and areas for their tenants' electro-mobility. An opportunity exists for housing companies to improve the attractiveness of their buildings and neighbourhoods through services of electromobility.

With general obligations for pre-cabling GdW fears stranded costs. This concerns especially modernization measures and rented buildings, and in particular affordable/social housing. No one can predict the technical innovations in the next 20 years. However, for new buildings the installation of empty pipes can be useful. Definition and extend of the design of a charginginfrastructure in buildings should be within the competence of the Member States.

A charging infrastructure for tenants concerns only private parking spaces in the underground car park and on parking spaces on the same property. Otherwise, they would have to cut across public roads which would cause problems with the German Energy industry law.

For private connections, the charging process is usually done via standard sockets (230 V, 16 A). Preparations for the charging of electric cars are made according to the 'technical guidelines infrastructure of the national platform electromobility' via empty pipes of a suitable diameter or via cables of suitable cross sections at the appropriate locations as well as spare space in the distributors. In this case it concerns only normal charging at a household or industrial socket (> 22kW). Rapid loading, however, requires considerable connection power of up to 300 kW

and more for a charging area. According to the above guideline, it should be noted, that already with a relatively small number of small power facilities the power limit of the local power supply can quickly be exceeded. Then a charging management will be necessary. If a separate connection to the low voltage or medium-voltage grid becomes necessary, this will considerably increase the costs for an electrical connection.

The prices for e-passenger cars being still high there is a rather low demand for them from the typical tenant in housing companies. Exceptions are in addition to housing owners, specific areas in large cities, for e.g. in Frankfurt/Main, Berlin, Munich, Hamburg, Cologne. There the same key / formula can not be used everywhere. The Commission should leave it up to Member States to decide the number of parking places, which require a prepared infrastructure, e.g. for social housing.

For normal charging points a later installation is possible at the request of tenants. The costs mentioned are between 500 EUR (only for a charging socket with a connection to the meter of the dwelling) and 2.000 EUR (including billing system and charge management).

The legal and economic conditions have to be created so that electricity for electro-mobility generated in or on buildings of housing companies can be made available. The prerequisite is the possibility of a "secondary economic activity" in addition to renting without that the commercial tax exemption for renting is put into question.

# Proposed Amendment Art. 8 Technical building systems Paragraph 5

5. Member States shall ensure that, when a technical building system is installed, replaced or upgraded, the overall energy efficiency performance of the complete altered parts of the system are is assessed, documented it and passed on to the building owner, so that it remains available for the verification of compliance with the minimum requirements set pursuant to paragraph 1 and the issue of energy performance certificates.

Member States shall ensure that this information is included in the national energy performance certificate database referred to in Article 18(3).

#### **Justification**

After a new measure, the energy efficiency of the modified parts should be documented. The unchanged parts should not be evaluated separately. For small changes this would be disproportionate and might hinder the implementation of the measure itself.

The reference to Article 18 (3) seems to be erroneous and should be deleted.

#### Proposed Amendment Art. 8 Technical building systems Paragraph 6

6. In coordination with Member States the Commission is empowered to adopt delegated acts in accordance with Article 23 supplement this Directive with a definition of 'smartness indicator' and with the conditions under which the 'smartness indicator' would be provided as additional information to prospective new tenants or buyers.

#### **Justification**

According to the current draft, the Commission is allowed to determine in a delegated act itself the identification of an "intelligence indicator". This is a complex mix of energy and tenancy law, which is regulated differently in each Member State. Therefore, the definition of an indicator should be carried out jointly with Member States. We urgently recommend that housing companies and property owners should be involved in the definition process.

#### Proposed Amendment Art. 10 Financial incentives and market barriers Paragraph 6

6. Member States shall link their financial measures for **major** energy efficiency improvements in the renovation of buildings to the energy savings achieved due to such renovation. These savings shall be determined by comparing energy performance certificates issued before and after renovation.

#### **Justification**

Energy performance certificates consider the whole building. An obligation to issue an energy performance certificate even for small-scale measures, in order to receive funding, would create a new major obstacle for these measures. The insertion of the word "major" would avoid this.

# Proposed Amendment Art. 10 Financial incentives and market barriers Paragraph 6a and 6b

'6a. When Member States put in place a database for registering EPCs it shall allow tracking the actual energy consumption of the buildings covered, regardless of their size and category. The data-

base shall contain the actual energy consumption data of buildings frequently visited by the public with useful floor area of over 250 m<sup>2</sup> which shall be regularly updated.

6b. Aggregated anonymised data compliant with EU data protection requirements shall be made available on request, at least for the public authorities for statistical and research purposes.';

#### **Justification**

The draft amendment does not impose an obligation on all Member States to set up data bases for energy certificates. In Germany there is at the moment only one database to register the numbers of the certificates in order to select a sample.

The proposal to take up in a central database a series of building data from energy certificates, including energy consumption, and to keep the data up to date, is from a practical point of view considered as catastrophic.

Who will ensure the accuracy? Who makes the corrections? Who pays for that? In Germany there are about 20 million residential buildings and about 3 million non-residential buildings. For practically all 3 million block of flats in Germany there are available energy audits. For this alone, an input (expenditure) of 10 minutes per certificate means 500.000 working hours – that is 250 years of work.

The housing industry views all the proposals, to give the energy certificates more weight, very critically. Energy certificates that are established as information instrument in connection to a tenancy, have to be strictly distinguished from results of an energy consultation (which can also include an energy certificate). Energy certificates for tenancy are not really (can't be) the result of a thorough energy consulting: they only provide a first rough information. When an investment takes place, a proper energy consultation needs to be made, otherwise there will be a malinvestment.

For a successful implementation of EPBD in the German housing industry we ask for considering our amendments.

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