

Position Paper

April 2012

EU political support for affordable, energy efficient & sustainable buildings

Housing policy – a European challenge

Member States have not conferred their competence on housing policy upon the European Union. However, according to article 4 of the Treaty on the Functioning of the European Union, the Union and the Member States share competences inter alia in the following areas:

Shared competences		TBE issues of concern
Economic, social and territorial cohesion Environment	→	Strategies for specific areas
Social policy (cf. art. 153 1. j) “the combating of social exclusion”)	→	Affordable buildings
Environment	→	Sustainable buildings
Energy (cf. art. 194 1. c) “promote energy efficiency and energy saving and the development of new and renewable forms of energy”)	→	Energy efficient buildings

“... even if the European Union has no specific competence in housing policy, it is necessary to explain the impact that European policy can have on housing, in view of i) the importance of housing in meeting the European Union’s major policy objectives as set out above (economic stability, efforts to combat climate change, and social inclusion), ii) the horizontal social clause laid down in Article 9 of the Treaty on the Functioning of the European Union and iii) Article 34 of the Charter of the Fundamental Rights;”¹

Therefore – while respecting the principle of subsidiarity - there is a need for increased political and financial support from the European Union for affordable, energy efficient and sustainable buildings. Different EU institutions have already discussed the issue of housing policy several times:

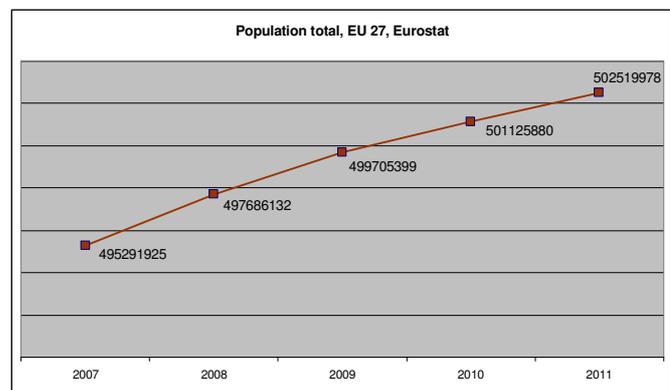
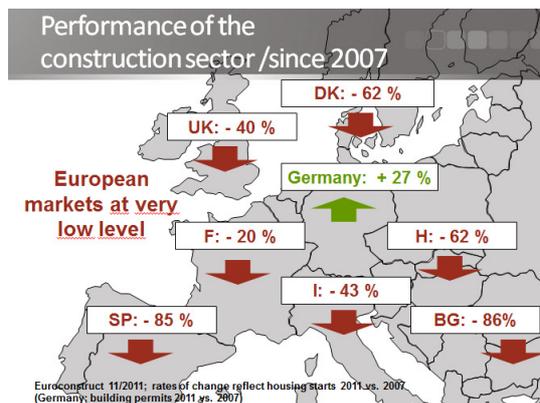
- European Parliament:
 - Urban Intergroup
 - E.g. Parliamentary questions on social housing policy
 - E.g. Motion for a resolution on an “EU homelessness strategy”
- European Commission:
 - E.g. State aid in the form of public service
- Council
 - E.g. Council conclusions on advancing Roma inclusion (-> inadequate housing conditions)
- European Economic and Social Committee
 - E.g. Own-initiative opinion “Problem of homelessness”
- Committee of the Regions
 - E.g. Own-initiative report “Towards a European Agenda for Social Housing”

¹ ECOS-V-014, Towards a European Agenda for Social Housing, October 2011

Housing in Europe

- Stimulation of housing starts

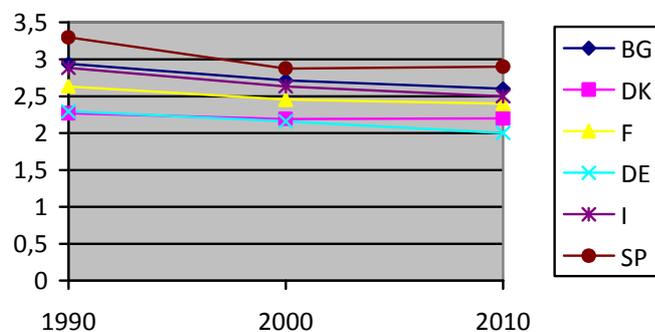
The European population is increasing, mainly due to migration. However, the need for dwellings is not only related to the increase of population but also to other social phenomena: the de-cohabitation of families, higher life expectancy and the shift away from multi-generation households as well as the significant increase of single households. The number of small households is constantly growing in Europe. However in nearly all European markets housing starts are at a very low level (2011 compared to 2007; Euroconstruct data 11/2011). This lack of new housings results in an increase of housing costs, but due to the current economic developments in the EU the financial power of people and families has been decreased. The current difficulties in obtaining financing facilities for young families (first time buyers) have a severe impact on the number of housing starts too. Therefore new residential construction should be stimulated, because living and housing should remain affordable.



Average number of people in each household, based on number of households divided by total population (Euroconstruct data 11/2011)

	1990	1995	2000	2005	2010
BG	2,936	2,81	2,716	2,63	2,6
DK	2,27	2,22	2,19	2,168	2,2
F	2,632	2,537	2,453	2,418	2,4
DE	2,293	2,215	2,158	2,099	2
I	2,886	2,736	2,633	2,614	2,5
SP	3,296	3,095	2,875	2,895	2,9

Average number of people in households



- **Importance of the housing and construction sector**

The construction sector, including new housing and renovation, makes a significant contribution to employment, GDP and the environment. Keeping this sector stable or revitalising it will therefore make an important contribution towards counteracting economic difficulties and achieving climate targets. Measures which are stimulating housing starts have many different positive effects:

a) Employment effects:

- > About 15% of all employments are related to the construction sector.
- > About 40% of all employments in the construction sector are related to homebuilding and refurbishment.
- > An additional EUR 1 billion of investment in housing would create up to local 12.000 jobs – these employment effects are a quarter higher than in private consumption and twice high as in export. Therefore investment in housing construction creates local jobs.

b) Economic effects

- > Public money invested in housing has an excellent return on investment due to different taxes and less unemployment benefits.

c) Environmental effects

- > Housing subsidies linked to energy efficiency targets can make a considerable contribution to the achievement of climate targets.

Performance of the construction sector before the economic crises 2000-2007

	Onsite construction	Construction materials producers	Professional construction services
Annual increase in number of enterprises	4%	1%	5%
Annual increase in number of employees	3%	1%	4%

Affordable buildings

- **The right to housing**

In its own initiative opinion on the problem of homelessness the European Economic and Social Committee underlines the right to housing: *“Article 34 of the EU Charter of Fundamental Rights states that: “(3) In order to combat social exclusion and poverty, the Union recognises and respects the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources [...]” and that: “The European legal framework for an ambitious social housing policy is in place (treaties, charters and international texts). Furthermore, the EU could coordinate efforts to encourage Member States to ratify the revised European Social Charter. [...] A major housing policy in Europe would fall within the scope of the major work projects generating jobs and well-being, which continue to be two of the goals of the European treaties.”*²

The Committee of the Regions highlights in its own-initiative opinion *“Towards a European Agenda for social housing”* that *“inadequate housing conditions have a significant impact on health and that providing better housing means that residents do not have to suffer the adverse effects of overcrowded, damp, cold and poorly ventilated housing; adds that a lack of housing is a source of both stress and distress adversely affecting the quality of life, health and wellbeing for individuals, families and society.”*³

- **Social responsibility: use of Structural Funds in underdeveloped areas**

The new legal requirements for buildings reflect the need for more ecological considerations. These would result in better living conditions. However it is questionable if this would be affordable for the entire EU population. A comprehensive housing policy should include the aspect of better integration through the prevention of unliveable housing conditions. Therefore Structural Funds should be eligible for new modern and energy-efficient buildings in economically underdeveloped areas in order to prevent social exclusion.

- **Affordability: lack of housing in prosper regions**

Need for new dwellings exist in urban regions where a significant part of the population is living and working. Therefore structural funds should not only be eligible for underdeveloped areas but also for urban development policies in all EU countries. For example new districts near large urban areas could be dedicated to housing projects to maintain the affordability of housing. Residential housing in the upper market is restarting but housing projects for the lower market hardly exist all over Europe. Additionally new dwellings remain necessary in tourist areas for local people too.

² SOC/408, Problem of homelessness, October 2011

³ ECOS-V-014, Towards a European Agenda for Social Housing, October 2011

- ***Social responsibility: Services of General Economic Interest***

The decision of the European Commission to exempt state aid for social housing projects from notification has been welcomed. However social housing policy should go beyond this initiative and should be considered as Service of General Economic Interest in each EU Member State. It is up to the social responsibility of Member States to offer affordable living conditions. The EU should give guidance through the adaptation of legislation, the adoption of guidelines and through the eligibility of funding for social housing projects.

Energy efficient and sustainable buildings

- ***New Buildings: new legal requirements require new funding possibilities***

The Energy Performance of Buildings Directive (EPBD)⁴ requires that “Member States shall ensure that by 31 December 2020, all new buildings are nearly-zero energy buildings.” The EPBD requirements are going in the right direction from an ecological view point but it is doubtful whether the implementation is economically feasible in all EU Member States. Therefore increased support from the EU is necessary: structural funds should remain eligible for energy-efficient renovation but at the same time also for new energy efficient buildings.

- ***Renovation***

The renovation of buildings has an important effect on the energy efficiency of buildings. We welcome the intention of the European Commission to earmark structural funds for energy efficiency projects. Many European cities consist of old buildings which need rehabilitation. For these buildings thermal renovation could result in rehabilitation.

- ***Rebuilding***

Furthermore in specific cases - according to a cost-benefit analysis including ecological and economical aspects - thermal renovation and the conversion of a building should be treated equally as demolition and rebuilding. Structural funds for energy efficient renovation should be open for energy efficient new construction in the case of rebuilding. Therefore rebuilding should be treated as renovation.

- ***Energy efficiency criteria / sustainable criteria***

Funds should be linked to energy efficiency and sustainable criteria as foreseen in the different EU legislations. This can provide a significant contribution towards achieving climate protection targets and towards reducing the dependency on fossil energy sources.

⁴ Directive 2010/31/EU, Energy Performance of Buildings Directive

TBE key requests

- Social housing recognised as Service of General Economic Interest / EU support and guidance for national social housing policy
- Stimulation of residential construction / increased EU support for affordable, energy efficient and sustainable buildings
- EU funds to support energy efficient renovation, new energy efficient and sustainable buildings and rebuilding (in specific cases) - consideration of these aspects in the structural funds programming period 2014-2020

Bricks and roof tiles

Clay is one of mankind's oldest working materials. Clay bricks and roof tiles form the basis of the European building tradition, along with the more recent blocks, pavers and façade cladding. Our industry provides sustainable construction products that link architectural heritage and energy efficient building solutions. Whether from ecological, economic or social aspects, clay building products constitute a sustainable option and have favourable life-cycle assessments with low environmental impact.

Clay masonry bricks and blocks are flexible in use. Through their mass, these products provide thermal inertia and create excellent living conditions and good indoor climate. Clay blocks are especially designed to be energy efficient in use and there has been a significant increase in thermal performance of products over the years. Our objective is to continue this trend in order to deliver efficient products that are manufactured with careful energy usage, controlled emissions and minimal waste.

Clay roof tiles come in a large range of formats, dimensions, colours and fittings. This great variety of products allows us to help preserve our regional architectural heritage across Europe. Clay roof tiles play a major role when it comes to renovation.

The last phase in a product's life cycle can become the first, if demolition is followed by recycling or re-use. Pavers and roof tiles are often reused.

Clay building products have a very long lifetime (at least 100-150 years), require little or no maintenance and help minimise heating and cooling costs; they therefore provide optimal economic performance. Buildings made from clay building products have a very positive environmental footprint over their lifetime. Furthermore they have an excellent performance regarding the indoor air quality of a building. Last but not least, clay buildings are characterised by a high resistance to fire, exceptional anti-seismic properties (earthquake resistance), sound protection and the ability to balance humidity.

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