European Strategy for Housing Construction:
Response to Call for Evidence by the European Environmental Bureau

Summary

Founded in 1974, the European Environmental Bureau is Europe's largest network of environmental citizens' organisations with over 190 member organisations in 41 countries, representing some 30 million individual members and supporters.

The EEB welcomes the announcement of the European Strategy for Housing Construction (ESHC) and appreciates the opportunity to provide evidence on the topic. Aside from the central role that housing plays in everyone's lives and wellbeing, as well as the construction industry's importance for employment, the building sector **remains the most environmentally impactful sector within the EU**. Almost one-third of Europe's environmental footprint comes from buildings, 42% of the EU's annual energy demand, and around 33% of Europe's waste.

First and foremost, we seek to highlight the fact that simply increasing the supply of buildings is not enough to address the affordability crisis that Europe is facing: Between 2011 and 2022, the number of **dwellings per capita in the EU has actually increased, meaning that construction has more than kept up with population growth**. Yet, in the same decade, property prices have increased by 50%. Specific measures to ensure affordability and tackle homelessness are needed, such as increasing social housing and addressing increased inequalities and the financialisation of housing.

Then, to increase the supply of sustainable and affordable homes, we underline the importance of making use of the enormous potential that lies within a **better use of the existing building stock**: around **47 million dwellings are estimated to be vacant** in Europe according to FEANTSA, and one-third of Europeans live in under-occupied dwellings. A recent study finds that the **existing European building stock holds potential to house an additional 100 million people**, that is, 23% of the EU population. Therefore, we would like to highlight the following seven priorities to ensure that Europe's homes are built to last, meet residents' needs, and don't cost the Earth:

1. Prioritise increasing the housing supply by making **better use of existing buildings**, as well as **renovating and retrofitting** rather than demolishing and building new to leverage the potential of the existing building stock, avoid the material cost and impact of new construction, and create local employment in renovation and retrofitting.

2. When new construction is necessary, ensure that it **meets the needs of the population, remains affordable over the long term, and serves to tackle homelessness** to ensure that both financial and material resources are used to create long-lasting value for communities.

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3. When new construction is necessary, promote **zero-pollution, circular, climate-adaptive construction** to create a long-lasting, healthy and high-quality built environment that does not lock residents into high energy bills.

4. Align the ESHC with the **Circular Economy Act and Waste Framework Directive** to enable reuse as well as improve the access to high-quality secondary materials.

5. Support the **uptake of low-carbon construction materials** for more sustainable construction.

6. **Leverage public procurement** to ensure that the 34% of the EU's procurement spent on construction serve to enable innovative and circular construction solutions.

7. **Facilitate innovation and digitalisation** by removing the obstacles that construction companies and construction product manufacturers face when scaling up sustainable innovation.

Recommendations

1) Prioritise increasing the housing supply by making better use of existing buildings, as well as renovating and retrofitting rather than demolishing and building new:

- Improve data availability on building use to inform policies to tackle vacancies and under-occupation.
- Earmark specific funding for retrofitting to increase the supply of housing and scale up financing for renovations in particular for most vulnerable households.
- Promote VAT reductions and other tax measures to incentivise renovations and retrofits.
- Support renovation and retrofitting by encouraging local authorities to adapt planning regulations that currently push for new construction,
- Mandate the creation of standards as well as creating standards to streamline renovation and retrofitting.
- Introduce binding incentives for energy-efficient renovations, including mandatory deep renovations in publicly funded projects and fiscal support for private owners undertaking high-efficiency retrofits, with socially tiered support schemes to ensure that low-income and vulnerable households benefit the most.
- Ensure strict enforcement of minimum energy performance standards during renovation to avoid lock-in of inefficient building stock.

2) When new construction is necessary, ensure that it meets the needs of the population, remains affordable over the long term, and serves to tackle homelessness:

- Prioritise the construction of social and public housing to expand as an essential infrastructure, e.g. by introducing a minimum of proportion of social housing (as required e.g. by the Loi Solidarité et Renouvellement Urbain in France).
- Enable construction through organisations of non-profit housing models (e.g., cost-rental, social rental agencies, community land trusts, cooperatives), rather than relying on private sector and profit-oriented housing.
- Integrate accessibility standards for people with disabilities and ageing populations in all new social housing projects.
- Include climate resilience and energy affordability as criteria for public housing allocation.

3) When new construction is necessary, promote zero-pollution, circular, climate-adaptive construction:

- New construction should be zero-emission buildings (ZEBs) as per the EPBD, as well as adaptive and resilient to changing climates, to ensure decent living conditions and avoid locking residents into high energy bills.
- New construction should be designed to be modular and adaptable to changes in needs of the inhabitants in the years to come. Further, it should be adapted to the needs of the neighbourhood and complement existing buildings (e.g., in areas with high rates of underoccupancy, the construction of smaller residential units could allow residents to relocate from oversized to right-sized apartments dwellings while staying in the familiar neighbourhood, thereby freeing up larger apartments).
- New construction should integrate circularity principles such as design for disassembly and modularity, as well as reuse buildings components as much as possible
- New construction should comply with EPBD requirements for whole-life carbon assessments and reporting, and member states should be encouraged and receive support to set ambitious limit values in their national roadmaps to decrease whole-life carbon. This is crucial to ensure the use of low-carbon building materials, including concrete, steel, and insulation materials.
- Promote on-site renewable energy generation and passive building designs as standard for all publicly funded housing projects.

4) Align the ESHC with the Circular Economy Act and Waste Framework Directive to enable reuse as well as improve the access to high-quality secondary materials:

- Replace the WFD combined target for reuse, recycling and other material recovery for CDW by separate, material-specific targets for reuse and recycling.
- Introduce concrete and binding measures to facilitate reuse and preparation for reuse, such as a ban on demolition without proper end-of-life planning (e.g., mandatory pre-demolition audits, source separation of materials).
- Further instruments include Extended Producer Responsibility for construction products, fiscal instruments to level the playing field between secondary and primary materials, and establishing standards for secondary raw materials to facilitate their uptake on the market.
- Assess the impacts on resource use and prioritise measures that facilitate resource use reduction.

- Introduce mandatory traceability of recycled content in construction materials to ensure transparency and compliance.

5) Support the uptake of low-carbon construction materials:

- Revise the standardisation process for cement in the CPR from a recipe-based approach (from setting minimum clinker content) to a performance-based standardisation approach, which satisfy essential technical functions as well as high level of climate environmental and human health protection. The lack of standardisation for many low carbon innovative solutions leads to high costs for research, innovation and alternative certifications which reflect in a high cost of such products. Addressing this issue can ensure that low carbon, innovative alternatives to cement (and therefore concrete) are available quickly with comparably less costs.
- Promote a higher scrap content in construction steel (e.g. in structural rods) produced in Electric Arc Furnaces powered by renewable electricity, through the ESPR among others.

6) Leverage public procurement:

Over 34% of all procurements in the EU are in the construction sector. The potential for public procurement is to drive reductions of environmental and social impacts in the sector is unmistakably high. The construction sector has a high share of waste in the EU. Circularity in construction may very well be one of the routes to achieve net zero in construction industry. Apart from circular cements[1] or low carbon concretes made from CDW, a lot of potential exists for structural elements and other recovered building products. Contracting authorities can use LCA's[2] covering the full scope of environmental impacts from production to end of life (Module D) to identify circular products and promote its use in the products, works or services they procure.

Circular procurement approaches including rapid circular contracting, a new approach being pioneered in The Netherlands and fast growing across the EU, is a process where the contracting authority sets the circularity requirements of the project and engages with extensive market consultations to refine the final conditions of the contract. This approach allows innovations and affordable circular solutions to be quickly implemented.

7) Facilitate innovation and digitalisation

There are significant obstacles that construction companies and construction product manufacturers face when scaling up innovation, notably burdensome technical regulations and the absence of

[1] https://freement.nl/home/

[2] LCA standards like EN 15804 (product level) and EN 15978 (project level)

harmonised standards for construction products — in particular for offsite and modular solutions — which impede cross-border market access and the growth of European offsite manufacturers.

- Support digital construction logbooks and mandatory BIM (Building Information Modelling) standards for public projects to enhance traceability, circularity, and efficiency.
- Promote EU-wide standards for offsite construction to reduce market fragmentation and facilitate cross-border deployment of modular building technologies.

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