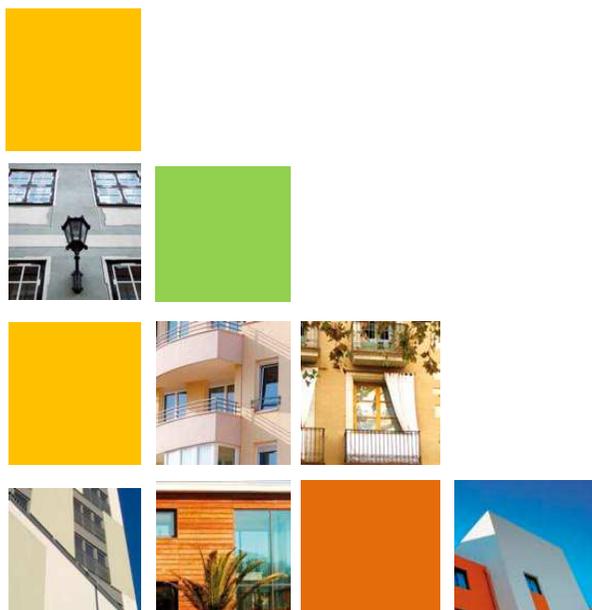




Conseil Européen des Professions Immobilières
(European Council of Real Estate Professions)

A Guide to the Recast Energy Performance of Buildings Directive



This guide has been prepared for CEPI member associations to assist them in monitoring the implementation of the recast Directive on the Energy Performance of Buildings. It refers to points which are likely to be of practical importance.

The recast Directive extends and develops the terms of the original Directive which will already have been implemented in most Member States. This means that it is important to be aware of the national implementing legislation for the original Directive which will have to be reviewed and amended as necessary to comply with the recast.

Additional sources of information are listed in Annex A. Several other European directives in the field of energy efficiency impact on the building sector are listed in Annex B.

The Guide...

The new Directive 2010/31/EU on the energy performance of buildings was published on 18 June 2010 and came into force on 8 July 2010. It will now have to be implemented in all EU Member States. In the medium to long-term it will have an impact on buildings and consequently the property market.

This guide aims to assist CEPI members in monitoring the implementation of the recast Directive. It refers to points which are likely to be of practical importance and serves as a point of reference as to some important aspects of the new Directive.

What does the recast mean for property professionals?

Property professionals are already aware of the provisions of the original 2002 Directive on the energy performance of buildings. The implementation of this earlier Directive proved difficult in a number of Member States and it did not realize the necessary energy savings. Because so many changes have been made to the original, a "new" version of the Directive has been passed, so that where there are changes it is those new provisions which will have to be implemented. Making sure that all the requirements are correctly implemented will be a considerable task.

We encourage you to monitor developments in your own country as to the implementation of the Directive. Being aware of how this is being done will enable you to discuss concerns with your own national authorities as well as to refer to the CEPI Secretariat any aspects which need to be reviewed at a European level. This guide aims to serve as a point of reference as to some important aspects of the new Directive.



What are the most important changes in the new Directive?



- The Directive introduces the concept of "**nearly zero**" energy buildings (or buildings with a very high energy performance).
- All buildings built after **31 December 2020** must have high energy-saving standards and be powered to a large extent by renewable energy.
- By the end of 2018 the **public sector** must own or rent only buildings with high energy-saving standards and promote the conversion of existing buildings to "nearly zero" standards.
- Member States must draw up **national plans** for increasing the number of nearly zero buildings, and, by mid-2011 make a list of financial and other incentives for the transition (technical assistance, subsidies, loan schemes and low interest loans).
- Existing buildings will have to improve their energy performance after **major renovations** (if technically, functionally and economically feasible). Member States must encourage owners to install smart meters and replace existing heating, hot-water plumbing and air-conditioning with high-efficiency alternatives such as heat pumps or renewable based systems.
- Member States will have to establish a **certification system** to measure the energy performance of buildings. Energy performance certificates will be required for any buildings constructed, sold or rented out to a new tenant, and for buildings where over 500m² (reducing to 250m² after five years) will be occupied by a public authority and frequently visited by the public.
- **Energy performance certificates** will have to provide recommendations for improvement and may also include additional information such as annual energy consumption and percentage of renewable energy in total energy consumption.
- By 2011 the European Commission should develop a voluntary common **European certification scheme** for the energy performance of non-residential buildings.
- When buildings or building units having an energy performance certificate are offered for sale or rent the energy performance indicator must be included in advertisements.

What are the most important concerns for the implementation of the Directive?

When considering how the Directive will be implemented there are important questions which will concern property professionals. We consider these by reference to the relevant articles of the Directive.

What is meant by zero energy buildings?

Article 2 (2) of the Directive contains the following definition:

"nearly zero-energy building" means a building that has a very high energy performance as determined in accordance with Annex I. The nearly zero or very low amount of energy required should be covered to a very significant extent by energy from renewable sources, including energy from renewable sources produced on-site or nearby. Annex I establishes a common general framework for the calculation of energy performance of buildings (see below).

What is meant by 'major renovation'?

Clearly it is important to understand what is meant by major renovation and here the Directive gives Member States a choice. They may choose to define a "major renovation" either in terms of a percentage of the surface of the building envelope, or in terms of the value of the building.

Article 2 (10) of the Directive contains the following definition:

"major renovation" means the renovation of a building where:

- (a) the total cost of the renovation relating to the building envelope or the technical building systems is higher than 25% of the value of the building, excluding the value of the land upon which the building is situated or
- (b) more than 25% of the surface of the building envelope undergoes renovation.



What are the minimum energy performance requirements?

Article 4 of the Directive requires Member States to take the necessary measures to ensure that minimum energy performance requirements are set with a view to achieving cost-optimal levels in accordance with the methodology referred to in Article 3 of the Directive. When setting the requirements Member States may differentiate between new and existing buildings and between different categories of buildings, and take into account local conditions and the designated function and age of the building.

Article 3 of the Directive requires Member States to apply a methodology for calculating the energy performance of buildings as set out in Annex I of the Directive. This establishes a common general framework:

- the energy performance of a building shall be determined on the basis of the calculated or actual energy that is consumed in order to meet the different needs associated with its typical use;
- the energy performance of a building shall be expressed in a transparent manner and shall include an energy performance indicator and a numeric indicator of primary energy use taking into account European standards;
- the methodology must take into consideration as a minimum certain aspects including the thermal characteristics of the building and the positive influence of aspects including local solar exposure conditions and electricity produced by cogeneration.

Member States are able to exclude certain categories of buildings from these requirements, such as buildings of historic merit, those used for religious worship, temporary buildings designed to be used for two years or less, residential buildings used for less than four months of the year and stand-alone buildings with a total useful floor area of less than 50 m².

What are the requirements for new buildings?

For new buildings Member States must ensure that they meet the minimum energy performance requirements set out in Article 4 and ensure that, before construction starts, the technical, environmental and economic feasibility of high-efficiency alternative systems, if available, is considered and taken into account.



What are the requirements for existing buildings?

For existing buildings, Member States must take the necessary measures to ensure that when buildings undergo major renovation, the energy performance of the building or the renovated part thereof is upgraded in order to meet minimum energy performance requirements in accordance with Article 4 in so far as this is technically, functionally and economically feasible. Those requirements are to be applied to the renovated building or building unit as a whole. They can also be applied in addition, or as an alternative, to the renovated building elements that form part of the building envelope and have a significant impact on the energy performance of the building envelope when they are replaced or retrofitted. Member States are to encourage the consideration and taking into account of high-efficiency alternative systems, as far as technically, functionally and economically feasible.



What financial assistance is to be made available?

Financial incentives are necessary to improve the energy performance of buildings and Article 10 provides that Member States shall take appropriate steps to consider the most relevant such instruments in the light of national circumstances. The effectiveness of those measures will be reviewed by the Commission.

The measures put in place at EU level to stimulate energy efficiency-related measures are set out in Recital (17) of the Directive and include the Regulation on the European Regional Development Fund (structural fund) which has been amended to allow increased investments in energy efficiency in housing, ELENA (European Local Energy Assistance) and funding by the European Bank for Reconstruction and Development. The Directive emphasises that such funds could play an important role in the development of national, regional and local efficiency funds, instruments or mechanisms, which deliver such financing possibilities to private property owners, to small and medium-sized enterprises and to energy efficiency service companies.

What changes need to be made to energy performance certificates?

To be effective, energy performance certificates need not only to give clear information about the actual energy efficiency of the building but also what needs to be done to improve it. This is something which the new Directive addresses.

Article 11 provides that the energy performance certificate shall include recommendations for the cost-optimal or cost-effective improvement of the energy performance of a building or building unit, unless there is no reasonable potential for such improvement. The recommendation may provide an estimate for the range of payback periods or cost-benefits over the economic lifecycle of the building.

The energy performance certificate shall also provide an indication as to where the owner or tenant can receive more detailed information, including the cost-effectiveness of the recommendations made. The evaluation of cost effectiveness is to be based on a set of standard conditions, such as the assessment of energy savings and underlying energy prices and a preliminary cost forecast.

Article 12 provides that an energy performance certificate must be issued for:

- (a) buildings or building units which are constructed, sold or rented out to a new tenant; and
- (b) buildings where a total useful floor area over 500 m² is occupied by a public authority and frequently visited by the public (until 9 July 2015 when the threshold will be reduced to 250 m²).

When a building or building unit is constructed, sold or rented out, the energy performance certificate or a copy thereof is shown to the prospective new tenant or buyer and handed over to them. Where a building is sold or rented out in advance of construction, Member States may require that the seller provide an assessment of its future energy performance, with the certificate to be issued once the building has been constructed.

When buildings or building units having an energy performance certificate are offered for sale or rent the energy performance indicator must be included in advertisements.



What requirements are there for the inspection of heating and air-conditioning systems?

Article 14 provides that Member States must impose the necessary measures to establish a regular inspection of the accessible parts of systems used for heating buildings with boilers of more than 20 KW. If an electronic monitoring and control system is in place inspections may be less frequent or stringent. Member States may set different inspection frequencies depending on the type and effective rated output of the heating system. Heating systems with boilers of more than 100 KW shall be inspected at least every two years, extended to four years for gas boilers.

As an alternative to these provisions Member States may choose to take measures to ensure the provision of advice to users concerning the replacement of boiler, other modifications to the heating system and alternative solutions to assess the efficiency and appropriate size of the boiler.

Article 15 provides for member States to lay down measures to establish a regular inspection of the accessible parts of air-conditioning systems of an effective rated output of more than 12 KW, again with the possibility of different frequencies of inspection depending on the type and effective rated output of the air-conditioning system. As an alternative, Member States may choose to take measures to ensure the provision of advice to users.

In the case of both heating and air-conditioning systems an inspection report must be issued and handed over to the owner or tenant of the building.



Who will carry out the inspections?

For Article 17 provides that Member States must ensure that the energy performance certification of buildings and the inspection of heating and air-conditioning systems are carried out in an independent manner by qualified and/or accredited experts. Experts shall be accredited taking into account their competence and Member States shall make available to the public either regularly updated lists of qualified and/or accredited experts or regularly updated lists of accredited companies which offer the services of such experts.

Article 18 requires Member States to establish an independent control system (as set out in Annex II). This requires the competent authorities to make a random selection of a statistically significant percentage of all the energy performance certificates issued annually and subject those certificates to verification.

What penalties are there?

Article 27 provides that the Member States shall lay down the rules on penalties applicable to infringements of the national provisions adopted pursuant to this Directive. The penalties must be effective, proportionate and dissuasive. These provisions must be communicated to the Commission by 9 January 2013 at the latest.

What is the timescale for implementation of the Directive?

The Directive sets a number of deadlines. Most of the Directive must be implemented by 9 July 2012, to be applied by 9 January 2013 and 9 July 2013 depending on whether or not the building is occupied by a public authority. The application of Articles 12 (1) and (2) (on energy performance certificates) to single building units that are rented out may be deferred until 31 December 2015, however this must not result in fewer certificates being issued in that Member State than would have been the case under the original version of the Directive.

Conclusion

The new Directive makes some important changes which will affect the property market because of their impact on buildings. Therefore it is important to pay close attention now to the way in which these measures will be implemented. CEPI member associations are encouraged to consider carefully how best the measures can be adapted to their particular national circumstances and are of course invited to direct any questions they may have about European legislation to the CEPI Secretariat.



For further information about the contents of this guide and also CEPI and its activities please refer to www.cepi.eu or contact us :

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