

### **All for the energy performance of buildings**

Under the European Green Deal, a new European Directive for Energy Performance of Buildings is available for public consultation, which obliges Europe to carbon neutrality until 2050, by means of reducing the greenhouse gases by 55% until 2030. Both the construction and real estate industries are targeted, considering that the buildings are responsible for 40% of the energy consumption in the EU and for 36% of the greenhouse gases; 75% of the existing building stock is energy inefficient and only 1% of the buildings is subjected to energy efficient rehabilitation works.

Some of the most significant great news in the short term are, for instance, the obligation for new buildings to be "zero carbon ready" until 2030, from *NZEB* buildings to buildings with "nil net emissions", or even the obligation to implement energy rehabilitation of buildings with the worst performance on the occasion of a new one or of a lease renewal, or even reinforcement of minimum requisites for inclusion of electric chargers and photovoltaic power systems in new buildings or rehabilitated buildings.

To review all this, I really must start by mentioning that we applaud and salute the effort which is asked to everyone of us to reach the carbon neutrality goal in Europe, and consequently the improvement of the energy performance in all our buildings, and we can also testify that the national real estate developers are strongly committed to fight the building's energy poverty and foster the industry's decarbonization.

However, I believe that, with very ambitious goals, tight and for a short period of time (2030 entails a scarce nine years period to improve the processes, which is difficult in an area that equates its activity 5, 10, 15, 20 in the future) it is essential to be cautious in a sense of keeping realistic goals, feasible, and above all that will not undermine our current efforts to create affordable housing to the Portuguese and stimulate the existing rental market.

And if this is not a problem for the high end residential real estate, as all the new or rehabilitated buildings have high energy performance, with excellent efficiency levels, this becomes an issue to enable residential projects for lower classes, with a particular concern in terms of offer for the medium classes. This is precisely the issue that requires careful reflection, creating new requirements and adopting minimum requirements, specially in a sector already overburdened with rising costs of raw materials and construction, and victim of an excessive taxes, a sector in which the context costs, specially red tape costs, delays in licensing, legislative and tax instability

or scarcity of land and buildings available to build or rehabilitate, and therefore associated to the rising costs of the existing land and buildings placed on the market, increase even more the production costs and impair the onset of many projects for the medium class.

Thus, it is essential that each Member-State shows some flexibility in transposing the Directive and meet the reality of each country (one cannot expect from Portugal the same that is expected from Germany, or France, for instance, otherwise we will stay behind). Internally, we must readjust the national laws to the new requirements. We cannot have a Community imposition that compels us to adopt more photovoltaic solutions while the national regulations in many historic centers bans these solutions nor can we be compelled by the EU to install electric chargers in every parking lot when the national laws virtually impair them.

Otherwise, several projects, namely affordable housing for the Portuguese people, might never materialize and, therefore, fewer new projects will be the same as lower building's energy performance.

The conditions must be created by fostering more green real estate projects. One good solution would be the creation of alternative, green, low-interest funding lines or revitalization of the Green Bonds market, so popular in Europe, both by private approaches and the capital market, and public approaches, channeling European Green Deal, RRP, ELPRE and Development Bank funds.