

JOURNAL

PROJECT

EPIU - Energy Poverty
Intelligence Unit

📍 Getafe, Spain

TOPIC

Urban poverty

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The complexity of energy renovation at the domestic level in Spain.

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The European Renovation Wave initiative is a crucial response to the pressing issue of energy poverty. The initiative is built upon the national long-term building renovation strategy, aspects of the Directive on Energy Performance of Buildings, and building-related aspects of each EU country's national energy and climate plans (NECPs). With a staggering 40 million Europeans unable to heat their homes, the urgency for renovations is clear. Despite the existence of EU and national frameworks, the problem of renovation and energy poverty persists at the local level, necessitating promotion and incentivisation at this crucial level. Initiatives like EPIU – Energy Poverty Intelligent Unit champion practical solutions to drive energy renovations.

The mobilisation of Next Generation funds for energy renovation has catapulted energy demand reduction in housing to the forefront of homeowners' association meetings. This presents a significant opportunity that should not be overlooked. The current landscape offers a unique situation: highly favourable regulations for the energy refurbishment of buildings, including simplified owners' association agreements, attractive taxation, and excellent financing options. These benefits are designed to facilitate energy renovation at the domestic level and provide tangible benefits to homeowners and associations.

Despite the favourable conditions, the reality is that many homeowners are not prioritising energy renovation. They opt for conservation works to address their buildings' technical inspection deficiencies. The reasons for this are varied, but one common thread is the lack of tools and guidance. Homeowners are grappling with the complexity of these projects, which is leading to a focus on conservation-based refurbishments while energy refurbishment is being overlooked. This highlights the need for support and guidance in navigating these projects.

At the same time, a large part of the first applications for funds for energy refurbishment in Spain came from single-family dwellings, which is another sign that something is not working. Apart from the financial barrier, access to information and the complexity of EU agreements may be behind this reality.

What explains this situation?

Although not having the magic wand to know precisely why energy renovations are not widely activated, some aspects can help to understand this low demand for energy renovations in multi-family residential buildings:

Citizens lack knowledge of the scope of the concept of energy refurbishment and confuse it with conservation works.

Traditionally, refurbishment has been approached from the perspective of accessibility and conservation, and this is how it is conceived in the public imagination. Therefore, when energy renovation is mentioned, households often equate it with conservation works and do not consider that they are different things.

Stakeholders are often not well informed, this is why it is common to hear about Next Generation funds applied for purely conservation refurbishments.

It is therefore essential to raise awareness and explain that, with energy renovation, it is possible to reduce energy demand (and thus supply bills), increase the value of the property, and improve comfort in homes. This enhances our quality of life and state of health and contribute to combating climate change. Projects like EPIU in Getafe supported neighbourhoods in the renovation process and provided tailored solutions to reduce energy demand and improve comfort.

Professionals also lack comprehensive knowledge of energy renovation.

The construction, real estate and property management sectors have traditionally been fragmented. While an architect dominates the project, refurbishment companies control the execution and property administrators manage the processes. This leads to a very high degree of specialisation but presents limitations when the relationship with the citizen is considered. It may be the case that technicians explain the best technical solutions for energy refurbishment very well but are not so good at taxation, which means that the citizen does not receive a global and integral vision of the opportunity that energy refurbishment represents. Also, due to inertia and lack of knowledge, many requests for refurbishment projects and budgets are limited to conservation parameters, so the owner cannot assess the energy refurbishment option.

Comprehensive training proposals for professionals would greatly help them gain confidence and knowledge in cross-cutting aspects of energy refurbishment. Thanks to EPIU, professionals and other stakeholders have gained extensive expertise in the energy renovation arena.

Information on energy renovation exists, but it is not accessible to all.

Information on energy renovation is available in different ways: websites, information points, etc., but it is not as digestible as a non-technical citizen's needs. Similarly, the technical, legal and financial language in which the information is presented means that, for example, vulnerable groups face an extra barrier in accessing information.

The Healthy Households Office (OHS) in Getafe is an excellent tool for digesting and providing information to citizens, but unfortunately, it does not exist in many municipalities in Europe.

Despite the funds and the excellent taxation and financing, the financial barrier exists.

Indeed, there has never been such favourable legislation to promote energy refurbishment, that there are many subsidies available for them, that taxation is in favour (VAT not imputable to personal income tax, 60% tax relief...), and that there are exciting financing conditions, but the truth is that the owners' associations, the neighbours, have to advance the cost of the investment, which makes energy refurbishment more difficult. Undoubtedly, an energy refurbishment brings an improvement but also requires a higher investment than essential conservation refurbishment.

Homeowners' associations are lack specialised knowledge and have faced the most significant challenges since incorporation with few tools.

Anyone who has attended a householder's meeting will agree that they are complex spaces in which to make decisions. Many residential buildings in Spain are showing severe deficiencies in their buildings' technical inspections (ITEs), forcing them to address conservation rehabilitation as soon as possible. This challenge is already enormous as it has technical, legal and financial implications that the average neighbour is unaware of and has to decide on. In some cases, where the lack of knowledge is total, they ask for quotations and projects for the specific need to cover the deficiency and receive only conservation rehabilitation options. In other cases, both options are evaluated. Still, the option with energy renovation represents a significant investment and more complex management requirements. This tips the balance of the improvement that an energy refurbishment represents at all levels.

One of the priorities of stakeholders (public administration, property managers, etc.) should be providing communities with technical, legal, financial, and community tools and support services to understand the multiple benefits of energy refurbishment. Services, such as the Healthy Households Office (OHS), are needed in every corner of Europe. If we want to reach the Renovation wave objectives, we should offer services to the community and not only individuals.

The complexities and bureaucracy of administrations at all levels make energy refurbishment difficult.

Responding to such a complex management of funds is a barrier for many homeowners' associations that are not professionalised. Regarding management, timing, deadlines for resolving calls for proposals, collection of subsidies, etc... In addition, licences, by-laws, etc. limitations make assessing energy refurbishment challenging in many cases.

We are facing an essential but well-identified challenge. By addressing each complexity, it is possible to change

the model in the culture and management of renovation to include the energy sector and thus improve the quality and comfort of housing while reducing the use of fossil fuels and pollutants.

More on EPIU

The project will be running until 2023, so stay tuned to know how it is progressing on EPIU's website: <https://hogaressaludables.getafe.es/en/>

Or social media channels:

YouTube: <https://www.youtube.com/channel/UCaE9esoYPZng6jW3bXk7yng?>

Instagram <https://www.instagram.com/epiugetafe/>

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