



GTR 2014 REPORT

**NATIONAL STRATEGY FOR
BUILDINGS' RENOVATION**
Key Steps to Transform Spain's
Buildings Sector

Executive Summary

2014 is a critical year for Spain, and Europe, for energy efficiency and buildings renovation. It is worth noting that Spain currently spends about € 60 billion a year on primary energy and a third of this is used in buildings. In 2014, the Energy Efficiency Directive (EED) mandates Member States to publish a Strategy for Buildings Renovation that encompasses well defined energy efficiency objective. After three years of research and two published reports, the experts forming the Buildings Renovation Working Group (GTR) wish to support this process by providing their proposed "Renovation Strategy" and keys to transform Spain's Buildings Sector.

Energy efficiency is key to balance Spain's trade deficit

Paradoxically, energy efficiency is not currently a strategic priority for Spain, even though it could offer vast economic benefits to a country that is 76% dependent upon foreign sources of energy. Spain's current fiscal deficit is largely an energy problem and the energy efficient rehabilitation of Spanish buildings is part of the solution and can generate significant energy savings, jobs and other important economic, social and environmental benefits.

Energy Efficient Renovation of 10 million Spanish homes by 2050 can create 150,000+ jobs

In 2012, GTR published an Action Plan for the energy efficient renovation of 10 million Spanish principal dwellings built before 2001 and estimated that this residential buildings transformation would create 150,000+ new stable quality jobs. This third report offers key pointers to make the renovation of the sector viable with changes in the regulatory, financial and operational structures.

Creating a new job in buildings renovation costs less than maintaining a person unemployed

Buildings renovation is an excellent job creation opportunity for Spain. GTR's third work suggests that the amount of public investment required to create each new job in the buildings rehabilitation sector for home refurbishment is between €13,500 to €14,500 per year, which compares favourably to the €19,991 estimated annual cost of supporting an unemployed person.

In 10 years Spain can save up to 50 % of the energy used in office buildings.

One of the relevant features of this report is the assessment of opportunities for rehabilitation in the tertiary sector. The types and energy consumption patterns in the Spanish non-residential sector (offices, shopping centres, hotels, sports centres etc.) have been studied. We believe that investments in non residential buildings can be repaid in just 10 years as a result of energy savings of 35- 50%, with the highest savings percentages in hospitals and offices.

Three key instruments: a Roadmap, a Rehabilitation Agency and a National Fund for Buildings Renovation

The report analyzes the current regulatory framework in conjunction with the new features of the Energy Efficiency Directive (EED). GTR recommends three new instruments to activate the new buildings renovation sector: a Roadmap to connect the different Sector stakeholders to deliver the transformation of Spanish buildings, A Rehabilitation Agency to manage and coordinate the state's Roadmap, and a National Fund for Buildings Renovation that includes different financing sources and enables and facilitates their availability.

The energy efficient renovation of Spain's buildings can create a market of €2 to €10 billion per annum

The energy rehabilitation of buildings can create a new market that generates between €2 to €10 billion per annum from 2014 to 2050. In this report the main financial barriers are analyzed and five new funding

sources are identified that are required to work together to deliver the ambitious road map for the long-term transformation of buildings in Spain.

A new business model for the rehabilitation of multi-family homes can revalue them by up to 10%

A new business model could revolutionize the energy efficient renovation of Spanish multi-family homes. In this new model a key factor is the “Green Premium”: defined as the increase in home value which occurs among those which have been renovated and are more energy efficient. GTR proposes a new simpler business model that shares costs and benefits, where investments would be covered by savings of heating -45%-, savings of domestic hot water -8%-, public support -25%- and the owner’s contribution -22%, which can be as little as € 6,000.

This report has been prepared by:

Albert Cuchi *Universitat Politècnica de Catalunya. Barcelona Tech*



Peter Sweatman *CEO of Climate Strategy & Partners*



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