



# CECODHAS Housing Europe Symposium

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***Speech Kurt Eliasson, President of CECODHAS Housing Europe  
on the occasion of the Fair Housing Transition Symposium***

The housing providers represented by CECODHAS Housing Europe work every day in partnership with the construction sector. In order to do our job properly we rely heavily on the performance of the construction Sector. Therefore we very much welcome this initiative of DG Enterprise to stand back and conduct a critical appraisal of the sector. This process can help to ensure that we can better serve the **changing societal needs** now and in the future.

**So, what are those needs we can see now and those which are emerging?**

Housing needs vary from neighborhood to neighborhood, region to region and Member State to Member States. Despite these differences there are some common trends. I will consider 4.

**Firstly, the need for more affordable construction and renovation services.**

While in many areas, refurbishment of existing stock and use of empty housing are top priority, the need for new homes is also clear in many regions. We estimate that approximately 40 million new homes are needed across the EU. Currently the cost of delivery is too high. **An increase in competition is sorely and urgently needed to exert a downward pressure on prices.**

I can speak from the Swedish experience. SABO is the Swedish Association of Public Housing Companies which house 1 in 7 Swedes. In Sweden we are faced with unsustainable construction prices. We have established that it is 30 % more expensive to build in Sweden compared to our neighbor country Finland. This is due to a number of factors. One is bureaucratic procedures. Another the lack of competition in the construction sector with only a small number of suppliers delivering most of the contracts.

However, as a national federation we have decided to tackle this obstacle head-on. We have coordinated a competition among developers to come up with high-quality affordable and energy performant house for a maximum cost of 12 000 SEK (1 350 Euro) per square meter excluding land costs and VAT. **This national template design will also serve to reduce investment costs for our members but not reduce the quality of the housing they deliver.** It will be constructed in small numbers all over Sweden as an illustration of what can be done at an affordable price. It is possible to build new houses **if** the

construction sector work competitively and maintain their prices at affordable levels.

This problem is not specific to Sweden. Other initiatives are also being undertaken around Europe. For example in Flanders an initiative has been undertaken by the Flemish government with involvement of the social housing federation called '*passive house at no extra cost*'. Some estimates made for the construction of passive housing were up to 70% above the price limit imposed for the delivery of social housing. The objective is to find ways to deliver low energy social housing more cheaply.

Many of the action points outlined in the Commission's strategy may help to reduce costs, **if** correctly implemented. For example, the strategy identifies:

- a need for more efficiencies along the building chain
- simplification of procurement procedures
- increasing the capacity of SMEs
- increase in skills and attractiveness of the construction sector.

We will be happy to inform the Commission on the outcomes of our initiatives and add new ideas to the process on how to bring down costs.

**2) The second is a need for more Responsive construction sector policies**

The economic crisis has brought with it a widespread recognition of the need for a **Responsive and Responsible** construction sector. The sector can be more **Responsive** by creating urgently needed jobs. The EU has recognized this potential and has made it possible to allocate 20% of the total European Regional Development Funds to be used for energy efficient refurbishment in housing. If this is implemented this would mean 60 billion public EU budget to Energy Efficiency. We estimate that this would generate 300 billion Euro investment. It would create 3.5 million jobs or a minimum of 500.000 jobs each year. This would reduce energy consumption of 14 million households and reduce fuel poverty.

With the right legislative and financial frameworks in place at national and local level housing affordable housing providers are in a position to continue to unleash this potential.

### **3) The third is the need for policies to ensure responsible construction practices**

Socially, Economically and Environmentally responsible construction practices will require forward-looking collaboration between financial institutions, public authorities and of course citizens.

In the area of environmental responsibility the life-cycle assessment of building products, minimization of waste and maximum use of recycled materials are some of those policies outlined in the Commission strategy. We remind of our responsibility to make maximum use of local materials to

reduce also transport costs and CO2 emissions and to use the potential to boost local economies where possible.

**Responsible construction policies must be future-proofed to answer changing needs determined by ageing populations, immigration, increased flexibility imposed by the geographic distribution of employment, smaller sized households and of course climate change.**

**4) The forth need identified is the need for Impact Assessment.** We are nearing the deadline to deliver Nearly Zero Energy Buildings. Construction and renovation norms are being tightened resulting in higher costs. This implies a need for more thorough **Impact assessment**. This is particularly true when speaking of energy efficiency and renewable energy in the residential sector.

More analysis is needed on the actual in-use energy consumption and maintenance costs of low energy and passive housing. We need a clearer picture of the impact of behavior on the energy performance of our built environment as well as the best application of ICT.

Before rolling out smart meters as the answer to this we need also to assess the impact of current smart meter roll-outs. We were pleased to see an announcement by the Commission of their intention to conduct such a review. We hope that the results are taken into account in DG Enterprise construction sector strategy. Within the Nearly Zero Energy Challenge Project supported by the Intelligent Energy Europe Programme, we carry out impact assessment of low energy

housing. We will be happy to share our observations with Commission services.

**We should be sure that our standards and norms in the construction sector are leading us down the right path.**

To conclude I will sum up the 4 broad needs we see:

**>Affordability:** The construction sector needs to bring cost down on new houses

**>Responsive:** Use the European Regional Development Fund to create jobs and energy efficiency in housing

**>Responsible and Future proofing:** Adaptable to current and future needs, Ageing, Energy efficient, Disaster Proof, Climate changes

**>Impact Assessment:** Need to assess social, environmental and economic impact before introducing new standards

**I hope you enjoy the rest of the conference which will look in more detail at the energy challenge we are facing and the role of housing providers as leaders in a fair energy transition. I also look forward to assisting the European Commission in their strategy to improve the performance of Europe's construction sectors.**

***Kurt Eliasson***

***President of CECODHAS Housing Europe***