



EU Renovation and Construction Trends

A view from the supply chain

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Housing in Europe



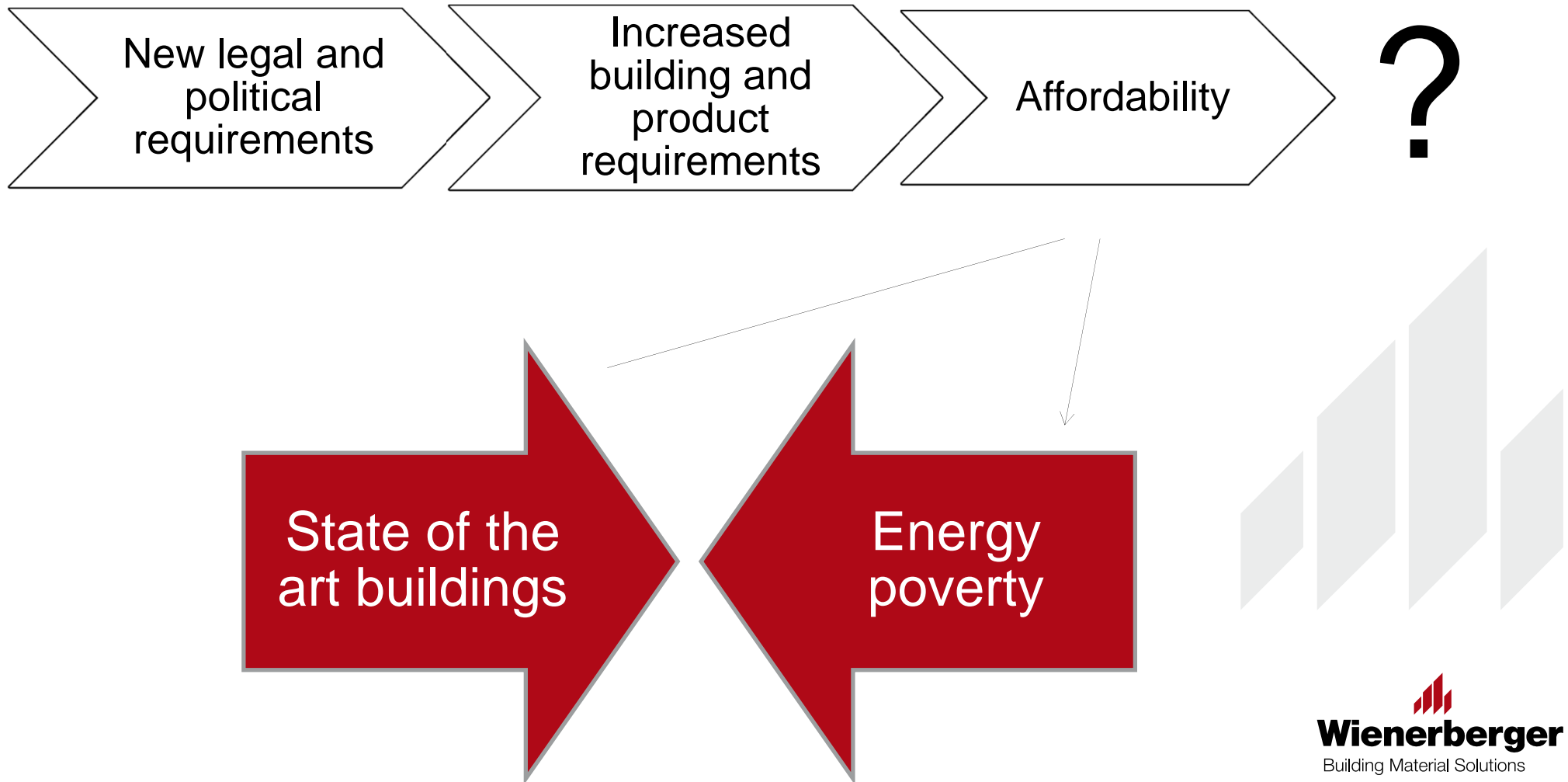
expectations

vs.

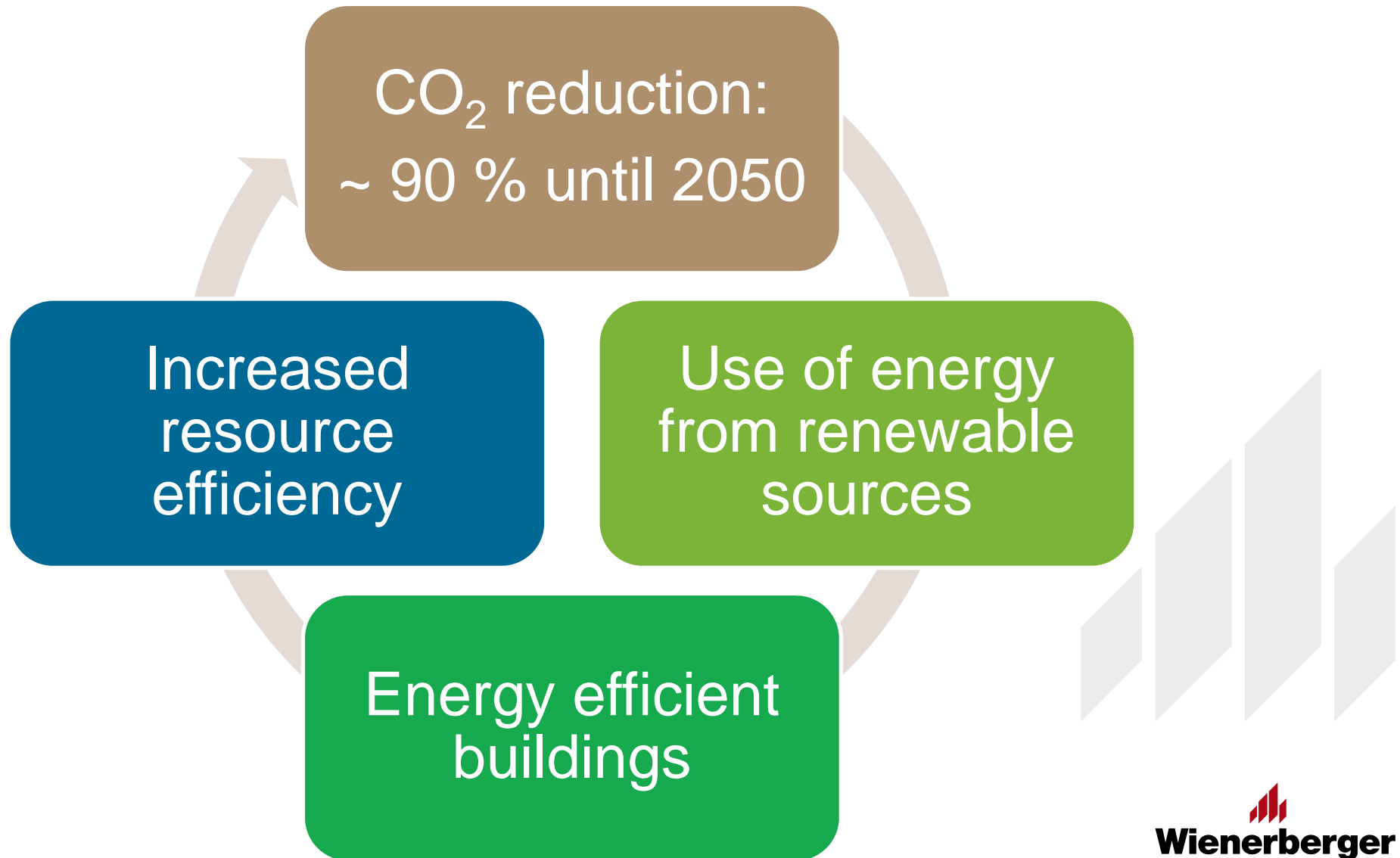


reality

Housing in Europe



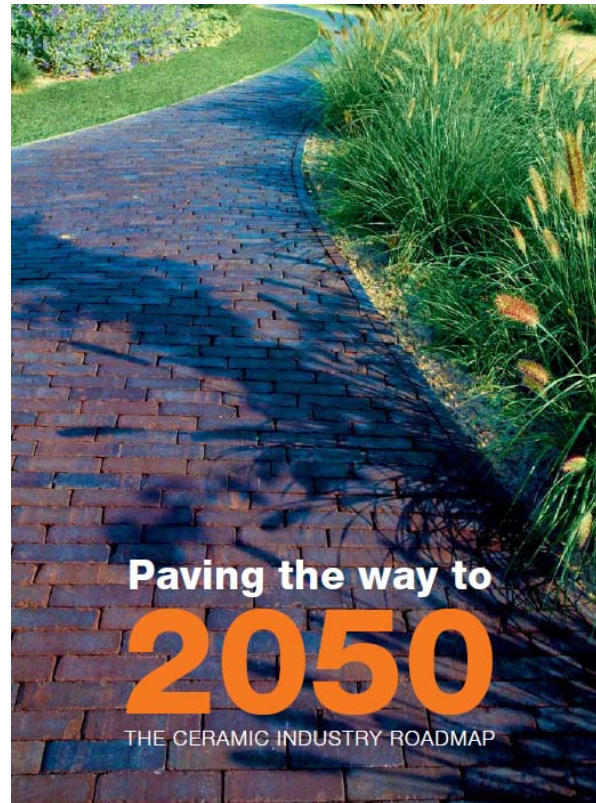
New legal and political requirements for buildings



Legislative focus towards CO₂ reduction

Low carbon economy

- CO₂ reduction in the production process
- CO₂ reduction targets for buildings
- Ceramic Industry Roadmap 2050



Legislative focus towards energy from renewable sources

Change of the energy mix - increased share of renewable energy

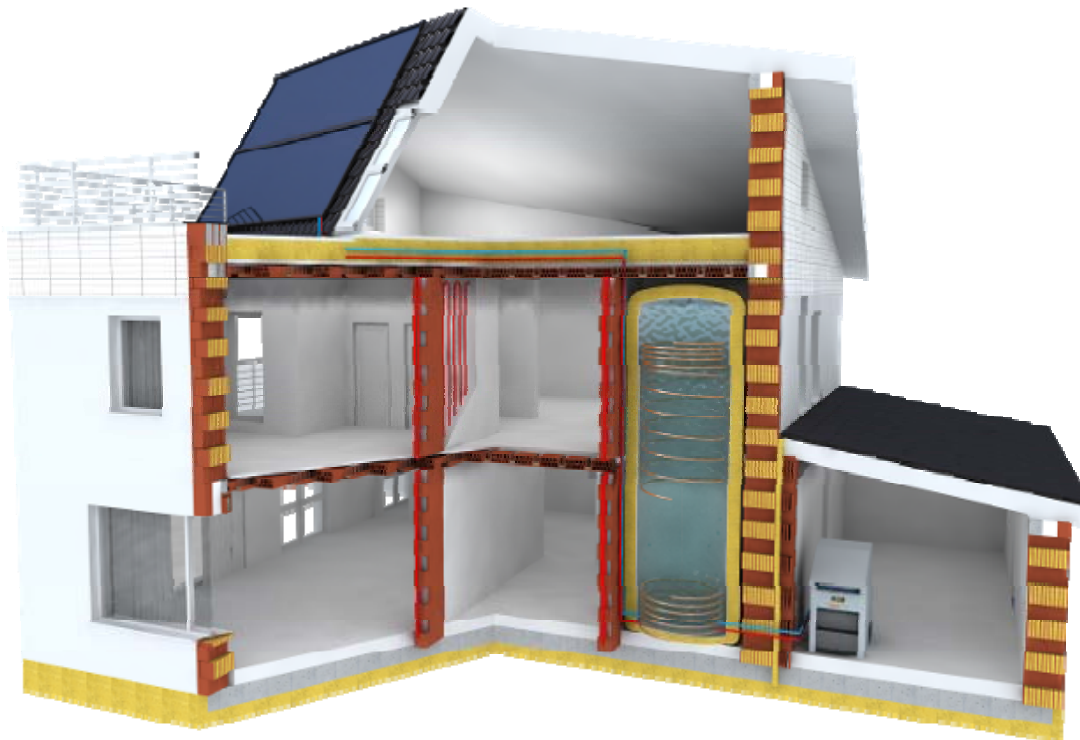
- Use of „green“ electricity
- Solar heating
- Integrated PV solutions
- ➔ Buildings as energy producers



Legislative focus towards energy efficient buildings

Energy performance of buildings directive

- Nearly zero energy buildings
- By end of 2018 valid for all new public buildings
- By end of 2020 valid for all new buildings
- Plus energy houses



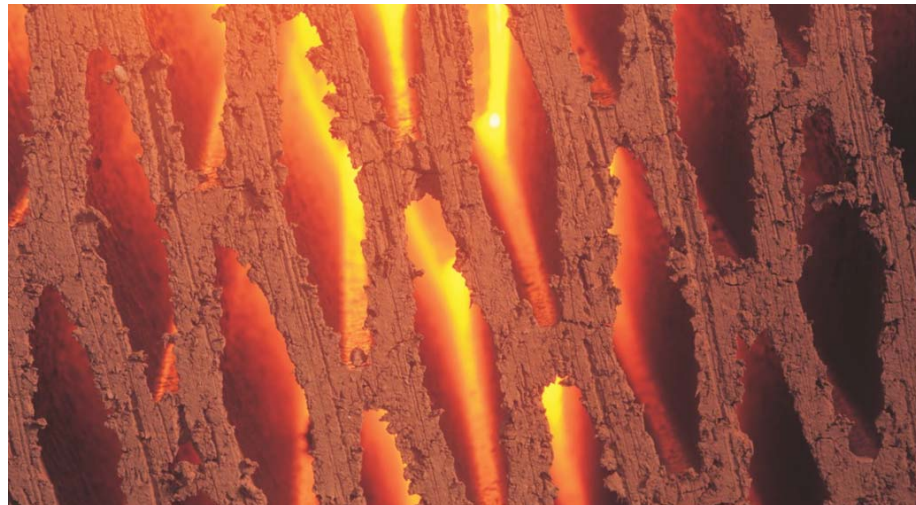
Legislative focus towards resource efficiency

Recycling or re-use of construction and demolition waste

- Waste framework directive: 70% recycling and re-use rate by 2020

Energy efficient construction material production process

- Less fossile energy consumption
- Less resource consumption
- Renaturalisation of quarries



Increased building, product and know-how requirements

Political and legal requirements request increased know how

- New building concepts require highly skilled jobs (architects, planners, construction workers...)
- New production processes require intensive research and development



High level of political requirements

Roadmap for moving to a competitive low carbon economy in 2050

Construction Products Regulation

Energy Performance of Buildings Directive

Energy Efficiency Directive

...

Ecodesign Directive

Energy Directive

Housing no longer affordable !

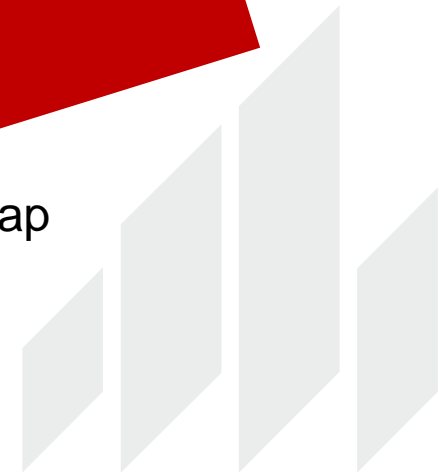
Energy Roadmap 2050

CEN TC 351

Roadmap to a resource efficient Europe

...

Renewable Energy Directive



Unaffordable housing

Housing expenditures account for 23 % of total expenditures
-> even 40 % for 12% of the population

Rental growth higher than inflation rate

Energy poverty – inability to pay utility bills

17 % of Europeans live in inadequate housing conditions

Social housing stock dropped to just 3-5 % of total housing stock in Eastern European countries due to massive privatisations



High level of technical requirements make housing not affordable for large part of population

Housing – a fundamental right ensured by residential construction!

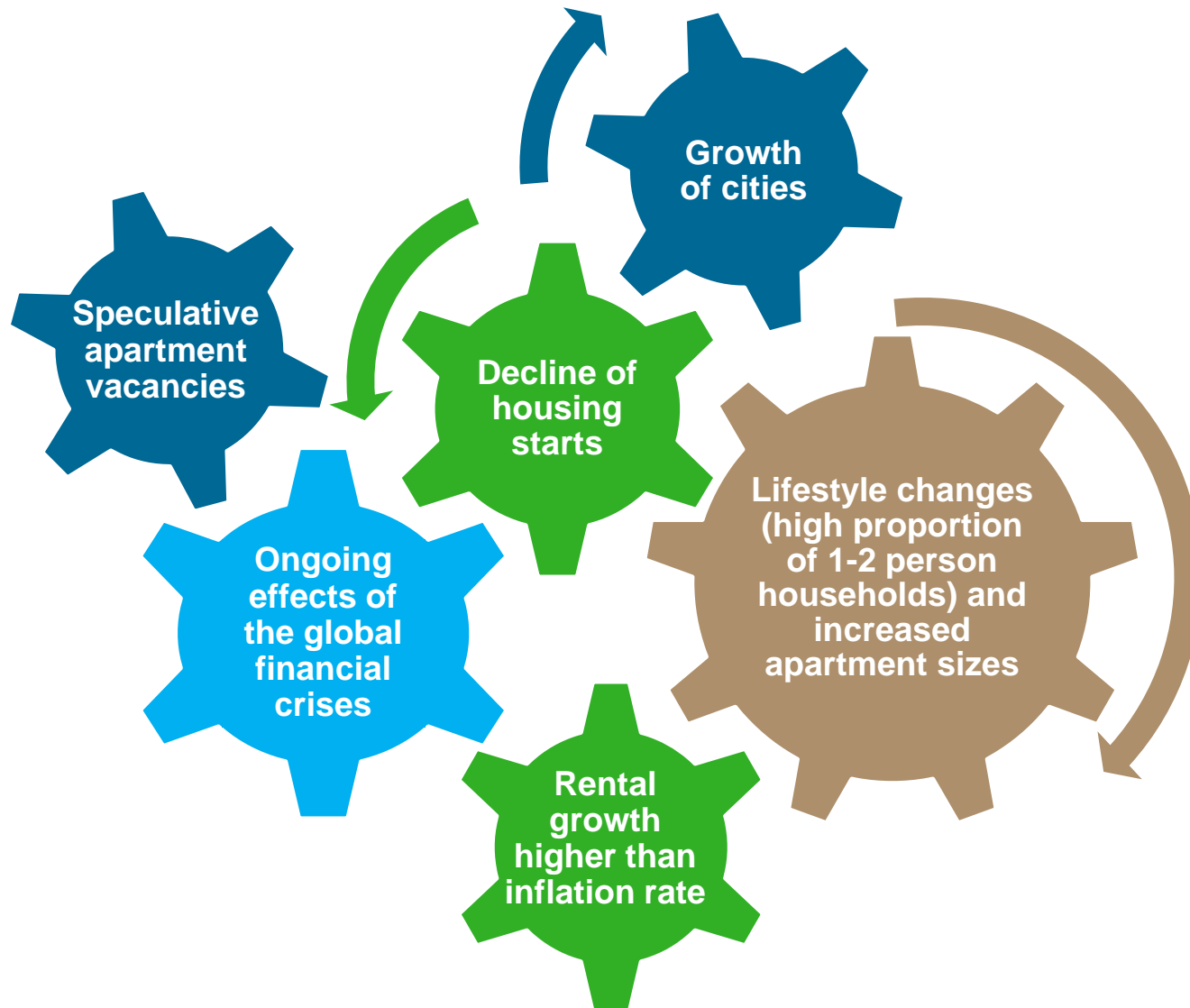
Affordable housing – an important human need

Art 34 EU Charter of
Fundamental Rights:

In order to combat social
exclusion and poverty,
the Union recognises and
respects **the right to social and
housing assistance so as to
ensure a decent existence for
all those who lack sufficient
resources**, in accordance with
the rules laid down by Union law
and national laws and practices.

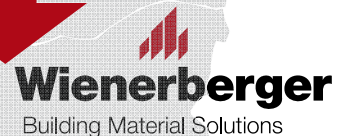
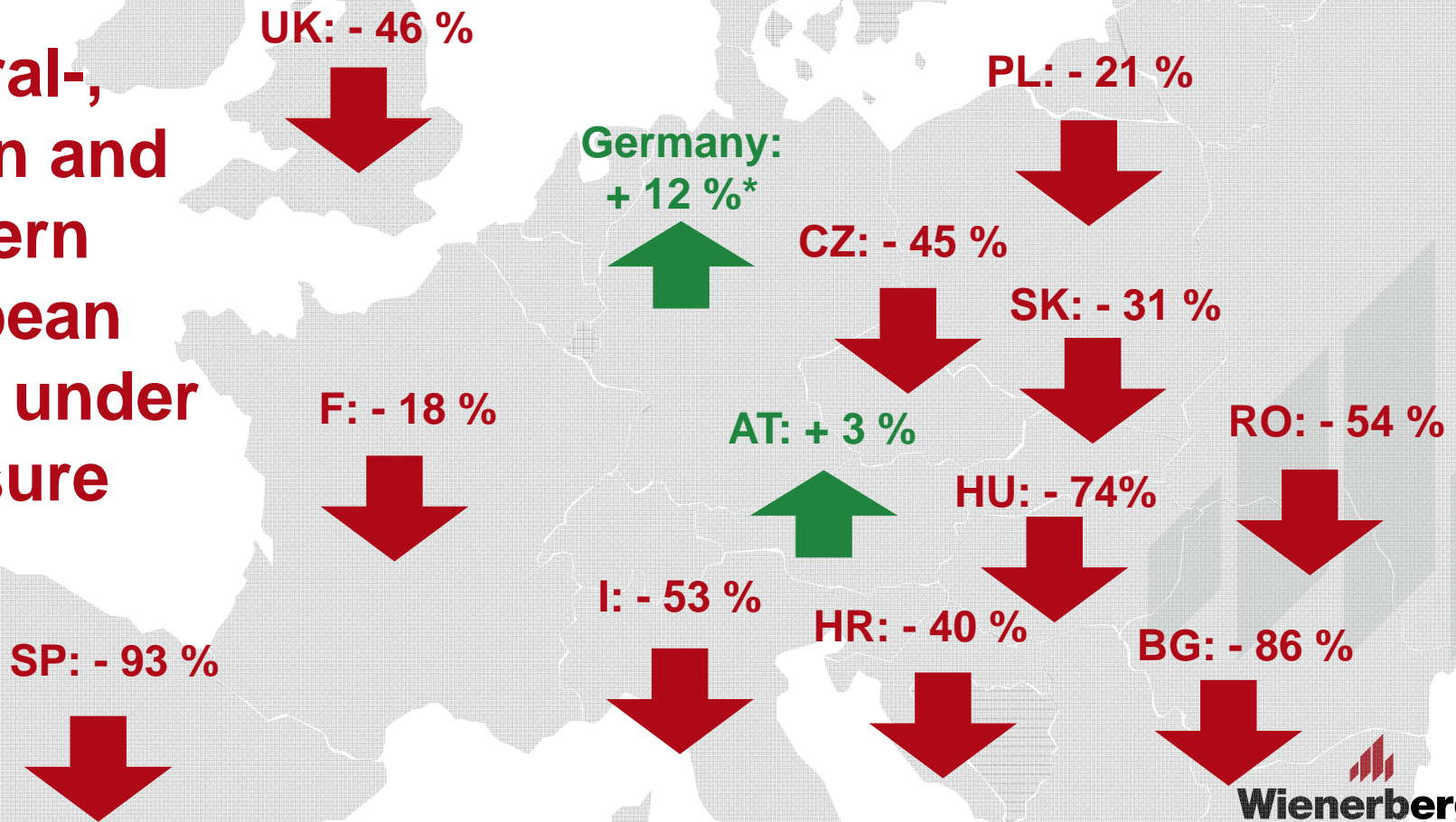


Increased demand for affordable housing cannot be covered - threat of housing shortage



Drop in new residential construction in EU markets

**Central-,
Western and
Eastern
European
markets under
pressure**



Euroconstruct 12/2012; rates of change reflect housing starts 2012 vs. 2007, per 1000 inhabitants

*Germany: building permits for 1+2 family dwellings

Affordable housing necessary

Private and public sector must work closely together

- Legal certainty regarding existing building requirements
- Public investment in social housing
- Private investment in PPP building projects, e.g. „developer´s model“ (Austria)
- Appropriation of public housing subsidies for private house builders



Economic benefits

Housing creates jobs and growth, generates value added and prosperity

- More than 20 million employees in construction industry (EU)
- Highly-skilled jobs along the entire value chain
- Processors of semi-finished products and raw materials
- Innovation through research and development



Social housing supply can counteract current downward tendency



Social housing

Closing the gap between affordable housing and the current market situation

- Prevention of a disproportionate increase in prices
- Accomodation for all people, regardless of their income
- Prevention of segregation and the creation of ghettos
- Part of a comprehensive social policy
- Part of a responsible town planning and housing development policy



Social housing

New residential construction and renovation creates buildings for all generations

- Age-adjusted construction
- Barrier free

Social housing - an environmental public steering instrument

- Energy-efficient and holistic criteria for subsidised construction
- Public authorities should lead by example



Demolition and rebuilding

Demolition and rebuilding of buildings that are no longer suitable for their purpose

- Better utilisation of the existing infrastructure
- Improved energy efficiency
- Improved internal comfort
- Modernisation of floor plans
- Represent an economically and environmentally sensible alternative to renovation
- Should be treated equally as thermal renovation and conversion of a building



Political support and funding necessary



Residential construction and renovation in Europe needs political support

Residential construction comes under the scope of subsidiarity. However, European policies are necessary!

- Official recognition of subsidised and social housing construction as a service of general economic interest
- EU support and advice for national residential construction policy
- Stimulation of residential construction through expansion and integration of EU programmes
- Opening of the structural funds for all residential construction (renovation and new construction) on the condition of climate change
- National fiscal support programmes (e.g. reduced VAT)
- Financing of the social housing sector through EU financing banks (i.e. EIB)





Many thanks for your attention!