



# A NATIONAL PERSPECTIVE ON SPAIN'S BUILDINGS SECTOR

## A ROADMAP FOR A NEW HOUSING SECTOR

### Press Release

#### How to reconvert the building sector into the restoration sector



**Vitoria-Gasteiz, 30<sup>th</sup> November 2011**

#### **Experts propose a plan of action to rehabilitate 10 million homes by 2050**

With an adequate regulatory framework, ten million homes built before 2001 can be transformed into low consumption and low greenhouse gas emission homes over the next four decades. Such is the statement made in the report, "A country-wide vision of the building sector in Spain", launched by a group of restoration experts in Vitoria-Gasteiz as part of the first major event included in the European Green Capital programme.

According to the ideas set out in this paper, this 180 degree about-turn in the country's construction sector business model would reactivate the sector and generate between 110,000 and 130,000 direct, stable, high-quality jobs between 2012 and 2050. This focus on the rehabilitation of existing houses would require an investment of up to 10,000 million euros annually, which would come from the saving of the households, financial institutions, energy service companies, power generating companies and the State. Each source of the funding would receive different returns on their investments, such as energy savings and lower emissions, social benefits and the improvement in housing quality levels.

The report, prepared by Albert Cuchí, professor at the Polytechnic University of Catalonia, and Peter Sweatman, director general of Climate Strategy & Partners, within the so-called Working Group on Rehabilitation<sup>1</sup>, defines a plan of action aimed at achieving these objectives by reconverting the country's building sector into a restoration sector. These experts believe that the traditional business linked to the production of new buildings is no longer environmentally viable and that conditions cannot be expected to revert to the situation prior to the economic crisis. However, they do believe that the sector can recover its catalytic role in the Spanish economy through a regulatory framework that will help it to reconvert. According to the report, savings of up to 300,000 million euros in energy efficiency and lower emissions could be achieved in Spain by 2050.

Based on an estimate, in January 2011 there were about 10.2 million buildings in Spain, containing approximately 25 million households (700,000 of them unoccupied). 8.5 million residential buildings were built before 2001. The paper concentrates on 14.5 million households that present a number of especially interesting features: Of this group

<sup>1</sup> The Working Group on Rehabilitation (GTR) includes Valentin Alfaya, Director of Quality and Environmental Issues at Grupo Ferrovial; Luis Álvarez-Ude, Director General of the Green Building Council of Spain; Xavier Casanovas, Director of Rehabilitation and Environmental Issues of the Association of Surveyors, Architects and Building Engineers of Barcelona; Albert Cuchí, professor at the Polytechnic University of Catalonia, Barcelona Tech.; Francisco Javier González, professor at the School of Architecture at the European University of Madrid; Fernando Prats, adviser to the Complutense Environmental Study and Information Centre for the Global Change Programme Spain 2020/50; Peter Sweatman, director general of Climate Strategy & Partners; and Alicia Torrego, manager of the Conama Foundation. This Working Group on Rehabilitation, coordinated by GBCE and the Conama Foundation was created as a follow-up instrument after a number of congresses held in 2010, which reached the conclusion that it was necessary to propose changes in the building sector to address current economic and environmental challenges: SB10Mad (International Conference of Sustainable Building, en Madrid), R+S=F ("Restoration and sustainability. The future is possible", in Barcelona) and Conama10 ("Tenth National Environmental Congress", in Madrid).

of homes, almost 60% were built before 1980, i.e. over thirty years ago, when energy efficiency regulations had not yet been established.

If an adequate regulatory framework existed based on the appropriate legislation, the provision of direct subsidies, low interest rate funding or tax benefits for home restoration, the study estimates that Spain could renovate, from an energy point of view, ten million homes by 2050 - the least efficient 64% of homes built before 2001 - reducing their heating consumption by 80% and their needs for commercial energy for hot water by 60 %. This would imply a 34% reduction in emissions in the housing sector compared to 2001, which represents a decisive step forward with a view to achieving, together with other consumption reduction actions and with the change of the energy model, the 80% reduction in emissions for the sector by the said date.

The total investment required to achieve these objectives has been estimated at 160,000 million euros until 2050 - an amount that will be recovered from the savings generated before the end of the Plan period - to which experts add an additional 50% due to the spill-over effect of energy efficiency investments on other investments to improve housing quality; therefore, the figures generated by this action plan would total 240,000 million euros over 38 years, a similar amount as that of the Strategic Infrastructure and Transport Plan (PEIT) 2005-2020.

Unlike what happened in the past, these investments would have a positive impact on household spending and on the environment. But, the goal is that they also have a positive impact from a social point of view. "When one builds new buildings, you build buildings; when one restores, you work with people," states Cuchí, stressing the importance of the social component in renovation.

"The key aspect of our action plan is its financial solvency; it creates local and sustainable employment for decades and can meet many of the European energy efficiency targets for buildings set out for 2020 and 2050 ", adds Sweatman.

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