

Brussels, 18 November 2025

## EU housing policy must put renovation financing front and centre to drive effective National Building Renovation Plans

Dear Commissioner Dan Jørgensen,

We, actors from Europe's housing, energy and renovation sectors, climate organisations, civil society, and consumer groups, **urge you to make building energy renovation financing a priority of the EU's economic and social agenda for the remainder of this mandate.**

The effective implementation of the recast Energy Performance of Buildings Directive (EPBD) will be decisive: by the end of this year, Member States must submit robust draft National Building Renovation Plans (NBRPs), and by May 2026, they must transpose the Directive into national law. Among its binding objectives is the renovation of 16% of inefficient buildings by 2030. This requires a **clear commitment at EU level to mobilise and scale up renovation finance**, ensuring that Member States have the tools to develop their NBRPs and deliver on time.

On this basis, the forthcoming **European Affordable Housing Plan** should place building renovation and its financing at its core. **Housing cannot be truly affordable if homes remain energy-inefficient**, leaving households burdened with persistently high energy bills. The Plan should therefore set out concrete measures to improve access to renovation finance, particularly for low- and middle-income households, while also ensuring consistent technical support and tackling the practical and psychological barriers that often discourage households from undertaking renovations.

The challenges faced by the EU cannot be tackled without a decisive step-change in how we finance the energy renovation of our buildings, backed by significantly greater investment. With buildings accounting for 40% of the EU energy consumption and over one third of the EU's energy-related emissions<sup>1</sup>, **accelerating renovation is an indisputable and major win for all**. In 2023, 67.4% of Europe's energy came from fossil fuels, and despite progress in renewable energy, the EU remains a net importer of energy, producing only approximately 42% domestically while importing around 58% from non-EU countries.<sup>2</sup> **Speeding up building renovations strengthens our energy security and sovereignty, helps meet the EU Renovation Wave and climate targets, lowers bills for households and businesses, and drives local job creation across Europe**. These benefits were also recognised by the European Parliament in its recent resolution on the security of energy supply in the EU<sup>3</sup>, which underlines that improving efficiency in buildings is key to **reducing Russian energy imports** and avoiding new external dependencies.

Yet, after years of steady growth, the EU and its member states are now under-investing in this critical sector: despite its vast energy-saving potential, building renovation is experiencing a **significant**

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<sup>1</sup> European Environment Agency, [Greenhouse gas emissions from energy use in buildings in Europe](#) (2024).

<sup>2</sup> Eurostat, [Shedding light on energy in Europe – 2025 edition](#) (2025).

<sup>3</sup> European Parliament resolution of 8 July 2025 on the security of energy supply in the EU ([2025/2055\(INI\)](#)).

**shortfall in investment**, with activity declining since 2023 and early estimates pointing to a further **6.3% drop in 2024**.<sup>4</sup> High upfront costs remain the main barrier limiting the ability of households, businesses and the public sector to invest at the required magnitude.

The previous Commission mandate set in motion pivotal policy initiatives with ambitious and suitable objectives, and we welcome the EU's renewed political momentum on housing. **This momentum must now be translated into tangible action, in line with EU directives and plans, to establish an investment-enabling environment** and direct capital towards energy-efficient building renovation.

Strong and effective NBRPs require EU and national public funds to be strategically allocated to catalyse and multiply private investment in energy efficiency. **Public support and targeted financial instruments, such as the EU Renovation Loan<sup>5</sup> (ERL), are essential to unlock the full potential of building renovation.** Lowest-income groups in particular need full upfront cost support in the form of grants. In parallel, by blending EU funds with private capital, the ERL makes renovation affordable and scalable for a wide range of households, lowering borrowing costs and accelerating the decarbonisation of the building stock while improving housing affordability. Overall, financial support should be structured on a sliding scale, ensuring an appropriate balance between grants and loans in line with each household's financial capacity. **The EIB's pan-European investment platform for affordable and sustainable housing represents the natural home for strategic instruments and should be rapidly operationalised** to enable their deployment at scale across Member States.

**We urge you to fully integrate building renovation and its financing in all aspects of the EU's housing policy.** A strong and consistent signal from the EU is vital to unlock capital, give lenders the confidence to scale up their engagement, and reassure households and enterprises that affordable renovation solutions are within reach. We, the undersigned, stand ready to support you in this endeavour and to share our expertise in shaping and delivering effective building renovation financing across Europe.

Respectfully,

Arquitectura i Sostenibilitat  
Bond Beter Leefmilieu  
réseau Cler  
Climate Strategy & Partners  
Cool Heating Coalition  
FEANTSA  
Kyoto Club  
Positive Money Europe  
Renovate Europe Campaign  
REScoop  
World Green Building Council  
WWF EU



<sup>4</sup> Institute for Climate Economics, [The state of Europe's climate investment, 2025 edition](#) (2025).

<sup>5</sup> Climate Strategy & Partners. [Filling the EU Climate Investment Gap more efficiently](#) (2024).