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**RENOINVEST**  
sustainable renovation of buildings

## D4.1 Action Plans

Measures and Actions to Facilitate Investments in  
Building Renovations in Austria, Hungary and Slovenia

January 2026

Submitted deliverable - under approval by European  
Climate, Infrastructure and Environment Executive  
Agency (CINEA)

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This document outlines the approach, methodological framework and strategic objectives of the Action Plan developed within the framework of the RENOINVEST project. Co-funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or CINEA. Neither the European Union nor the granting authority can be held responsible for them.

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# 1 RENOINVEST PROJECT

The RENOINVEST project is co-funded by the European Union under the LIFE programme. The project intends to reflect cross-border challenges and opportunities for sustainable building renovation in the private and public sectors. The main aim of the project is to develop Action Plans on smart investments in sustainable renovation of buildings for 2025-2030 for Austria, Hungary and Slovenia by establishing three national roundtables building on the activities of the Sustainable Energy Investment Forums.

RENOINVEST provides a platform for open dialogue involving key financial, private and public experts through the green finance thematic working group activities to identify barriers to the upscaling of long-term financing instruments and propose improvements to support the development of large-scale investment programmes in existing private and public buildings. Three national policy briefs and a cross-border recommendation package will also be delivered.

Assessing the implementation of the Long-term building renovation strategies and documents and reviewing existing financial solutions and market conditions for stimulating financing of energy efficiency improvement of the existing building stock is an important starting point of the project.

Sharing knowledge among project partners, experts, national stakeholders and similar EU projects three international cross-border exchange events with site-visits will be organized to showcase collected 50+ good practices and elaborate six case studies to foster the roll out of smart financing possibilities.

The added value of RENOINVEST is that the consortium is providing specific technical knowledge by engaging key actors representing legislative advisory organizations, research institutes, large engineering manufacturers, SMEs and financial experts in three CE countries fostering sustainable investments.

## 2 PROJECT CONSORTIUM

1. Institute for Transport Science and Quality Control in Building (KTI) legal successor of ÉMI Építésügyi Minőségellenőrző Innovációs Nonprofit Kft (ÉMI)- HUNGARY, coordinator



2. Solar Tech-Investment Tervezési Fejlesztési Tanacsado Kft. (ARCHENERG CLUSTER) - HUNGARY



3. Zavod za gradbeništvo Slovenije (ZAG) - SLOVENIA  
Slovenian National Building and Civil Engineering Institute



4. Gospodarska zbornica Slovenije (CCIS) - SLOVENIA



5. RENOWAVE.AT eG (RENOWAVE) - AUSTRIA



6. Institut für Immobilien, Bauen und Wohnen GmbH (IIBW) - AUSTRIA



## 3 EXECUTIVE SUMMARY

Austria has committed to achieving climate neutrality by 2040 - ten years ahead of the European Union target. The building sector is pivotal to reaching this objective, as it accounts for a substantial share of national energy consumption and greenhouse gas emissions. Despite well-developed technical solutions and a historically strong system of public subsidies, renovation activity remains far below the level required. **The core challenge is therefore not only technological feasibility, but the mobilisation of private investment under stable, predictable and socially balanced framework conditions.**

This Action Plan, developed within the EU-funded RENOINVEST project, provides a strategic roadmap until 2030, with a long-term perspective towards 2040 and 2050. It builds on extensive stakeholder consultations, national round tables, technical working groups and an assessment of Austria's regulatory, financial and market conditions. The Action Plan identifies concrete and implementable measures to reduce investment barriers, improve risk allocation and enhance the overall attractiveness of renovation projects for private and institutional investors.

Austria's current renovation rate is insufficient to decarbonise the building stock in time. Fragmented building regulations across the nine *Länder*, insufficient tenancy and housing laws, and a complex and insufficiently coordinated subsidy landscape create uncertainty and weaken investment incentives - particularly in the private rental sector. At the same time, declining public budgets make it increasingly necessary to leverage private capital more effectively. Without targeted legal reforms and improved financing frameworks, Austria risks missing its climate objectives in the building sector despite its high level of ambition. To address these challenges, the Action Plan structures its recommendations around **three priority action areas:**

### 1. Legislative Frameworks (L)

Legal and administrative barriers are a major impediment to renovation activity. The Action Plan calls for harmonised building regulations, adaptations of tenancy, condominium and limited-profit housing legislation, and clearer rules on cost allocation and decision-making. These reforms are essential to enable deep renovations while safeguarding affordability and social balance. Recommended measures are:

- ✓ L.1: Adapt building-codes to better facilitate renovation measures
- ✓ L.2: Creating an enabling legal framework for renovations
- ✓ L.3: Funding programmes and practical support for municipal buildings
- ✓ L.4: Use subsidies more targeted and efficient
- ✓ L.5: Establish nationwide One-Stop-Shops

## 2. Financing Frameworks (F)

Public subsidies alone will not be sufficient to meet future investment needs. The Action Plan therefore proposes measures to reduce financial risks and transaction costs, including longer loan maturities, flexible repayment models, public guarantees and the establishment of a Housing Development Bank. A key recommendation is the nationwide rollout of One-Stop Shops, which bundle technical, financial and regulatory advice, increase transparency and standardisation, and significantly improve the scalability of renovation projects. Recommended measures are:

- ✓ F.1: Establishment of a Housing Development Bank
- ✓ F.2: Facilitate Contracting Models
- ✓ F.3: Enhancing the attractiveness of financing frameworks
- ✓ F.4: Provide financing models for staged or industrialised renovations

## 3. Awareness, Knowledge Transfer and Market Development (A)

Successful implementation requires informed decision-making and coordinated action among stakeholders. Permanent national and regional platforms for dialogue, improved data availability, renovation roadmaps and passports, targeted information and capacity-building measures are critical to accelerating market uptake and strengthening investor confidence. Recommended measures are:

- ✓ A.1: Establish regional advisory services regarding financing and implementation of renovations
- ✓ A.2: Implementation of renovation roadmaps and passports
- ✓ A.3: Dissemination activities regarding renovations

### Conclusion:

Austria's climate neutrality target in the building sector remains achievable - but only if structural barriers are addressed in a coordinated and timely manner. Public funding must be complemented by legal reforms and financing frameworks that unlock private investment at scale. The measures outlined in this Action Plan provide a coherent, realistic and actionable basis for policymakers to accelerate renovation activity, safeguard social equity, strengthen economic resilience and ensure long-term climate and energy security. The national round tables held as part of RENOINVEST were based on the SEI forums and therefore already have a certain establishment advantage. As cross-sector cooperation and coordination is one of the major challenges, it is recommended that the meetings within the framework of the national hubs of the European Energy Efficiency Financing Coalition are continued.

## 4 INTRODUCTION

### 4.1 Purpose and Scope

The renovation of existing buildings is a crucial element in achieving climate neutrality. The aim of the Action Plan is to provide an overview of the most significant challenges and needs, and to propose measures that address these. Although there are already various technical possibilities to achieve climate neutrality in the building sector, the implementation of such measures lags behind requirements. One key reason for this is the lack of attractive financing options. This Action Plan focuses on that aspect. The Action Plan is the result of more than two years of project work and intensive involvement of stakeholders and various experts, underpinned by practical knowledge of pilot cases and best practice examples. Therefore, the plan represents a well-founded and meaningful basis for future decision-making. The aim of this Action Plan is not to develop new and innovative financing models. Rather, it aims to identify the measures and actors required to better channel private investment into building renovation by improving existing financing frameworks and their coordination. The Action Plan focusses on the period 2025–2030, while also considering Austria’s long-term targets for 2040 and 2050.

In conjunction with Hungary and Slovenia, two countries with very different financing and funding systems, a common definition of innovative financing was established:

**Innovative financing** includes more effective ways to finance sustainable measures in the building sector. This encompasses new financing methods that go beyond traditional tools, as well as more effective combinations of existing instruments.

Austria already has sophisticated funding mechanisms and an interplay of debt financing and subsidies. As this Action Plan shows, there are nevertheless untapped potentials and new impulses to allow more private capital to flow into renovation measures. The goal is not to completely invent new, alternative financing models from scratch, but rather to better coordinate established financing models and supplement them with additional elements.

## 4.2 Development of the Action Plan

Within the overall project consortium, the Institute for Real Estate, Construction and Housing Ltd. (IIBW) was responsible for coordinating and developing the Austrian Action Plan. The Action Plan was prepared jointly by the Austrian project partners IIBW and RENOWAVE, with substantial input from external experts.

### 4.2.1 Methodology of Action Plan Development

The findings and recommendations presented in this Action Plan are based on three main sources of information.

#### a) Results from the RENOINVEST project

The first source comprises the results generated within the RENOINVEST project itself. These include insights into current political priorities, market conditions in the construction and renovation sector, and existing financial frameworks. In addition, good practice examples of innovative renovation financing approaches were identified and analysed.

#### b) Stakeholder consultations

The second source is based on extensive stakeholder consultations. Over the course of the project, several dozen working group meetings, six national round tables and one international round table were conducted in Austria. Furthermore, targeted bilateral discussions were held with representatives of banks, public authorities and other relevant experts. At the beginning of the project, thematic working groups (TWGs) focused on four thematic areas. SWOT analyses were carried out to assess the current status of each topic. After the first project year, the analytical focus was broadened, and the results of the TWGs were integrated into a more comprehensive assessment aimed at identifying concrete measures to facilitate renovation financing. The outcomes of this second project phase are primarily reflected in the measures proposed in this Action Plan.

#### c) The current government programme

The third source is the current Austrian government programme adopted in spring 2025. During the project period, national elections took place, followed by a complex and prolonged government formation process. Austria's political priorities and future strategic direction, for example with regard to the EU and common climate targets, particularly in the area of building renovation, were challenged due to the election outcome with the right-wing populist Freedom Party (FPÖ) as the party with the most votes. Ultimately, a three-party coalition consisting of the Austrian People's Party (ÖVP), the Social Democratic Party of Austria (SPÖ) and the Liberal Party (NEOS) was formed. The coalition agreement reaffirmed Austria's commitment to its existing climate and renovation objectives. As this agreement constitutes the authoritative policy framework until 2029, its relevant provisions were incorporated into this Action Plan and further elaborated to support effective implementation.

## 4.2.2 Results of National Round Tables and Technical Working Groups

The TWGs were purposefully composed of experts on the respective topic in the first half of the project period and opened up in the second half of the project to focus more strongly on financing aspects of the topics. During this process, it became apparent that legislative changes are equally important for all TWGs; therefore, legal adaptations are a main part of the Action Plan measures in Subchapter 6.1.

### Topic 1: Staged and Serial Renovation

Staged and serial renovations represent promising approaches to address current challenges in the construction and renovation sector, such as labour shortages and the increasing uneconomical nature of renovations due to rising construction costs. Staged renovations allow measures to be carried out gradually, which is particularly advantageous when financial resources are limited. Serial renovations are characterized by their efficiency, enabling shorter renovation times and optimized use of construction facilities. Both approaches, combined with nature-based solutions (see Topic 2), offer additional potential to make renovation projects more attractive.

To fully exploit these models, stakeholders have identified priority action areas as follows:

- Legal framework: Urgent adjustments are needed in housing law (MRG – Tenancy Act, WEG – Condominium Act, WGG – Limited-Profit-Housing Act) and the guidelines of the Austrian Institute of Construction Engineering (OIB). Harmonizing administrative requirements and creating regulatory relief is essential to increase renovation rates.
- Market development and promotion: Targeted support for national market development for serial renovations is necessary to drive innovation.
- Financing models: The development and provision of specific funding and financing models for serial and stepwise renovation projects is crucial to facilitate practical implementation.

### Topic 2: Circular Economy and Nature-Based Solutions (NBS)

The strategic focus on circular economy and nature-based solutions (NBS) in the construction sector aims to reduce the embodied energy of building materials and promote biodiversity in line with EU renaturation legislation. The increased use of environmentally friendly and sustainable building materials can generate positive effects across the entire value chain. Austria is already seeing a growing number of start-ups and good-practice examples driving this development.

To integrate circular economy principles and NBS into established construction practices, targeted measures are required. Financial incentives must first be created to offset the economic disadvantages compared to conventional, environmentally more harmful materials. At the same time, legal regulations are essential to ensure broad implementation.

Key measures identified by the working group include:

- Legal adjustments: Existing housing legislation (MRG, WEG, WGG) and OIB guidelines, should be adapted.
- Digitalization and data management: Digital recording of the building stock via Building Information Modelling (BIM) is crucial. This enables precise material accounting and promotes resource reuse.

- Integrated planning and training: Targeted training of relevant professional groups is required to strengthen interdisciplinary competencies and integrate sustainable concepts at an early stage.

### **Topic 3: Energy Communities & District Heating Networks**

Austria is taking a pioneering role in implementing energy communities. The legislative framework for these communities was established in 2021. By 2025, over 6,500 such communities had been created. Despite rapid growth, there remains a need for action, particularly regarding simplified access and effective dissemination of information. Although energy communities can include heating networks, the focus is primarily on electricity, especially from decentralized photovoltaic systems. The potential of energy communities lies in integrating decentralized energy storage and increasing self-consumption, which can significantly reduce demands on the public electricity distribution networks. Additionally, energy communities generate positive social and economic effects at the individual level.

Priority measures identified by the working group to further develop energy communities include:

- Expanded access for Limited-Profit Housing Associations (LPHAs): Currently, LPHAs are excluded from renewable energy communities (EEGs). Their inclusion would increase the potential for tenants to benefit from energy community advantages.
- Information campaigns: Comprehensive campaigns on EEGs and their benefits are needed to raise public awareness and incentivize the creation of additional communities, including heating networks.

### **Topic 4: Energy Consumption Monitoring & Visualisation**

While the potential of energy monitoring to promote energy-saving behaviour is undisputed, the complexity of these systems has been identified as a major barrier. The working group has therefore identified the following priority measures to overcome these barriers:

- Introduction of low-tech solutions: In the existing building renovation sector, low-tech solutions are often more cost-effective and sustainable compared to fully automated building systems. OIB guidelines must be adapted to enable their use.
- Promotion of energy contracting: Energy contracting allows partial financing of renovation costs through the energy savings achieved.
- Awareness-raising: Increasing awareness of personal energy consumption and associated saving potential is crucial to reduce behaviour-driven energy use.

## 5 INITIAL SITUATION

### 5.1 Important Targets and Associated Policy Content

Austria aims to achieve climate neutrality by 2040 - ten years earlier than the European Union target. Achieving this objective requires a profound and accelerated transformation of the building sector, which plays a central role in national energy consumption and greenhouse gas emissions. Despite ambitious political targets, the renovation rate of the existing building stock remains far below the level required. To decarbonise the building sector by 2040, an annual renovation rate of approximately 3% would be necessary; current levels fall significantly short of this benchmark. This gap between ambition and implementation is exacerbated by structural developments such as the long-term increase in the number of principal residences (+42% between 1990 and 2025) and the substantial growth in usable floor area (+70% over the same period). These trends intensify energy demand and complicate the achievement of climate targets. The RENOINVEST project has identified several interrelated political, legal and financial barriers that explain why the urgently required investment push in building renovation is currently not materialising.

#### 1. Lack of Strategic Coherence and Implementation

##### **Fragmented energy policies and regulatory frameworks**

Austria's energy and climate policies suffer from insufficient coherence and inconsistent implementation across governance levels - federal, *Länder* and municipal. This fragmentation creates planning uncertainty and weakens investment incentives. Relevant federal laws include:

- Federal Energy Efficiency Act (EEffG, Law No. 59/2023): Regulates energy efficiency targets and obligations for companies and the federal government.
- Renewable Expansion Act (EAG, Law No. 150/2021): Targets 100% renewable electricity on a net basis by 2030; relevant for energy supply in buildings.
- Climate Protection Act (KSG, missing since 2021): This is the core gap: without a KSG, there are no binding sectoral CO<sub>2</sub> budgets or reduction pathways toward 2040.

##### **High ambition, insufficient measures**

Given Austria's goal of becoming climate neutral by 2040, European targets should not merely be met but exceeded. The absence of a Climate Protection Act since 2021 prevents the necessary legal certainty for the required transformation.

- Reduction of Emissions  
Despite Austria's EU target of reducing non-ETS greenhouse gas emissions by 48% by 2030 (Effort Sharing Regulation, baseline 2005), the contribution of energy efficiency in the National Energy

and Climate Plan (NEKP) is considered insufficient. According to the latest climate report, Austria will achieve only a 33% reduction with current measures. Even scenarios including additional actions fall short of reaching the EU target. The building sector, however, has already reduced emissions by 53% between 2005–2024, suggesting that with continued decarbonization measures, climate neutrality in this sector appears achievable.

- Expansion of renewable energy

The European Renewable Energy Directive (EU 2023/2413) requires a 49% share of renewable energy in buildings by 2030. Overall, the renewable energy share must reach 42.5%; Austria's NEKP sets a target of 57–60%. While the EU target seems reachable for Austria, the NEKP target cannot be achieved according to current calculations: by 2030, only about half of total energy demand can be covered by renewables. However, the building-specific target has already been met with around 75% renewable share in 2023.

- Expansion of energy efficiency

The revised Energy Efficiency Directive (EU 2023/1791) requires an 11.7% reduction in final energy consumption by 2030. For Austria, this means a maximum of 920 PJ by 2030. This target cannot be reached - even with additional measures. Only a 2% reduction is considered achievable. In the building sector, though, reductions of up to 19% are possible, indicating that the major challenges lie in other sectors.

## 2. Legal and Administrative Barriers

### Patchwork of building codes

Although the OIB guidelines exist as technical standards intended to harmonize the nine existing building codes of the *Länder*, their inconsistent implementation results in nine different regulatory frameworks. While federal (European) rules are uniformly applied, numerous detailed regulations and procedural rules differ across the *Länder*. This hinders the efficiency and scalability of renovation projects.

### Constraints in tenancy and housing law

Insufficient regulations in tenancy law often block necessary renovations, e.g. the missing obligation of tenants to tolerate heating system replacement. Private landlords cannot pass renovation costs on to tenants, unlike in the LPHA sector, leaving them with insufficient investment incentives.

## 3. Financial Challenges

### Investment needs

Achieving climate neutrality in the building sector by 2040 requires additional investments estimated at approximately €80 billion. Of this amount, around €60 billion corresponds to technically necessary maintenance, while an additional €20 billion is required specifically for decarbonisation measures.

### Inadequate funding

Required annual subsidies for renovation measures is estimated at around €900 million. While federal and state programs offered generous support until 2024, these have been declining since 2025 due to budget consolidation. Policymakers must ensure that limited budgets are efficiently directed toward deep renovations and fossil heating replacement. Furthermore, reaching the zero-emission standard (“the last kilowatt hours”) is disproportionately expensive and often not cost-efficient.

Level	Subject	Content
<b>Federal</b>	Sanierungsbonus for private households	Thermal renovation of single-family, two-family, and multi-unit residential buildings. Up to €42,000 for comprehensive renovations meeting the klimaaktiv standard; max. 50% of investment costs. Part of a total budget of approx. €3.6 billion until 2027 for renovation and heating system replacement.
<b>Federal</b>	Sanierungsoffensive 2026	Replacement of fossil heating systems with renewable systems (heat pumps, biomass, district heating). Applications possible from November 2025. Part of €3.6 billion until 2027.
<b>Federal</b>	Clean Heating for All	Social program enabling low-income households to replace fossil heating systems. Up to 100% of eligible costs (income-dependent), running until end of 2025.
<b>State (Länder)</b>	Housing renovation funding	Comprehensive thermal renovations of residential buildings. Loans or grants, with conditions varying widely across states.

*Table 1: Overview of available funding (as of 01/2026)*

## 4. Social Inequality and Complexity

### Risk of energy poverty

It is a crucial political responsibility to ensure that housing refurbishment programmes effectively reach low-income households and enable access to necessary investments. This not only supports climate goals but also prevents energy poverty. Additional financial measures are required to mitigate acute energy poverty.

### Administrative complexity

The complexity of the renovation challenge requires simpler processes. Policymakers must establish measures (e.g., One-Stop Shops, renovation coaches) on a nationwide and coordinated basis to improve access to information and funding.

## 5. Strategic Gaps in Data and Incentives

### Insufficient data management

There is a lack of realistic, high-quality building data and standardized, digital energy performance certificates at the national level. Such data is essential for effective monitoring and evidence-based policymaking.

### Lack of integration of added value

Policy frameworks - especially at state and municipal levels - should better integrate non-energy benefits of renovation (e.g., health, air quality, property value) into energy audits and decision-making processes to boost investment willingness.

Austria has set ambitious goals for decarbonising the building sector. Although the volume of subsidies from 2026 onwards will no longer reach the levels seen in 2024, it would still be sufficient provided that other political framework conditions are adjusted. This applies in particular to adjustments in housing law and a streamlining of building regulations. Alongside raising the renovation rate, structural barriers must be removed and investment incentives strengthened. The measures outlined in this action plan aim to contribute to these goals.

## 5.2 Practical Guidelines

As part of the RENOINVEST initiative, the project team collaborated to produce two key documents: One showcasing fifty exemplary renovation projects from the three countries involved<sup>1</sup>, and another that takes a closer look at six specific cases (2 per country)<sup>2</sup>, each representing different building types and funding strategies. Austria played an integral role in this effort, contributing both local case studies and active participation in the cross-country analysis.

Through this process, the Austrian team identified important insights and practical lessons, offering valuable perspectives on the challenges and potential solutions for financing comprehensive building renovations. These findings were instrumental in shaping the recommendations outlined in Austria's Action Plan.

### 5.2.1 Key Findings Best Practices

Austria has developed a robust approach to financing deep building renovations, characterized by public co-financing, risk mitigation, and innovative financial tools. The system's strengths, weaknesses, opportunities, and threats reveal a model that is both effective and vulnerable to systemic challenges.

Austria's deep renovation model excels through layered public funding, combining federal, provincial, and municipal subsidies to make high-quality upgrades financially viable while protecting tenants from steep rent hikes - especially in Vienna's social housing. Standardized quality frameworks like *klimaaktiv Gold*

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<sup>1</sup> D2.3 Best Practice Handbook

<sup>2</sup> D 5.1 Report on Pilot Cases

and *Mustersanierung* act as financial enablers, reducing risk for funders by ensuring rigorous planning and performance. Creative tools such as densification (e.g., attic extensions), bridge financing, and municipal borrowing further enhance feasibility. However, the system's administrative complexity - with multi-source funding rules, audits, and procurement constraints - raises transaction costs and slows implementation, particularly for smaller municipalities. Rent regulation, while ensuring affordability, also limits financial flexibility, making projects heavily dependent on stable subsidies and cost control.

Many projects offer strong scalability potential, for example, *SüdSan* serves as a pilot for scaling to entire settlements, while municipal associations (*Hittisau*) show how small towns can co-finance shared infrastructure. Aligning these models with ESG and green finance standards could further attract investment. Yet, subsidy dependency poses the biggest threat: Delays or cuts can destabilize projects, while rising construction costs and operational uncertainties (e.g., energy tariffs, tenant cooperation) risk eroding projected benefits. For Condominiums (homeowner associations), success depends on overcoming coordination challenges and liquidity gaps, as financial disparities among owners can lead to conflicts. Projects like *DEKOOP*, *WEG zur Zukunft* or *MEIDLINGER L* proofs, that coordinated and cooperative approach leads to success. Balancing innovation with stability remains key to sustaining Austria's renovation ambitions.

Austria's model demonstrates how public intervention, standardization, and creative financing can drive deep renovations. However, its reliance on subsidies, administrative complexity, and social constraints also introduces systemic risks that require ongoing attention.

## 5.2.2 Key Findings Pilot Cases

### Public Sector – Case Study “LeiSan”

Many Austrian municipalities provide social housing for their residents, much of which dates to the 1960s–1980s. Due to low rents and limited financial reserves, there is a significant backlog in renovations for these buildings. A case study of a residential neighbourhood in the market town of Eisenkappel-Vellach highlights the budgetary challenges and complexity of comprehensive energy-efficient renovations in municipal housing. Smaller municipalities, in particular, often see no way to use innovative financing tools. The reasons for this are varied, including a lack of expertise, conflicting opinions within the municipal council, fear of making wrong decisions, and concerns about cost overruns during the renovation process.

The municipality prefers a conservative financing model for renovations: The federal *Sanierungsoffensive 2026* covers up to 30% of costs for energy-efficient upgrades and heating replacements, while Corinthian state renovation grant provides additional subsidies. With minimal financial reserves, these grants are crucial to reduce the loan amount needed. A long-term loan (30–35 years) covers remaining costs, ensuring only slight rent increases. Without these subsidies, socially responsible renovations would be unaffordable, as the financial burden on tenants and municipalities would be too high. This approach balances public funding, limited reserves, and long-term credit to achieve sustainable, affordable housing. After evaluating alternatives like crowdfunding, tenant purchase offers, energy performance contracting, and public-private partnerships, the municipality found these models suitable for other projects (e.g., swimming pool renovation, energy communities with e-mobility hubs). For the comprehensive energy-

efficient renovation of municipal housing, the conservative approach was chosen as reliable and immediately feasible.

### **Private Sector – Case Study “MEIDLINGER L”**

Renovating condominium owner associations is particularly challenging due to the need to align a wide range of stakeholders and to navigate complex legal and regulatory frameworks. *MEIDLINGER L* addresses these barriers by positioning its demonstration project not as a one-off intervention, but as a scalable and transferable model for climate adaptation and sustainable urban development in dense urban settings. The project explicitly aligns with Austria’s Green Finance Agenda, recognising that scaling sustainable finance requires comparable evidence, clear eligibility criteria and robust, decision-ready business cases. Resilience is treated as a concrete risk and financing criterion, not merely a narrative objective. Accordingly, the project focuses on governance, legal certainty and transaction cost reduction at the interface of public space and privately owned buildings - key obstacles for investment in multi-owner contexts.

From a financing perspective, *MEIDLINGER L* develops and tests a replicable financing and business model for condominium settings, including cost-sharing mechanisms, contracting options and long-term operation and maintenance structures. The technical solution - a façade-mounted balcony trellis system combining greening, shading and photovoltaic potential, complemented by a mobility concept - is deliberately embedded in a broader retrofit logic. New balconies are framed not as pure amenities, but as part of an integrated renovation strategy with measurable energy, climate and comfort benefits, increasing eligibility for public funding and private financing. The project systematically addresses life-cycle costs (CAPEX and OPEX), verifiable impacts (summer comfort, reduced cooling demand, CO<sub>2</sub> effects, usability) and governance questions (who pays vs. who benefits). By monitoring performance and translating lessons learned into practical tools such as handbooks and decision templates, *MEIDLINGER L* strengthens its general applicability and provides a concrete pathway for faster, safer and more financeable renovation decisions in comparable condominium projects.

## **5.3 Key Stakeholder Network**

The stakeholder groups presented in this subchapter and illustrated in Figure 1 collectively represent the **financial, institutional, and operational ecosystem of renovation financing**. This network is the outcome of numerous TWG meetings and national roundtables, which included extensive participation from external experts. The graphic identifies the most relevant stakeholders for addressing the long-term financing of renovations. A more detailed characterization of each stakeholder group is provided below the graphic.

Stakeholder groups are mapped along two axes: The X-axis reflects their actual influence within the ecosystem, while the Y-axis indicates the level of interest attributed to each group, ranging from low to high. The positioning and selection of these groups were determined by external experts and served as a critical foundation for developing the targeted measures described in Subchapter 6.2. Consequently, the

measures identified in the action plan incorporate the perspectives of all key actors within the renovation financing landscape.

Initially, the intention was to create two separate networks to distinguish between stakeholder groups in the public and private sectors. However, as the differences proved to be minimal, a consensus was reached with the external experts to develop a unified stakeholder mapping applicable to both sectors.

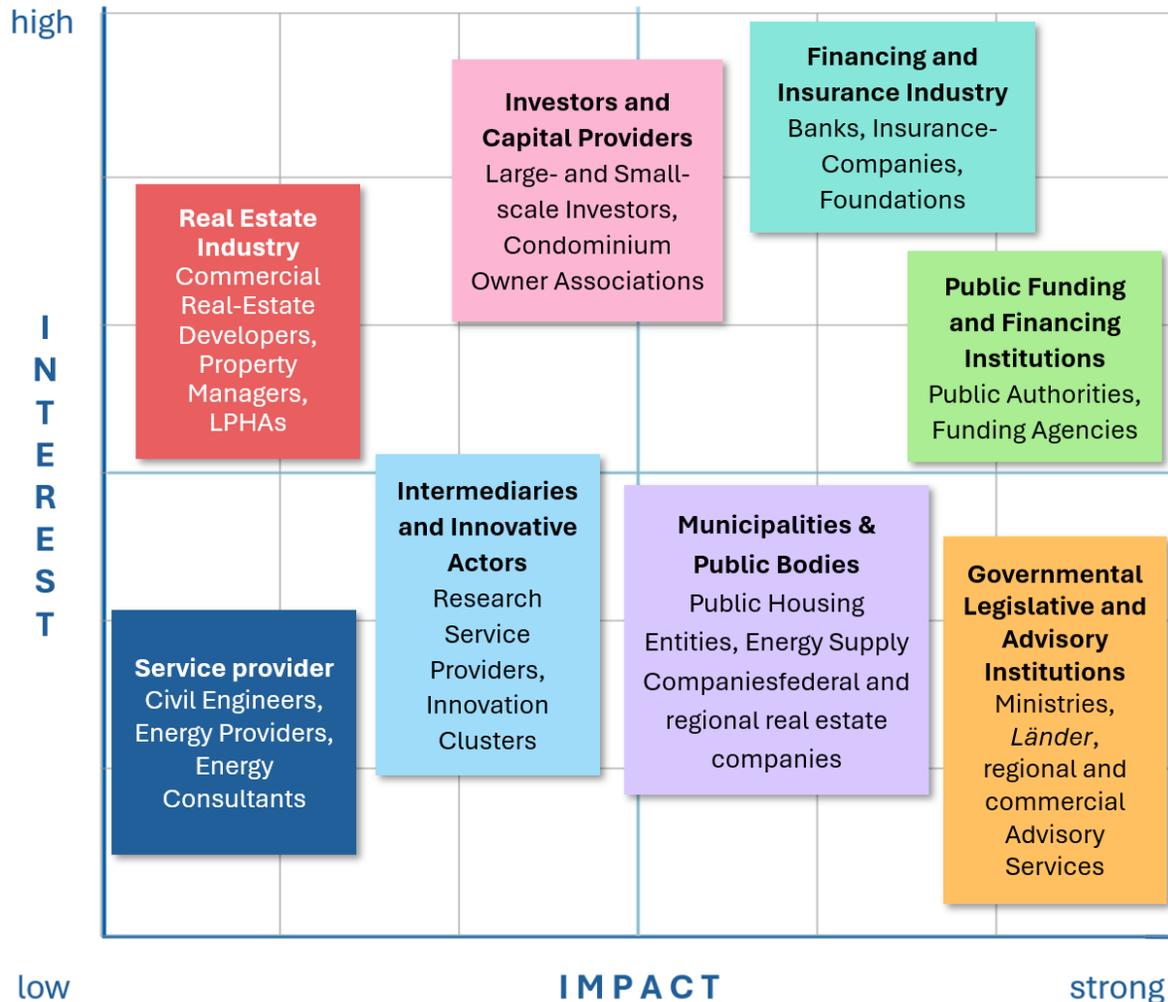


Figure 1: Austrian Stakeholder Mapping public & private Sector

- **Real Estate Industry**

Including: Institutional property owners, commercial real estate developers and property managers, municipal housing entities and Limited-Profit Housing Associations (LPHAs).

Motivation: Their primary motivation is to maintain or increase the long-term value of their property portfolios while ensuring regulatory compliance and tenant acceptance.

Demands and Needs: Their key needs include planning security, legal certainty, predictable costs, access to affordable financing, and reliable subsidy schemes. They also demand low administrative burden and technically proven renovation solutions that minimise vacancy and operational risks.

- **Investors and Capital Providers**

Including: Large-scale investors, finance and insurance industry, small private investors, condominium owner associations, commercial developers, and single-family homeowners, energy saving companies (ESCOs), Contracting Providers.

Motivation: Private and institutional investors seek stable, long-term returns with manageable risk profiles, and legal certainty.

Demands and Needs: Their main demands are investment security, transparent project structures, reliable cash flows, and credible risk mitigation mechanisms. Public co-financing, guarantees, and standardised project pipelines are especially important to increase their willingness to invest in renovation.

- **Financing and Insurance Industry:**

Including: Banks, insurance companies, and foundations.

Motivation: These actors are motivated by creditworthy projects, regulatory compliance, and risk-adjusted returns.

Demands and Needs: Their needs include robust project assessments, clear legal frameworks, stable policy conditions, and sufficient collateral. Standardisation of renovation projects and reliable performance data are critical to reduce transaction costs and financing risks.

- **Public Funding and Financing Institutions:**

Including: Public authorities (Federal State, *Länder*, municipalities), funding agencies.

Motivation: Their core motivation is the achievement of public policy goals such as climate protection, energy efficiency, and social affordability, plus corresponding multi-year budgets.

Demands and Needs: They require high leverage of public funds, measurable impact, transparency, and compliance with eligibility rules. Their demand focuses on scalable projects, clear monitoring systems, and cooperation with private capital to maximise public value creation.

- **Service provider:**

Including: Civil engineers, architects, construction industry, energy consultants, energy service provider, energy providers.

Motivation: These stakeholders are driven by market opportunities and long-term service contracts.

Demands and Needs: They need stable demand for renovation services, bankable contracting models, and reliable payment structures. Their key demand is for clear contractual frameworks, performance-based remuneration, and access to project financing for integrated energy service solutions.

- **Intermediaries and Innovative Actors:**

Including: Research service providers, research funding agencies, innovation clusters, data service providers.

Motivation: Their motivation lies in market activation, innovation diffusion, and network building.

Demands and Needs: They require long-term program funding, political backing, and access to data and stakeholders. Their demand focuses on stable institutional frameworks that allow them to coordinate projects, bundle investments, and scale innovative financing models.

- **Municipalities & public bodies:**

Including: Municipalities and public bodies, including public housing entities, energy supply companies, energy network operators etc.

Motivation: These actors aim to modernise public building stocks, reduce energy costs, and fulfil climate targets while safeguarding affordable energy supply and budget stability.

Demands and Needs: Their needs include multi-year budget security, high share of public funding, and legally compliant procurement and financing models. They demand simple, low-risk financing instruments and strong advisory support.

- **Governmental Legislative and Advisory Institutions:**

Including: Several ministries (Ministry of Economy, Energy and Tourism; Ministry of Agriculture and Forestry, Regions and Water Management; Ministry for Transport, Innovation and Technology; Ministry of Justice, Ministry of Finance), *Länder*, Municipalities, commercial advisory bodies, regional energy and renovation advisory services, and interest groups.

Motivation: Their main motivation is to implement political targets related to climate neutrality, affordability, and economic development.

Demands and Needs: They require reliable market data, feedback from implementation practice, and policy coherence across administrative levels. Their demand is for effective instruments that are administratively feasible, socially acceptable, and capable of producing measurable impacts.

## 6 ACTION PLAN

### 6.1 Priority Action Areas

As an EU-funded research initiative, the RENOINVEST project positions this Action Plan as an expert-based policy instrument. It provides a structured set of recommendations to support governments and stakeholders in developing and implementing effective national strategies to facilitate investment in building renovation. The Action Plan is organised around three priority action areas, identified through iterative research, stakeholder engagement and expert consultation within the RENOINVEST consortium. The three priority areas, displayed in Table 2, reflect the main leverage points for increasing renovation activity and mobilising private capital:

- **Legislative Area (L)**  
This area focuses on legal and regulatory reforms at federal and *Länder* level. It includes adaptations of building regulations, housing and tenancy law, subsidies and the establishment of enabling instruments such as One-Stop Shops.
- **Financing Area (F)**  
The financing area addresses the core challenge of investment mobilisation. Measures aim to reduce financial risks, improve access to long-term capital and develop financing instruments that are compatible with the specific characteristics of renovation projects.
- **Awareness and Knowledge Transfer Area (A)**  
Complementary measures support market development through targeted dissemination activities, advisory services and capacity building for investors, professionals and decision-makers

Key Measures	
Legislative Area (L)	L.1 Adapt building-codes to better facilitate renovation measures
	L.2 Creating an enabling legal framework for renovations
	L.3 Funding programmes and practical support for municipal buildings
	L.4 Use subsidies more targeted and efficient
	L.5 Establish nationwide One-Stop-Shops
Financing Area (F)	F.1 Establishment of a Housing Development Bank
	F.2 Facilitate Contracting Models
	F.3 Enhancing the attractiveness of financing frameworks
	F.4 Provide financing models for staged or industrialised renovations
Awareness & Knowledge Transfer Area (A)	A.1 Establish regional advisory services regarding financing and implementation of renovations
	A.2 Implementation of renovation roadmaps and passports
	A.3 Dissemination activities regarding renovations

Table 2: Priority Action Areas and Key Measures

## 6.2 Key Measures

The key measures form the core of this action plan and are therefore described in detail. The sequence of actions presented corresponds to the order shown in Table 2. Each proposed measure in the Action Plan follows a unified structure to ensure clarity and comparability. The **Initial Situation** outlines the current regulatory, financial, or market conditions and identifies the main barriers, gaps and opportunities that the measure seeks to address. The **Description of the Measure** details the specific policy actions, legal adjustments, or implementation steps proposed to overcome these challenges.

The **Affected Sector(s)** specify on which sector the measure has impact, the private, the public or both sectors. The **Target Group of the Measure** identifies those who benefit most or are directly impacted by the measure. The **Implementing Group of the Measure** shows which sector and institution or organisations are responsible to manage and implement the measure. The section **Involved Stakeholder Groups** shows which of the stakeholder groups from Subchapter 5.3 should be directly involved in the implementation process for the measure based on their responsibilities, expertise or assigned role. The **Added Value of Implementing the Measure** summarises the anticipated social, economic and environmental benefits. The **Timeline for Implementation** indicates until when the implementation

should be introduced. The **Current Level of Awareness of Decision Makers**, based mainly on the political agenda, reflects how well the topic is prioritised by the current decision makers:

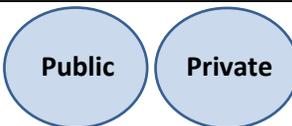
- **Red:** Low awareness, little or no action taken or scheduled.
- **Orange:** Moderate awareness, limited action taken or planned.
- **Green:** High awareness, several actions taken or under implementation.

Finally, the **Monitoring of the Implementation Process** shows how the implementation of a measure can individually be tracked - identifying responsible bodies, data sources and key performance indicators that can be used to measure success of implementation and ensure transparency.

### 6.2.1 Legislative Area

Legislative Area (L)	L.1 Adapt building-codes to better facilitate renovation measures
	L.2 Creating an enabling legal framework for renovations
	L.3 Funding programmes and practical support for municipal buildings
	L.4 Use subsidies more targeted and efficient
	L.5 Establish nationwide One-Stop-Shops

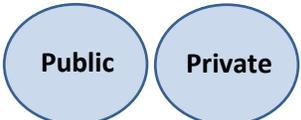
*Table 3: Measures of Legislative Area*

<b>L.1 Adapt building-codes to better facilitate renovation measures</b>	
<b>Initial situation</b>	<p>The Austrian Institute of Construction Engineering (OIB) is a non-profit association founded in 1993 by the nine <i>Länder</i> of Austria to harmonise their building regulations. In view of Austria's EU membership 1995, the OIB acted as a mediator in the implementation of European legislation into national law. Since then, the OIB, with the participation of the <i>Länder</i>, has drawn up six guidelines on various aspects of building regulations, which are updated every four years. The federal states implement the OIB guidelines in their legislation but may also formulate deviations and exceptions. Overall, there are therefore nine building law matters in Austria that are harmonised but still differ from one another (particularly in procedural rules). Currently, building law distinguishes between new construction and renovations.</p>
<b>Description of the measure</b>	<p><b>Building regulations should be designed to better accommodate deep renovations.</b> Possible examples include:</p> <ul style="list-style-type: none"> <li>• Making room heights more flexible, for example when retrofitting water-based ceiling heating (already included in the Vienna Building Regulations).</li> <li>• Allowing building lines and clearance areas to be exceeded when installing composite thermal insulation systems.</li> </ul> <p><b>Introduction of a renovation code</b> based on a German model: Building Type E in the German Federal Building Code (Baugesetzbuch) created the possibility of stipulating deviations from recognised technical standards in contractual agreements between builders and contractors. This simplifies and reduces the cost of renovations without compromising safety aspects. Deviations may occur in areas such as comfort and accessibility (e.g. lower thickness of false ceilings, reduced electrical installations, one-sided handrails, etc.). A similar regulation is recommended for Austria, which differentiates in particular between the terms 'rules of technology' and 'state of the art'.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Public and Private Sector:</b> The measure affects all stakeholders involved in building renovation, including single homeowners as well as large building-owners and investors. Also, LPHAs and municipalities are affected.</p>

<b>Stakeholders to implement the measure</b>	<b>Public Sector:</b> The legislative implementation must ultimately take place in the building regulations of the nine <i>Länder</i> . In doing so, the <i>Länder</i> are guided by the OIB guidelines, which have to be incorporated to their building codes. The most important stakeholder is therefore the OIB.
<b>Involved stakeholder groups</b>	<b>Municipalities &amp; Public bodies</b> (especially the OIB and the nine <i>Länder</i> )
<b>Added value of implementing the measure</b>	Simplified and cheaper renovation options contribute: <b>Socially</b> , more households are benefiting from better living conditions and lower energy consumption. One risk is a potential reduction in quality of life due to lower building standards, such as a lack of accessibility or lower ceiling heights. <b>Economically</b> , the construction industry will be revitalised and regional value creation strengthened through renovations. Jobs will be secured, and innovative renovation solutions will have a better chance of market diffusion. Due to a lack of control, for example through self-declarations, there is a risk of poor-quality renovation work. <b>Environmental</b> , renovations reduce energy consumption and accelerate decarbonisation. However, reducing the environmental and energy requirements for renovations carries the risk of creating lock-in effects and, given ambitious climate targets, having too little impact.
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b>	
<b>Monitoring of the implementation process</b>	The measures and specific implementation proposals must be actively communicated to the stakeholders involved. Innovation laboratories, NGOs and non-profit organisations such as RENOWAVE play an important role in this regard. These information providers must use public relations work to highlight existing or lacking progress.

<sup>3</sup> ● **Red:** Low awareness, little or no action taken or scheduled. ● **Orange:** Moderate awareness, limited action taken or planned. ● **Green:** High awareness, several actions taken or under implementation.

<b>L.2 Creating an enabling legal framework for renovations</b>	
<b>Initial situation</b>	<p>Currently, renovations are governed by four key housing-related legal frameworks: the Tenancy Act (MRG), the General Civil Code (ABGB), the LPHA Act (WGG), and the Condominium Act (WEG). The legal structures are complex, partly inconsistent, and vary significantly depending on the area of application. Experts have been calling for a comprehensive reform of these regulations for decades. Urgent need for action exists particularly regarding issues such as non-transparent rent levels, tenants’ obligations to tolerate renovations, and the allocation of renovation costs to tenants.</p>
<b>Description of the measure</b>	<p>The goal is to establish clear frameworks that facilitate the implementation of renovations while ensuring social balance.</p> <p><b>Removing implementation barriers:</b></p> <ul style="list-style-type: none"> <li>• <u>Adaptation of tenant’s obligations to tolerate:</u> While obligations to tolerate are sufficiently defined for thermal renovation measures, improvements are needed for heating system replacements to accelerate decarbonization. In particular, better legal provisions are required when centralizing individual or floor-level heating systems.</li> <li>• <u>Decision making procedures on decarbonization measures under the Condominium Act (WEG):</u> All measures aimed at decarbonizing buildings should be classified as part of “ordinary administration”, allowing property management to implement them without owner consent. For low-income households, mechanisms should be considered to offset decarbonization costs, either through staggered payments or subsidies.</li> </ul> <p><b>Removing financing barriers:</b></p> <ul style="list-style-type: none"> <li>• <u>Integration of the <i>Maintenance and Improvement Contribution</i> (EVB) model from the WGG into the MRG:</u> Applying the EVB system (proven effective in the LPHA sector) within the Tenancy Act would provide property owners with an incentive to renovate. The building-specific budget pool ensures earmarked funds and represents a socially acceptable way for tenants to participate in renovation costs, alongside the existing “rent reserve”.</li> <li>• <u>Introduction of a bonus/malus system for regulated private rents based on energy performance:</u> Flats in buildings constructed before 1945/1953 are subject to strict rent control. The thermal standard of these buildings has so far played no role in determining the permissible rent. A reform</li> </ul>

	<p>should make it possible to charge market rents after deep renovations. This would create investment incentives and resolve the tenant-investor dilemma in a socially balanced manner. The German modernization surcharge could serve as a reference model.</p> <ul style="list-style-type: none"> <li>• <u>Addressing funding gaps in LPHA-managed buildings</u>: While existing stock often has empty reserve funds (EVB pools) due to ongoing maintenance, funds for deep renovations or decarbonization are lacking. Additional resources could be generated, for example, by reserving an amount equivalent to the last annuity after the completion of initial financing. Such measures require careful evaluation and political consensus-building.</li> <li>• <u>Efficient state subsidy regime</u>: Implementation of targeted and streamlined public funding measures (e.g., measure L.4).</li> <li>• <u>Empowering tenants</u>: Tenants should be authorized to enforce thermal and energy efficiency renovation measures where necessary.</li> </ul>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Mainly Private Sector:</b> The measure affects actors who carry out deep renovations, including building owners and investors, LPHAs and, to a lesser extent, local authorities, where municipal housing exists.</p>
<b>Stakeholders to implement the measure</b>	<p><b>Public Sector:</b> Implementation of housing legislation must primarily take place at federal level, although there are also cross-cutting issues that fall within the remit of the <i>Länder</i>, such as building regulations.</p>
<b>Involved stakeholder groups</b>	<p><b>Municipalities &amp; Public bodies</b> (especially the ministries of justice and of economy as well as the nine <i>Länder</i>)</p>
<b>Added value of implementing the measure</b>	<p>A better Legal Framework regarding renovations contributes:</p> <p><b>Socially</b>, tenants are empowered to obtain renovations, but in return they contribute to the costs of renovations. Lower energy requirements minimise the costs incurred, but additional measures are still needed for low-income households to prevent financial hardship.</p> <p><b>Economically</b>, resolving the user-investor dilemma creates incentives for renovations and strengthens the construction industry and regional value creation.</p> <p><b>Ecologically</b>, renovations reduce energy consumption and accelerate decarbonisation. In view of ambitious climate targets, the proposed measures are urgently needed.</p>

<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>The measures and specific implementation proposals must be actively communicated to the stakeholders involved. Innovation laboratories, NGOs and non-profit organisations such as RENOWAVE play an important role in this regard. These information providers must use public relations to highlight existing or lacking progress.</p>

### L.3 Funding programmes and practical support for municipal buildings

#### Initial situation

Municipalities can access various federal funding programmes for the renovation of their buildings. However, the level of support is often insufficient for municipalities to carry out renovations, which frequently involve additional cost-intensive requirements, especially in listed or historically protected buildings. In 2020, in response to negative economic forecasts caused by the COVID-19 pandemic, the federal government introduced the Municipal Investment Programme (KIG 2020), providing one billion euros to support municipal infrastructure and stimulate regional economic activity. The allocation of funds was based on municipal population size, which meant that smaller municipalities were often unable to undertake cost-intensive renovation projects due to limited subsidies. Furthermore, the programme capped the cost contribution at 50%, further constraining the feasibility of projects.

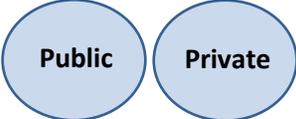
In 2023, the KIP was renewed (KIG 2023), allocating € 500 million for renewable energy and energy efficiency measures and € 500 million for general investments. In 2025, the programme was relaunched again (KIG 2025), this time eliminating the previously mandatory municipal co-financing requirement. Of the total funding, € 300 million was directed toward liquidity improvement, € 500 million for infrastructure, climate change adaptation and climate protection, and € 120 million for digital transformation. While the federal government provides financial support to municipalities for renovation projects, the scale of support remains insufficient.

In addition, many municipalities lack the necessary implementation capacity. Due to the wide range of responsibilities and high expectations from local populations, medium-sized and smaller municipalities are often overwhelmed when it comes to planning and executing renovation projects. Although the federal-level funding agency KPC provides support for applications and administration, and the *Länder*-level energy advisory services offer general guidance on renovations, these services do not meet municipalities' full needs. In addition, the semi-public service providers KDZ and SIR provide assistance in securing subsidies. As a result of these financial and capacity constraints, municipalities frequently shy away from undertaking complex and cost-intensive renovation projects.

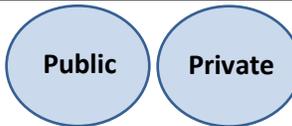
<b>Description of the measure</b>	<ul style="list-style-type: none"> <li>• Municipalities require adequately funded federal programmes to renovate municipally owned buildings. While the current iteration of the KIP addresses existing needs, the level of funding remains insufficient. In addition, municipalities need the capacity and expertise to access available funds and use them effectively for renovation projects.</li> <li>• LPHAs act as regional partners for municipalities in creating affordable housing and enjoy a high level of trust. They could also play an expanded role in municipal non-housing renovation projects. Currently, such services are only permitted with a special authorization from the supervisory authority. In the event of a reform of this regulation, it would have to be ensured that fair competition with commercial providers is maintained, for example through restrictions on the use of equity capital.</li> </ul>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<b>Mainly Public Sector:</b> The measure primarily affects municipalities and, subsequently, LPHAs.
<b>Stakeholders to implement the measure</b>	<b>Public Sector:</b> Implementation must primarily take place at federal level, although there are also cross-cutting issues that fall within the remit of the <i>Länder</i> as LPHA supervisory authorities.
<b>Involved stakeholder groups</b>	<b>Municipalities &amp; Public bodies</b> (especially the municipalities and their representative organisations as the Austrian Association of Municipalities)
<b>Added value of implementing the measure</b>	Better equipped municipalities contribute: <b>Socially</b> , increased renovation of municipally owned buildings improves the quality of social infrastructure in municipalities. <b>Economically</b> , regional value creation in the construction sector is enhanced. <b>Environmentally</b> , renovations lower energy consumption and accelerate decarbonization. Given ambitious climate targets, the proposed measures are urgently needed.

<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b>	
<b>Monitoring of the implementation process</b>	<p>The measures and specific implementation proposals must be actively communicated to the stakeholders involved. Energy agencies, research institutions, clusters, innovation laboratories, NGOs and non-profit organisations such as RENOWAVE play an important role in this regard. These knowledge transmitters must draw attention to existing or lacking progress through public relations work as part of their activities.</p>

<b>L.4 Use subsidies more targeted and efficient</b>	
<b>Initial situation</b>	<p>Currently, Austria has ten different housing subsidy programs – nine at the <i>Länder</i> level and one at the federal level – which require more effective coordination. This fragmented funding landscape results in inefficiency and a lack of targeted impact, meaning that public money is not being used optimally. Regional disparities in funding arise, and important aspects such as targeted support for low-income households, the promotion of serial construction methods, or the use of recyclable and sustainable materials are not consistently or adequately supported. The absence of harmonization also complicates coordination and cooperation between the federal and <i>Länder</i> levels, hinders market development, and creates bureaucratic barriers for investors and developers.</p> <p>There is insufficient long-term strategic orientation beyond the creation of affordable housing. At the federal level, the last legislative period placed emphasis on decarbonization measures and support for low-income households, while some <i>Länder</i> – such as Salzburg – abolished existing energy performance requirements and additional incentives for bio-based building materials without replacement. A consolidation of efforts and a strategic realignment across all political levels would be necessary to increase the efficiency of public spending and to achieve climate targets in the building sector.</p>
<b>Description of the measure</b>	<p><b>Austria’s housing subsidies at both federal and <i>Länder</i> level must be better coordinated and made more efficient. The following aspects are essential:</b></p> <p><b>1. Financial and legal adjustments</b></p> <p>The earmarking of housing subsidies should be reintroduced to prevent funds from flowing into the general budgets of the <i>Länder</i>. This would ensure a long-term, predictable financing structure, ideally based on revolving funds that can refinance themselves over time. In addition, the combination of federal and <i>Länder</i> subsidies must be simplified, and the framework conditions for new construction and renovation – for example, subsidy periods – should be harmonized. Additional tax incentives provide a strong motivation to undertake renovation measures. This includes the depreciation of renovation costs in commercial housing. Currently, the depreciation period is 15 years for subsidized projects and 67 years for unsubsidized ones. It is proposed to generally reduce the depreciation period to 15 years.</p>

	<p><b>2. Adjustment of subsidy content</b></p> <p>At the <i>Länder</i> level, the recyclability of building materials should be mandated across both small- and large-scale construction projects. The strategic orientation of housing subsidies should be better coordinated. While the <i>Länder</i> could continue to cover general aspects of housing support, the federal level should set complementary strategic priorities. For example, nationwide higher subsidy rates could be granted for low-income households, while simultaneously promoting the use of renewable raw materials and serial construction methods.</p> <p><b>3. Reducing bureaucracy and increasing efficiency</b></p> <p>To enhance efficiency, overlapping structures in the administration of subsidies between federal and <i>Länder</i> levels should be eliminated. This would reduce administrative burdens and make the process more user-friendly for citizens and investors. At the same time, subsidy efficiency should be improved. This requires a critical review of existing subsidy measures and the consideration of new legal instruments to ensure effective use of public funds.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Mainly Private Sector:</b></p> <p>The measure targets actors involved in both small-scale and deep renovations, including property owners and investors, LPHAs, and, to a lesser extent, municipalities with public housing.</p>
<b>Stakeholders to implement the measure</b>	<p><b>Public Sector:</b></p> <p>Implementation must be carried out cooperatively at both the federal and <i>Länder</i> levels. This includes not only strategic alignment but also the detailed coordination of subsidy content and priorities.</p>
<b>Involved stakeholder groups</b>	<p><b>Municipalities &amp; Public bodies</b> (especially the responsible authorities for subsidies on national and <i>Länder</i> level)</p>
<b>Added value of implementing the measure</b>	<p>More targeted and efficient subsidies contribute:</p> <p><b>Socially</b>, renovations are made accessible to low-income households, helping to combat energy poverty. By minimizing windfall effects, the social targeting of subsidies is improved.</p> <p><b>Economically</b>, the measure provides the construction sector with planning certainty and generates economic stimulus, supporting stable demand for construction and renovation services. In addition, it actively promotes innovative and sustainable technologies.</p>

	<p><b>Environmentally</b>, by focusing on circular economy principles and sustainable building materials, the sustainability of embodied energy in buildings is emphasized. Furthermore, it creates stable demand for renovations, reduces energy consumption, and accelerates decarbonization.</p>
<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>The federal and <i>Länder</i> governments have formed a reform partnership with the aim of simplifying federal structures and improving efficiency and effectiveness. Discussions are focusing not only on the distribution of financial resources, but also on responsibilities. The reform partnership offers an opportunity to implement the content of this measure. To this end, external stakeholders must provide expertise and demand its implementation. This should be done both in direct exchange with the actors involved and through the media and public channels.</p>

<b>L.5 Establish nationwide One-Stop-Shops</b>	
<b>Initial situation</b>	<p>Up to date, Austria has not implemented state-run One-Stop-Shops (OSS) that, in line with the EU definition and the EPBD requirement, provide the entire renovation process from start to finish or act as intermediaries. Some OSS-like offerings exist, such as Vienna’s privately organized <u>Baurettungsgasse</u> and the publicly funded <u>Hauskunft</u> in combination with the <u>Qualitätsplattform Sanierung</u>, as well as the <u>Sanierungslotsen</u> in Vorarlberg. In the other <i>Länder</i>, such services are either absent or still under development, for example in the form of the Sanierungscoach in Lower Austria.</p> <p>At the regional level, a network of state-run energy and housing advisory offices serves as the first point of contact for those interested in renovations. Additionally, the vocational construction academies run by regional Construction Guilds offer high-quality training programmes for skilled workers, which could be integrated as an additional service layer for professionals participating in OSS initiatives.</p>
<b>Description of the measure</b>	<p>From 2026 on, Austria must establish nationally organized One-Stop-Shops to guide renovation projects, providing energy advice, financing and information on available subsidies, technical and legal guidance, and access to skilled trades. This is based on the Energy Efficiency Directive (EED) 2023/1791. Existing regional energy and housing advisory offices can serve as a foundation, leveraging established networks. OSS can also function as knowledge transfer centres for professional training. Key supporting measures include standardizing consultation practices, Renovation Passports, and data management; creating a national fund co-financed with EU resources; scaling pilot projects; establishing clear roles for <i>Länder</i>, the Federal State, and municipal authorities; training OSS advisors; running communication campaigns; and involving property managers and construction companies as key multipliers. The combination of very different fields of knowledge and the complexity of the funding landscape place high demands on employee training and the combination of specialist expertise.</p>
<b>Affected sector(s)</b>	

<b>Target group of the measure</b>	<b>Mainly Private Sector:</b> The measure targets actors involved in both small-scale and deep renovations, including property owners and investors, LPHAs, and, to a lesser extent, municipalities engaged in public housing projects.
<b>Stakeholders to implement the measure</b>	<b>Mainly Public Sector:</b> The implementing actors include <i>Länder</i> , political and administrative authorities, the construction guild, funding and financial institutions, energy and advisory agencies, as well as market actors responsible for carrying out renovation projects.
<b>Involved stakeholder groups</b>	<b>Municipalities &amp; Public bodies</b> (especially <i>Länder</i> and Ministry of Economy) <b>Governmental Legislative and Advisory Institutions</b> (especially regional energy and renovation advisory services, associations, and interest groups) <b>Financing and Insurance Industry</b> (especially Banks) <b>Public Funding and Financing Institutions</b> (especially public consulting agencies) <b>Investors and Capital Providers</b>
<b>Added value of implementing the measure</b>	Nationwide One-Stop-Shops contribute: <b>Socially</b> , OSS improve accessibility to renovation guidance, financing, and technical support, enabling lower-income households to participate and strengthening local expertise through training and knowledge transfer. <b>Economically</b> , coordinated support increases renovation activity, stimulates demand for construction, installation, and advisory services, creates jobs, and improves the efficiency of public subsidies and investments. <b>Environmentally</b> , OSS promote energy-efficient renovations, renewable energy integration, and sustainable building practices, resulting in lower energy consumption and reduced CO <sub>2</sub> emissions, while contributing to Austria's broader climate goals.
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b>	

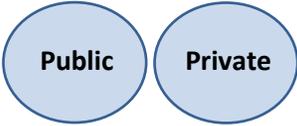
<p><b>Monitoring of the implementation process</b></p>	<p>The implementation of One-Stop-Shops should be closely monitored through multiple layers of oversight. Federal and regional authorities track regulatory compliance, funding allocation, and geographic coverage, while OSS report operational metrics such as clients served, consultations provided, subsidies facilitated, and contractor referrals. Independent evaluators assess the impact on renovation uptake, energy efficiency, and CO<sub>2</sub> reductions, supported by centralized digital monitoring platforms for data aggregation and benchmarking. Crucially, concrete measures and implementation proposals must be actively communicated to all stakeholders. Innovation labs, NGOs, and non-profit organizations such as RENOWAVE play a key role as knowledge transmitters, raising awareness through public outreach about both progress achieved and gaps remaining. Publishing case studies and lessons learned ensures that insights from pilot projects and regional OSS inform ongoing scaling and improvement efforts.</p>
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## 6.2.2 Financing Area

<b>Financing Area (F)</b>	<b>F.1 Establishment of a Housing Development Bank</b>
	<b>F.2 Facilitate Contracting Models</b>
	<b>F.3 Enhancing the attractiveness of financing frameworks</b>
	<b>F.4 Provide financing models for staged or industrialised renovations</b>

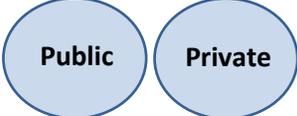
Table 4: Measures of Financing Area

<b>F.1. Establishment of a Housing Development Bank</b>	
<b>Initial situation</b>	<p>In the mid-2010s, the necessary framework was created for the establishment of a private Housing Investment Bank (WBIB). Its main objective was to channel funds from the European Investment Bank (EIB) to housing developers, thereby providing affordable capital for the creation of housing. However, the WBIB never became operational and was ultimately liquidated, leaving only the legal basis in the WBIB Act in place. In the current government programme, the establishment of a new promotional bank has once again been identified as a policy measure. This time, the state-owned funding agency AWS (Austria Wirtschaftsservice) is intended for processing. Alternatives would be the housing funds from the interwar and post-war periods, which still exist today.</p>
<b>Description of the measure</b>	<p>The establishment of a Housing Development Bank offers significant advantages. Unlike the AWS, it could be classified under the private sector and would therefore not fall under the Maastricht criteria. With federal guarantees, low-risk loans from the European Investment Bank could be passed on to beneficiaries at favourable conditions. This would complement the housing subsidies provided by the <i>Länder</i> and reduce financing costs for both housing development and deep renovation of residential buildings.</p> <p>Moreover, such a development bank could enable smaller, nationally operating banks to access EIB funding and serve as a vehicle for channelling future European funds (EU Affordable Housing Plan) into the Austrian housing sector. For these reasons, it is essential to maintain this political objective and move forward with the establishment of a Housing Development Bank. The existing framework should be adapted and extended to not</p>

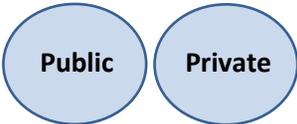
	only benefit to new buildings but to focus on financing renovation in small and large scale.
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<b>Private Sector:</b> Owners of small and large buildings and investors would benefit as well as LPHAs from an established Housing Development Bank.
<b>Stakeholders to implement the measure</b>	<b>Private and Public Sector:</b> A public-private partnership approach, involving banks and relevant actors at the national legislative level, is needed to establish the necessary regulatory and financial frameworks for a Housing Development Bank. In the original WBIB concept, a number of private housing banks should have been shareholders. This could be revived.
<b>Involved stakeholder groups</b>	<b>Municipalities &amp; Public bodies</b> (especially the Ministries of Finance and of Economy) <b>Financing and Insurance Industry</b> (especially Banks) <b>Public Funding and Financing Institutions</b> (especially funding authorities on Federal and <i>Länder</i> level)
<b>Added value of implementing the measure</b>	An established Housing Development Bank contributes: <b>Socially</b> , by making housing more affordable by lowering financing costs, thereby facilitating the creation of rental apartments and homeownership and facilitate deep renovation. Even lower-income households could benefit from reduced financing burdens, while smaller regional banks gaining access to EIB funds would help ensure more equitable development across urban and rural areas. <b>Economically</b> , such a bank would stimulate investments in the housing sector, supporting the construction industry, skilled trades, and supplier networks, while creating and securing jobs. Federal guarantees combined with EIB funds would leverage private capital efficiently, and stable, low-cost financing would reduce risks for developers, enhancing planning security. <b>Environmentally</b> , by encouraging climate-friendly construction practices by linking favourable financing to energy efficiency standards, renewable energy integration, and sustainable building materials. This could also promote the renovation of existing buildings, increasing the energy retrofit rate, reducing long-term energy consumption, and cutting CO <sub>2</sub> emissions, thereby contributing directly to Austria's climate goals.

<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b>	
<b>Monitoring of the implementation process</b>	<p>The implementation of a Housing Development Bank requires careful monitoring of the critical steps needed to bring the institution into operation. National authorities and relevant ministries must oversee the establishment of the legal and regulatory framework, ensuring that all legislative requirements are met. Banks and potential financial intermediaries need to be engaged early to define operational structures, lending guidelines, and risk-mitigation mechanisms. Progress should be tracked through regular reporting on key milestones, including capital mobilization, federal guarantees, and integration with European Investment Bank funds. Independent evaluators or research institutes can provide oversight by assessing whether these preparatory steps are effectively implemented and identifying potential obstacles.</p>

<b>F.2 Facilitate Contracting models</b>	
<b>Initial situation</b>	<p>Energy Savings Contracting has been established in Austria for over 20 years, yet the market remains relatively small compared to Germany or Scandinavian countries. It is primarily applied in the public sector – such as schools, hospitals, and administrative buildings – where investment budgets are often limited. Support exists through national and regional funding programmes, for example via the funding agency KPC, and in some cases through integration into thermal renovation subsidy schemes.</p> <p>The main challenges lie in the high demand for information and advisory services – many building owners are unfamiliar with or sceptical about the model. The complexity of contracts often deters smaller actors, while in the private housing sector, uptake remains very limited, since investment decisions are typically made at a decentralized level (individual owners or homeowners associations).</p> <p>Another point of criticism is that such models often only implement highly profitable measures (e.g. heating replacement), while less profitable measures (renovation of the building envelope) could be further delayed as a result.</p>
<b>Description of the measure</b>	<p>Contracting has proven to be an effective financing and implementation model, particularly for public buildings and large property portfolios. In Austria, however, its use in the private sector remains limited, as the model is often perceived as complex and investment decisions are highly fragmented. For municipalities, contracting offers the advantage of helping to meet EPBD requirements by providing documented evidence of achieved energy savings. In the context of energy communities, contracting can also reduce complexity – especially for homeowner’s associations – and provide incentives for investment.</p> <p>Key challenges include ensuring economic viability for both contracting partners and tailoring contractual conditions to the specific needs of building owners. While contracting models could also be applied to thermal renovation measures, they have so far been rarely implemented. Compatibility with subsidies shortens the payback period and makes the implementation of contracting models even more attractive.</p> <p>To expand their use, supporting measures are needed – such as more attractive financing conditions and improved legal</p>

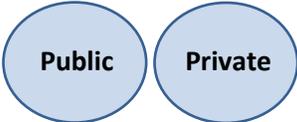
	<p>frameworks for renovations. Monitoring energy savings remains a particular challenge, requiring scalable and user-friendly solutions that can be managed by property administrators while ensuring accurate results. Accompanying training programmes and accessible information materials can also help reducing rebound effects. Low threshold offers, such as free energy consultations focused on behavioural aspects, would complement the existing advisory services of the Austrian <i>Länder</i>.</p> <p>Although financing models based on energy cost savings for LPHAs have existed for years, they rarely function in practice. Certain legal measures (WGG) could make the model more attractive: focus on energy savings rather than cost savings; the possibility of defining a baseline for energy consumption, including for individual heating systems.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Private and Public Sector:</b>  Small investors and property owners (e.g., municipalities, companies, housing developers) benefit from little or no upfront investment, integrated planning–implementation–operation, and guaranteed energy and cost savings.  Tenants profit indirectly from lower operating costs (heating and electricity) and improved comfort through modernized building technologies.</p>
<b>Stakeholders to implement the measure</b>	<p><b>Private Sector:</b>  Banks as well as small- and large-scale investors need to accept and implement those relatively low-risk investments, as savings are contractually guaranteed. Service Providers on the other hand need to open up new business opportunities and secure long-term client relationships through multi-year contracts.</p>
<b>Involved stakeholder groups</b>	<p><b>Financing and Insurance Industry</b> (especially Banks)  <b>Investors and Capital Providers</b> (especially Homeowners associations)  <b>Real Estate Industry</b> (especially LPHAs and large-scale property owners)  <b>Service Provider</b> (especially ESCOs and contracting providers)</p>

<p><b>Added value of implementing the measure</b></p>	<p>More Contracting Models contribute:</p> <p><b>Socially</b>, contracting makes renovations more affordable by spreading costs over time and linking repayments to achieved energy savings. Owners are relieved from high upfront burdens, while fair cost-sharing reduces conflicts between landlords and tenants. This ensures that even households with lower purchasing power can benefit, strengthening social equity in climate action.</p> <p><b>Economically</b>, property owners such as municipalities, LPHAs, and other private actors do not need to provide large amounts of equity, while guaranteed savings offer a high level of planning security. At the same time, construction companies, installers, and energy providers benefit from increased demand, helping to secure and create jobs.</p> <p><b>Environmentally</b>, renovations lead to significant energy and CO<sub>2</sub> savings through modernized buildings with lower demand for heating, hot water, and electricity. Contracting models also support the integration of renewable energy solutions, amplifying climate benefits.</p>
<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>Funding agencies such as KPC and AWS should monitor the uptake of contracting projects, subsidies, and financial instruments, as well as the effectiveness of liability schemes and other support mechanisms. ESCOs and property administrators should provide standardised reporting on energy savings, contractual performance, and investment flows, while independent evaluators from research institutes verify results, assess contract performance, and monitor potential rebound effects. This process can be supported by a digital monitoring platform collecting pre- and post-renovation consumption data and ensuring transparency.</p> <p>To strengthen market confidence, best practice cases should be systematically disseminated, highlighting successful projects and replicable models. In parallel, LPHAs and private property management bodies should be proactively informed and advised on contracting opportunities to enable their role as multipliers and decision-makers. Together, these measures of oversight, transparency, and knowledge transfer are essential to establishing contracting as a credible and scalable renovation model.</p>

<b>F.3 Enhancing the attractiveness of financing frameworks</b>	
<b>Initial situation</b>	<p>Traditional bank loans, such as mortgages and housing loans, are the most common form of third-party financing, but they are harder to access for renovations than for new construction. Banks perceive renovations as harder to value, and securing loans for multi-family buildings or homeowners associations is complex. Subsidies are fragmented and often insufficient. Standard loan terms (15–25 years) are typically too short for deep renovations, which would benefit from longer terms (30–40 years) and initial grace periods. Long-term, multi-generational repayment models are not yet established, and banks are cautious due to unclear risk assessments and legal as well as organizational issues. While high-income or creditworthy owners have reasonable access, broader populations – especially older owners or middle- to low-income households – face significant barriers, limiting renovation uptake crucial for climate goals and social equity.</p>
<b>Description of the measure</b>	<ul style="list-style-type: none"> <li>• <b>Frameworks for third-party financing</b> should be relaxed to provide broader access, ensuring equal treatment of renovations and new construction.</li> <li>• <b>Loan durations</b> should be extended to align with energy-saving payback periods, and repayment conditions made more flexible through grace periods and adaptable schedules.</li> <li>• <b>Generational loans</b> should be established with clear legal frameworks, and state-backed loans offered to financially vulnerable households.</li> <li>• <b>Green finance products</b>, such as Green Bonds and sustainable investment funds, should be integrated into building financing, while administrative processes are simplified and made transparent through One-Stop-Shops and digital platforms for subsidies and loans.</li> <li>• Existing products, such as <b>Contract Saving or Housing Bonds</b>, should be further promoted and become ‘greener’, for example through subsidies dependent on achieved energy and environmental standards (ESG).</li> </ul>
<b>Affected sector(s)</b>	

<b>Target group of the measure</b>	<p><b>Mainly Private Sector:</b> The primary focus is on the private sector, including homeowner’s associations, investors, and LPHAs, with tenants benefiting indirectly through lower operating and financing costs. In addition, small- and medium-sized investors, LPHAs, commercial developers involved in building renovations, as well as municipalities, schools, and hospitals, also benefit from more attractive financing and regulatory frameworks, even though the main emphasis is on the private sector.</p>
<b>Stakeholders to implement the measure</b>	<p><b>Public and Private Sector:</b> Policymakers, funding agencies, banks, and insurance companies, together with implementation actors such as contractors and advisory services, play a central role in designing new financing and renovation models and bringing them to market.</p>
<b>Involved stakeholder groups</b>	<p><b>Municipalities &amp; Public bodies</b> (especially the Ministries of Finance and Economy)  <b>Governmental Legislative and Advisory Institutions</b> (especially associations, and interest groups)  <b>Financing and Insurance Industry</b> (especially banks and insurance companies)  <b>Public Funding and Financing Institutions</b> (especially funding authorities on federal and <i>Länder</i> level)  <b>Service Provider</b> (especially financing agencies)</p>
<b>Added value of implementing the measure</b>	<p>Enhancing the attractiveness of financing frameworks contributes:</p> <p><b>Socially</b>, subsidies make renovations more affordable and accessible to a wider population. Costs can be fairly shared between owners and tenants, and self-managed renovations are facilitated. Additional grants lower entry costs, enabling lower-income households to finance renovations, promoting social equity and higher acceptance.</p> <p><b>Economically</b>, by enabling more renovations, subsidies strengthen the construction sector, craftsmanship, and regional value creation. They improve project profitability, shorten payback periods, and reduce risks for both property owners and financing institutions, thereby triggering additional investments.</p> <p><b>Environmentally</b>, subsidies steer investments toward high-impact energy and climate measures, such as thermal insulation, renewable heating systems, and photovoltaics, maximizing CO<sub>2</sub> reduction and supporting climate protection goals.</p>

<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>The Austrian National Bank (OeNB) has introduced a Dashboard on housing markets. This could be expanded to building renovation. Implementation can be tracked through digital platforms and dashboards that centrally record subsidies, loans, renovation roadmaps, and Renovation Passports, while the Financial Market Authority (FMA) ensures regulatory compliance and monitors risk weighting for renovation loans. Banks and banking associations track loan volumes, advisory services, and integration with subsidies. Regular reporting aggregates data on the number, type, and scope of supported renovations, while qualitative surveys among property owners, banks, contractors, and advisory services identify barriers and potential improvements. Benchmarking across regions, funding programs, or financial institutions helps to highlight best practices.</p> <p>This combined approach of centralized data collection, regular reporting, qualitative evaluation, and benchmarking ensures that the measure's implementation can be monitored, successes made visible, and necessary adjustments made in a timely manner.</p>

<b>F.4 Provide financing models for staged or industrialised renovations</b>	
<b>Initial situation</b>	<p>Staged renovations are widely practiced but face financial disadvantages, as both subsidies and banks tend to favour deep renovations in one go. Industrialized renovations remain in the pilot phase and are particularly relevant for LPHAs and municipalities, yet they lack a dedicated financing framework. Current subsidies are fragmented and not sufficiently aligned with the logic of staged or industrialized approaches. Similarly, banking products remain standardized, without adapting to the specific needs of step-by-step or serial solutions.</p>
<b>Description of the measure</b>	<p>Banks should be encouraged to offer loan financing based on measure-specific renovation plans, for example through framework loans or staged financing. The focus is on building and stock renovations of small-scale and large assets, complemented by adjustments to subsidies, such as equal treatment for staged renovations, bonus systems, and special grants for industrial/serial solutions. Additionally, private capital sources like Green Bonds or contracting models should be integrated. Social protection measures, such as guarantees and interest subsidies, help ensure affordability for property owners.</p> <p><b>Institutional Support:</b></p> <ul style="list-style-type: none"> <li>• Establish One-Stop-Shop structures that combine financing, subsidy administration, and technical advice, including integration of the Renovation Passport.</li> <li>• The Renovation Passport documents planned renovation stages, providing security and certainty for banks and funding agencies.</li> <li>• Pilot projects under Public-Private Partnerships (PPP) should test serial renovations at larger scales and provide best-practice examples.</li> </ul> <p>This approach facilitates the implementation of staged and industrial renovation models, increases planning reliability, and reduces risks for property owners, banks, and funding agencies alike.</p>
<b>Affected sector(s)</b>	

<b>Target group of the measure</b>	<b>Mainly Private Sector:</b> Homeowners, homeowner’s associations, and LPHAs are key targets due to large building stocks and potential for economies of scale. Commercial developers are also relevant. Public buildings, such as schools and hospitals, are also suitable for serial renovations because of their large-scale structures.
<b>Stakeholders to implement the measure</b>	<b>Private and Public Sector:</b> Banking sector, policymakers, and funding agencies need to create regulatory and financial frameworks and offer advisory service.
<b>Involved stakeholder groups</b>	<b>Municipalities &amp; Public bodies</b> (especially the Ministry of Economy) <b>Financing and Insurance Industry</b> (especially banks) <b>Public Funding and Financing Institutions</b> (especially subsidy departments of the <i>Länder</i> ) <b>Real Estate Industry</b> (especially commercial housing developers and LPHAs, construction industry and prefab industry)
<b>Added value of implementing the measure</b>	Providing financing models for staged or industrialised renovations contributes: <b>Socially</b> , renovations become more affordable, with phased implementation allowing cost distribution over time. Subsidies reduce upfront expenses, and costs can be fairly shared between owners and tenants. <b>Economically</b> , the construction sector and regional value creation are strengthened. Subsidies shorten payback periods, reduce investment risks, and leverage additional private capital. <b>Environmentally</b> , targeted incentives make high-impact measures – such as thermal insulation, renewable heating systems, and PV installations – more attractive, maximizing CO <sub>2</sub> reduction per euro invested.
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b>	

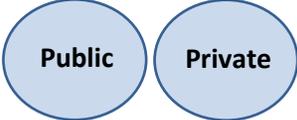
<p><b>Monitoring of the implementation process</b></p>	<p>Implementation can be monitored and overseen through a combination of quantitative and qualitative measures. Federal ministries coordinate overall progress and integrate reporting into national and EU frameworks (NEKP, EPBD). Funding agencies verify correct application of grants in connection with the Renovation Passport. Independent evaluators and research institutes provide ongoing assessment of effectiveness, efficiency, and scalability, supplemented by dashboards, benchmarking, and user surveys to capture feedback from property owners, banks, and construction professionals. This multi-level oversight ensures accountability, continuous improvement, and alignment with policy objectives.</p>
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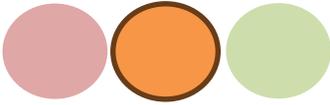
### 6.2.3 Awareness & Knowledge Transfer Area

<b>Awareness &amp; Knowledge Transfer Area (A)</b>	<b>A.1 Establish regional advisory services regarding financing and implementation of renovations</b>
	<b>A.2 Implementation of renovation roadmaps and passports</b>
	<b>A.3 Dissemination activities regarding renovations</b>

Table 5: Measures of Awareness & Knowledge Transfer Area

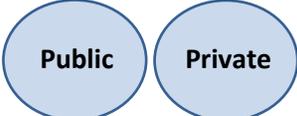
<b>A.1 Establish regional advisory services regarding financing and implementation of renovations</b>	
<b>Initial situation</b>	<p>The <i>Länder</i> have competent advisory centres for renovation and energy-saving, covering the technical aspects of building retrofits. However, comprehensive financing support for renovations is still lacking. In the past, Bausparkassen (Contract Saving Banks) played an advisory role by explaining and implementing financing while also informing clients about government subsidies. In this way, they also assumed the role of market intermediaries. From a governmental perspective, this arrangement offered the advantage of outsourcing to competent external providers, minimizing administrative workload. The banks were able to integrate state subsidies into the financial plan and manage both the subsidy process and additional financing.</p> <p>Due to last year's low-interest-rate environment, Bausparkassen loans became financially unattractive and lost significance. Nevertheless, the Federal States still maintains cooperation with banks regarding housing subsidies. Today, many commercial banks actively promote renovation loans and provide advice on available subsidies in this context. Additionally, independent advisory platforms (e.g., infina.at) exist on the market, offering comparisons of renovation loans and information on region-specific funding opportunities.</p>
<b>Description of the measure</b>	<p><b>Role of Banks in Supporting Building Renovations</b></p> <p>Renovation-interested parties (private owners, homeowners associations, developers, municipalities) require low-threshold, competent advisory points. Banks can play a threefold role:</p> <ol style="list-style-type: none"> <li>1. <u>Provide financing products</u>: Offer attractive loans and long-term financing models for renovations.</li> <li>2. <u>Support subsidy guidance and administration</u>: Act as an interface between funding agencies, property owners, and contractors.</li> <li>3. <u>Provision of technical services</u>, such as energy consultants or renovation coaches.</li> </ol>

	<p><b>Regulatory context</b></p> <p>Bank regulations and supervision strongly influence which types of financing banks actively promote. By establishing the right legal framework and incentives, banks can be encouraged to increase activity in renovation loans and green finance. The Green Finance Alliance (GFA) can act as a key catalyst in advancing bank-supported renovation measures. It can establish common standards for green renovation loans aligned with the EU taxonomy, provide capacity-building for member institutions, and serve as a platform for sharing and scaling best practices such as soft loan integration and One-Stop Shop solutions. By acting as an interface between ministries, regulators, and financing institutions, the GFA can help shape regulatory adjustments that make renovation loans more attractive and accelerate investments in building decarbonization.</p> <p><b>Good practice examples</b></p> <ul style="list-style-type: none"> <li>• <u>Salzburg Housing Subsidy</u>: Interdependence in terms of content and process between the granting of a subsidy and a bank loan.</li> <li>• <u>Lower Austria</u>: Raiffeisenbank provides integrated subsidy advice.</li> <li>• <u>Bausparkassen</u> (Contract Savings Banks): Traditionally important in financing single-family homes, offering favourable renovation loans often combined with state grants or subsidy programmes.</li> </ul> <p><b>Policy recommendations</b></p> <ul style="list-style-type: none"> <li>• Combine technical expertise and financing through banks to provide a One-Stop Shop experience for owners, linking them to energy consultants, contractors, and contracting providers.</li> <li>• Use tools like the RENOWAVE subsidy chatbot to provide low-threshold, clear communication and avoid the “subsidy jungle”.</li> <li>• Establish uniform standards so service takers are not caught between different subsidy agencies and banks.</li> <li>•</li> </ul>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Mainly Private sector:</b> Homeowners, homeowners associations, property developers, municipalities – in other words, anyone who wants to carry out renovations but needs financing and advice on subsidies.</p>

<b>Stakeholders to implement the measure</b>	<b>Public and Private Sector:</b> Banking sector, politics & administration (framework & subsidies), banks & contract savings entities (financing + consulting), energy agencies & property management companies (technical support) and new OSSs (further implementation of renovations)
<b>Involved stakeholder groups</b>	<b>Financing and Insurance Industry</b> (especially banks) <b>Municipalities &amp; Public bodies</b> (especially Ministries of Finance and of Agriculture, as well as the Green Finance Alliance)
<b>Added value of implementing the measure</b>	Regional advisory services regarding financing and implementation of renovations contributes: <b>Socially</b> , integrated financing and advisory services reduce barriers, improve transparency, and ensure fair cost distribution, increasing participation in building renovations. <b>Economically</b> , clear renovation roadmaps, attractive loans, and combined subsidies boost renovation rates, provide investment security, and strengthen local construction and service sectors. <b>Environmentally</b> , higher renovation uptake reduces energy use and CO <sub>2</sub> emissions, prioritizes measures with the greatest ecological impact, and advances national and EU climate targets (NEKP, EPBD).
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b>	
<b>Monitoring of the implementation process</b>	Institutionalized cooperation between banks, funding agencies, and energy consultants should be embedded in One-Stop-Shop structures, offering integrated advisory, financing, and subsidy management. Standardized renovation roadmaps and digital interfaces will provide transparency and planning security. Systematic monitoring through bank reporting and independent evaluations will ensure accountability and allow for continuous improvement. In addition, the GFA can coordinate monitoring and reporting on renovation-related lending volumes and their emission impacts, ensuring transparency and accountability.

## A.2 Implementation of renovation roadmaps and passports

<p><b>Initial situation</b></p>	<p>The Austrian Institute for Construction Engineering (OIB) has published a Renovation Passport guideline in 2025, based on EU Directive (EU) 2024/1275. The guideline provides a structured framework for the content and design of a renovation passport, including the following elements: documentation of current energy consumption, development of multi-step renovation roadmaps toward net-zero-emission buildings (NZEB), recommendations for the optimal sequence of measures, and guidance on available subsidies, technical consulting, and climate data.</p> <p>The OIB Guideline 6 (“Energy Savings and Thermal Protection”) has been revised in autumn 2025 according to the EPBD 2024. It establishes, amongst others, the foundation for renovation roadmaps and renovation passports. So far, only a few pilot projects have developed initial renovation roadmaps (e.g., <a href="#">Klimaaktiv</a>, <a href="#">Energy Agency Lower Austria</a>, <a href="#">Upper Austria Energy Saving Association</a>).</p> <p>A comprehensive nationwide rollout has not yet been achieved. Full implementation requires digital infrastructure, advisory systems (e.g. OSS), and integration into funding logic. Integration with building registries or subsidy portals is missing at this stage.</p>
<p><b>Description of the measure</b></p>	<ul style="list-style-type: none"> <li>• <b>Renovation roadmap:</b> Provides a multi-step, long-term energy retrofit plan tailored to each building, specifying measure sequencing (insulation → windows → heating → PV), costs, and expected energy savings.</li> <li>• <b>Official Renovation Passport:</b> Documents the current building status (energy certificate, CO<sub>2</sub> emissions, renovation needs) and links it to the roadmap; intended as a central tool for funding, financing, and monitoring.</li> <li>• <b>Regulatory integration:</b> Incorporate the Renovation Passport into building codes (OIB Guideline 6) and housing subsidy acts of the <i>Länder</i>, with standardized content (energy performance indicators, cost-benefit analysis) and alignment with EU EPBD requirements and the National Building Renovation Plan.</li> <li>• <b>Funding incentives:</b> Full subsidies linked to possession of a Renovation Passport; integrated financing models combining bank loans and grants based on the roadmap; special funds to cover costs for private owners, homeowner’s associations, and municipalities.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Digital infrastructure:</b> Establish a platform or building registry to store Renovation Passports / Energy Performance Certificates and provide access to owners, banks, and funding agencies.</li> <li>• <b>Professional capacity building:</b> Training of energy consultants, architects, and other professionals to create standardized renovation roadmaps.</li> <li>• <b>Pilot programs:</b> Launch across all nine <i>Länder</i> to generate practical experience and showcase best practices.</li> <li>• <b>One-Stop-Shop integration:</b> Combine advice, roadmap, and financing in a single service, facilitating practical implementation, see measure L.6.</li> <li>• <b>Communication &amp; engagement:</b> Campaigns to raise awareness (“Roadmap to a climate-neutral home”), low-threshold online tools (quick checks), and engagement of homeowner’s associations and property managers, see measure A.3.</li> <li>• <b>Banking cooperation:</b> Use the Renovation Passport as a basis for credit decisions to link financial instruments directly with renovation plans.</li> </ul>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Mainly Private sector:</b> Investors, owners, homeowner associations, property developers, LPHAs, but also municipalities use renovation passports and renovation roadmaps for guidance and access to financing and subsidies.</p>
<b>Stakeholders to implement the measure</b>	<p><b>Private and Public Sector:</b> Governments need to adapt regulations and funding; OIB needs to adapt standards in building codes; energy agencies &amp; consultants need to implement roadmaps and passports; banks &amp; funding agencies need to offer financing and the construction industry needs to realise renovations as provided.</p>
<b>Involved stakeholder groups</b>	<p><b>Municipalities &amp; Public bodies</b> (especially <i>Länder</i> and funding bodies, OIB)  <b>Governmental Legislative and Advisory Institutions</b> (especially energy agencies and energy/renovation advisory services)  <b>Financing and Insurance Industry</b> (especially banks)</p>
<b>Added value of implementing the measure</b>	<p>The measure contributes:  <b>Socially:</b> Renovations become more affordable and accessible, with transparent cost-sharing and clear guidance reducing barriers to implementation. Staged measures allow owners to</p>

	<p>plan and execute renovations in manageable steps. In homeowner’s associations, fair cost allocation is ensured because all owners have a shared, transparent basis for decisions.</p> <p><b>Economically:</b> Binding renovation roadmaps increase the likelihood of actual implementation by making financing, subsidies, and technical planning more predictable. Owners and banks gain a reliable basis for investment decisions, building trust and investment security. This supports the construction sector, crafts, and regional value creation.</p> <p><b>Environmentally:</b> Renovations reduce energy use and CO<sub>2</sub> emissions. Higher renovation rates accelerate progress toward a climate-neutral building stock. Renovation Passes prioritize measures with the greatest energy and CO<sub>2</sub> impact first, enabling the highest ecological benefits and facilitating national monitoring of energy and emission targets (NEKP, EPBD).</p>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b>	
<b>Monitoring of the implementation process</b>	<p>The implementation of Renovation Passport measures can be tracked using a combination of quantitative, qualitative, and structural indicators. Key quantitative indicators include the number of issued passports, implemented renovation measures, estimated energy and CO<sub>2</sub> savings, uptake of funding and financing, digital platform usage, and participation in pilot programmes and One-Stop-Shops. Qualitative indicators cover satisfaction and acceptance among owners, homeowner’s associations, banks, and consultants, as well as media visibility, social media engagement, and feedback from pilot projects. Structurally, all activities should be centrally documented in a dashboard, with regular reporting, benchmarking across regions, and integration into national energy and emissions monitoring (NEKP, EPBD). On this behalf regional institutions as energy agencies can be used to monitor the implementation of the described measure.</p>

### A.3 Dissemination activities regarding renovations

<p><b>Initial situation</b></p>	<p>In 2024, the Austrian Ministry for Climate Action (BMK, at that time – now transferred to BMLUK) launched the information campaign “<u>K.O. für alte Öl- &amp; Gaskessel</u>”, which combined several funding schemes (such as the decarbonisation of heating systems for private households and special subsidies for low-income households) and ran until the first quarter of 2025. A total budget of around <u>€ 2 million</u> was allocated for advertising across TV, radio, billboards, and online channels, with a particular focus on social media. The results of an evaluation of the campaign have not yet been published.</p> <p>Awareness-raising is highlighted as an integral element of renovation support in many strategic documents – such as the <u>Austrian Strategy for Adaption to Climate Change</u>, the <u>KLAR! Model regions</u>, the <u>Austrian biodiversity strategy</u>, and the <u>klimaaktiv</u> network, as well as in <u>monitoring studies</u> that identify the instruments needed to achieve renovation goals. Regional activities have also proven successful. For example:</p> <ul style="list-style-type: none"> <li>• The <u>Climate and Energy Model Region Perg</u> implements public relations and awareness-raising measures in the field of <i>ecological renovation</i>, as part of its broader municipal energy transition efforts.</li> <li>• The <u>Ökoregion Kaindorf</u> actively engages in public outreach – using social media channels such as Facebook, Instagram, and the Cities App – to promote sustainable mobility and energy projects.</li> <li>• Bottom-up initiatives for energy communities are being heavily promoted on social media.</li> </ul>
<p><b>Description of the measure</b></p>	<ul style="list-style-type: none"> <li>• <b>Shape public opinion through multi-channel campaigns:</b> Use classical and digital channels, including TV, radio, social media, billboard campaigns, and online platforms.</li> <li>• <b>Position renovation as a strategic lever:</b> Emphasize climate mitigation, energy efficiency, improved living comfort, and reduced dependency on fossil fuels.</li> <li>• <b>Highlight tangible benefits:</b> Lower energy costs, better indoor quality, contribution to climate protection, and societal benefits such as energy security and climate neutrality.</li> <li>• <b>Leverage emotional and practical examples:</b> Showcase success stories, before-and-after comparisons, and interviews with property owners to increase engagement and credibility.</li> <li>• <b>Provide a single point of access for support:</b> Centralize renovation offers, funding information, and advisory services</li> </ul>

	<p>via websites, hotlines, and local offices (OSS shops), answering the key question: “Where can I get support?”</p> <ul style="list-style-type: none"> <li>• <b>Embed renovation topics in media and public discourse:</b> Ensure coverage in news articles, discussion forums, and events (e.g., RENOWAVE <a href="#">Impact Days</a>).</li> <li>• <b>Engage complementary advisory services:</b> Hotlines, online calculators, local consultation events to support informed decision-making.</li> <li>• <b>Utilize trusted intermediaries and networks:</b> Municipalities, housing associations, energy consultants, and banks act as multipliers to expand reach.</li> <li>• <b>Ensure transparency and accessibility:</b> Clearly communicate programme details, eligibility, and application processes.</li> <li>• <b>Maintain continuous digital engagement:</b> Social media, newsletters, and short videos to sustain visibility and awareness.</li> </ul>
<b>Affected sector(s)</b>	 <p><b>Private</b></p>
<b>Target group of the measure</b>	<p><b>Private Sector:</b> People and institutions with buildings in need of renovation (homeowners, property developers, companies, investors)</p>
<b>Stakeholders to implement the measure</b>	<p><b>Public sector:</b> Actors who commission and implement campaigns and subsidies (ministries, KPC, <i>Länder</i>, energy agencies, municipalities, communications agencies).</p>
<b>Involved stakeholder groups</b>	<p><b>Public Funding and Financing Institutions</b> (especially Ministries and banks) <b>Municipalities &amp; Public bodies</b> (especially <i>Länder</i> and cities)</p>

<p><b>Added value of implementing the measure</b></p>	<p>Effective public outreach for building renovations generates additional benefits:</p> <ul style="list-style-type: none"> <li>• <b>Socially</b>, it raises awareness, reduces barriers, and strengthens participation by engaging citizens in climate action, while programmes targeting low-income households promote inclusivity.</li> <li>• <b>Economically</b>, it stimulates local markets by increasing demand for construction, energy consulting, and sustainable technologies, lowers household energy costs, and maximizes the use of available subsidies.</li> <li>• <b>Environmentally</b>, renovations reduce greenhouse gas emissions, conserve resources, and contribute to climate-resilient urban and regional development, supporting long-term climate targets and carbon neutrality.</li> </ul>
<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda<sup>3</sup></b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>To track whether public outreach is expanding, both quantitative and qualitative indicators should be used. Quantitative measures include the number and frequency of campaigns (TV, radio, social media, billboards, newsletters), events and workshops, budget allocations, and participant numbers. Qualitative measures cover media visibility, placement of renovation topics in public discussions, and feedback from stakeholders such as municipalities, energy consultants, and regional initiatives.</p> <p>This needs to be coordinated by a central institution that tracks activities, document them and benchmark them against previous years or other regions to identify trends and evaluate progress. Such an institution needs to be selected, and budget needs to be provided to do so.</p>

## 6.3 Overview of Measures Implementation

This subchapter presents a comprehensive chart that summarizes all recommended measures outlined in the action plan. The graphic visually maps the influence and interest of each stakeholder group, as defined in Subchapter 5.3, using a point system to indicate their respective roles and levels of engagement:

- - (low interest, low influence),
- + - (high interest, low influence),
- + (low interest, high influence),
- + + (high interest, high influence),

If the stakeholder-Group is not relevant for the objective the cell remains empty.

Additionally, the chart incorporates the projected implementation timeline and provides an assessment of decision-makers' awareness for each measure, as detailed in Subchapter 6.2. The colour coding - red, orange, and green - offers a quick overview of the current status, ranging from low to high awareness and action. This visual overview is designed to clarify the multifaceted responsibilities and highlight the need for coordinated efforts among all involved parties:

-  **Red:** Low awareness, little or no action taken or scheduled.
-  **Orange:** Moderate awareness, limited action taken or planned.
-  **Green:** High awareness, several actions taken or under implementation.

Stakeholder Groups	Real Estate Industry	Investors and Capital Providers	Financing and Insurance Industry	Public Funding and Financing Institutions	Service Provider	Intermediaries and Innovative Actors	Municipalities & Public Bodies	Governmental Legislative and Advisory Institutions	Timeline of Implementation	Current level of Awareness of decision makers
Measures										
L.1 Adapt Building-Codes to better facilitate Renovation Measures	+ -	+ -	+ -			+ -	+ -	+ +	2030	
L.2 Creating an enabling legal framework for renovations	+ -	+ -	+ -	+ -		+ -	+ -	+ +	2030	
L.3 Funding Programmes and Practical Support for Municipality buildings	- -			+ -			+ +	+ +	2027	
L.4 Use Subsidies more targeted and efficient	+ -	+ -	+ -	+ +	+ -	+ -	+ -	+ +	2027	
L.5 Establish nationwide One-Stop-Shops	- -	- -	- -	+ -	+ -	+ -	- -	- +	2027	
F.1 Establishment of a Housing Development Bank	- -	- +	- +	- +	+ -	+ -	- -	- +	2027	
F.2 Facilitate Contracting Models	- +	- -	- -	- +	+ -	+ -	+ +	+ -	2027	
F.3 Enhancing the attractiveness of financing frameworks	+ -	- +	- +	+ +	+ -		- -	+ +	2030	
F.4 Provide financing models for staged or industrialised renovations	+ -		- -	+ +		+ -	- -	+ +	2030	
A.1 Establish regional advisory services regarding financing and implementation of renovations	- -	- -	- +	- -	+ -	+ -	+ +	- +	2030	
A.2 Implementation of renovation roadmaps and passports	- +	- -	- -	- +	+ -	+ -	+ -	- +	2030	
A.3 Dissemination activities regarding renovations	- +	- +	+ +	+ +	+ -	+ -	- +	- +	2027	

Table 6: Monitoring Device Action Plan

## 7 CONCLUDING REMARKS AND RECOMMENDATIONS

Austria has established a solid foundation for energy-efficient building renovation through a wide range of subsidy schemes, regulatory instruments and advisory services. Nevertheless, the current renovation rates remain insufficient to meet national and European climate targets, particularly climate neutrality in the building sector by 2040. The core challenge is not a lack of technical solutions, but the limited mobilisation of private capital under stable, predictable and socially balanced framework conditions.

While public funding remains essential, it is structurally insufficient to finance the scale of renovations required. A decisive shift towards blended financing approaches, combining public incentives with private investment, is therefore indispensable. Mobilising private capital at scale requires coordinated action across financing frameworks, legal conditions, institutional support and market development instruments. Financing instruments must reflect renovation-specific characteristics such as long payback periods and staged implementation. Leveraging existing savings instruments, complemented by public guarantees and risk-sharing mechanisms, can significantly reduce perceived investment risks.

In parallel, legal and administrative barriers must be addressed. Simplified procedures, improved tenant-landlord arrangements and socially balanced cost-sharing mechanisms are essential to unlock renovation potential. Targeted institutional support - through advisory services, training and access to benchmark data - can further professionalise decision-making and reduce uncertainty.

Finally, awareness-raising, integrated advisory services and data transparency are key enabling factors. Nationwide One-Stop Shops should guide building owners throughout the renovation process, while improved data standardisation and monitoring systems are crucial to enhance bankability, reduce risk perceptions and support evidence-based policymaking.

### **An Implementation Roadmap for Austria's Energy-Efficient Renovation Goals**

To translate these recommendations into practice, a structured and time-bound implementation roadmap is required. The roadmap provides a clear sequencing of priorities, measures and stakeholder responsibilities up to 2050, while allowing for flexibility in response to future developments.

#### **Phase 1: Framework Development and Piloting (2026–2027)**

The initial phase should focus on creating enabling conditions. Key priorities include targeted reforms in housing legislation, the further development of ESCO/EPC regulations, and the establishment and piloting of One-Stop Shops across Austria. During this phase, stakeholder coordination and capacity building is critical. Federal ministries responsible for climate action and finance, supervisory authorities, funding agencies and national platforms such as the European Energy Efficiency Financing Coalition (EEFC) National Hub Austria should play a central coordinating role.

### **Phase 2: Scaling Private Investment (2026–2030)**

Building on the established frameworks, the second phase should focus on scaling private investment. This includes the introduction of standardised green loan products, tax incentives and blended finance instruments, as well as the systematic rollout of ESCO/EPC models. The objective is to mobilise approximately €1 billion per year in private capital by 2030. Banks, financial intermediaries, AWS, municipalities and housing associations will be key actors in translating financial products into concrete renovation projects. Reforms and policy adaptations need to be continued as well as coordinating platforms such as the EEEFC National Hub.

### **Phase 3: Deep Renovation and Decarbonisation (2026–2040)**

In this phase, the focus shifts to achieving a stable renovation rate of approx. 3 % annually and to the large-scale implementation of deep renovations. Priority measures include the phase-out of fossil heating systems, the expansion of public–private partnerships and aggregated renovation models, and the further professionalisation of the renovation market. Training, quality assurance and data transparency become increasingly important to sustain momentum and ensure long-term impacts.

### **Phase 4: Climate-Neutral Building Stock (2040–2050)**

The final phase aims at consolidating a fully climate-neutral building stock. Scalable financing instruments such as green bonds and institutional investment vehicles will play a growing role. Continuous monitoring, innovation and cross-border knowledge exchange - supported by EU-level platforms - remain essential to maintain progress and adapt to evolving challenges.

Austria possesses the institutional capacity, technical expertise and financial infrastructure to become a frontrunner in sustainable building renovation. The decisive factor for success will be the consistent alignment of public policy, private capital and social objectives within a coherent, long-term strategy. The Action Plan developed within the RENOINVEST project provides a solid strategic foundation for this transformation.

Importantly, this Action Plan should not be understood as a static policy document. Instead, it must serve as a living framework that is continuously reviewed, adapted and further developed in response to political changes, market dynamics and multi-level regulatory changes. Systematic monitoring, stakeholder feedback and evidence-based evaluation should inform this adaptive process and ensure that policy instruments remain effective and relevant over time.

By building on the Action Plan, mobilising private investment at scale and maintaining an adaptive governance approach, Austria can significantly accelerate renovation activity, attract substantial private capital and ensure a socially just transition towards a climate-neutral building stock. The RENOINVEST project demonstrates that collaboration, transparency and long-term commitment are essential enablers of this transformation. The coming years will be decisive in translating strategic ambition into large-scale implementation and measurable impact.

## 8 GLOSSARY

Abbreviation	Long Version (English)	Long Version (Original Language)
<b>ABGB</b>	General Civil Code	Allgemeines Bürgerliches Gesetzbuch
<b>AWS</b>	Promotional bank of the Austrian federal government	Austria Wirtschaftsservice Gesellschaft
<b>BIM</b>	Building Information Modelling	
<b>BMK</b>	Ministry for Climate Action	Bundesministerium für Klimaschutz
<b>BMLUK</b>	Ministry for Agriculture, Forestry, Regions and Water Management	Bundesministerium für Landwirtschaft, Umwelt und Klima
<b>CAPEX</b>	Capital Expenditure	
<b>CCIS</b>	Chamber of Construction and Building Materials Industry of Slovenia	Gospodarska zbornica Slovenije
<b>CE</b>	Common Era	
<b>EAG</b>	Renewable Expansion Act	Erneuerbaren-Ausbau-Gesetz
<b>EED</b>	Energy Efficiency Directive	
<b>EEG</b>	Renewable Energy Community	Erneuerbare Energie Gemeinschaft
<b>EEFC</b>	European Energy Efficiency Financing Coalition	
<b>EEffG</b>	Federal Energy Efficiency Act	Energieeffizienzgesetz
<b>EIB</b>	European Investment Bank	
<b>EPBD</b>	Energy Performance Building Directive	
<b>ESCO</b>	Energy Saving Company	
<b>ESG</b>	Environmental Social Governance	
<b>EU</b>	European Union	Europäische Union
<b>EVB</b>	Maintenance and Improvement Contribution	Erhaltungs- und Verbesserungsbeitrag
<b>FMA</b>	Financial Market Authority	Finanzmarktaufsicht
<b>FPÖ</b>	Freedom Party	Freiheitliche Partei Österreich
<b>GFA</b>	Green Finance Alliance	
<b>IIBW</b>	Institute for Real Estate, Construction and Housing Ltd.	Institut für Immobilien, Bauen und Wohnen GmbH
<b>KDZ</b>	Centre for Public Administration Research	Zentrum für Verwaltungsforschung
<b>KIG</b>	Municipal Investment Directive	Kommunalinvestitionsgesetz
<b>KIP</b>	Municipal Investment Programme	Kommunalinvestitionsprogramm

<b>KPC</b>	Kommunalkredit Public Consulting	
<b>KSG</b>	Climate Protection Law	Klimaschutzgesetz
<b>LPHA</b>	Limited-Profit Housing Association	
<b>MRG</b>	Tenancy Act	Mietrechtsgesetz
<b>NBS</b>	Nature-Based Solutions	
<b>NEKP</b>	National Energy and Climate Plan	Nationaler Energie und Klima Plan
<b>NEOS</b>	Liberal Party	Das Neue Österreich und Liberales Forum
<b>NZEB</b>	Net Zero Emission Building	
<b>OeNB</b>	Austrian National Bank	Österreichische Nationalbank
<b>OIB</b>	Austrian Institute of Construction & Engineering	Österreichisches Institut für Bautechnik
<b>OPEX</b>	Operating Expenditure	
<b>OSS</b>	One-Stop-Shop	
<b>ÖVP</b>	People's Party	Österreichische Volkspartei
<b>PPP</b>	Public-Private Partnership	
<b>SEI</b>	Sustainable Energy Investment Forums	
<b>SIR</b>	Salzburg Institute for Regional Planning and Housing	Salzburger Institut für Raumplanung und Wohnen
<b>SME</b>	Small and Medium-sized Enterprises	
<b>SPÖ</b>	Social Democratic Party	Sozialdemokratische Partei Österreich
<b>TWG</b>	Thematic Working Group	
<b>WBIB</b>	Private Housing Investment Bank	Wohnbau Investitionsbank
<b>WEG</b>	Condominium Act	Wohnungseigentumsgesetz
<b>WGG</b>	Limited-Profit-Housing-Act	Wohnungsgemeinnützigkeitsgesetz
<b>ZAG</b>	Slovenian National Building and Civil Engineering Institute	Zavod za gradbeništvo Slovenije

*Table 7: Glossary*



# **RENOINVEST**

sustainable renovation of buildings





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sustainable renovation of buildings

## Action Plan

Measures and Actions to Facilitate Investments  
in Renovations in Hungary

January 2026

Submitted deliverable - under approval by European  
Climate, Infrastructure and Environment Executive  
Agency (CINEA)

RENOINVEST PROJECT	
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<b>Short Description</b>	The national action plans contain recommendations for specific measures to facilitate investments in energy efficiency in the building sector.
<b>Contributors</b>	KTI/EMI, Archenerg, ZAG, CCSI, RENOWAVE, IIBW
<b>Type</b> R = Report, DEC=Websites, videos etc. O = Other,	R
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## Disclaimer

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# 1 RENOINVEST PROJECT

The RENOINVEST project is co-funded by the European Union under the LIFE programme. The project intends to reflect cross-border challenges and opportunities for sustainable building renovation in the private and public sectors. The main aim of the project is to develop action plans on smart investments in sustainable renovation of buildings for 2025-2030 for Austria, Hungary and Slovenia by establishing three national roundtables building on the activities of the Sustainable Energy Investment Forums.

RENOINVEST provides a platform for open dialogue involving key financial, private and public experts through the green finance thematic working group activities to identify barriers to the upscaling of long-term financing instruments and propose improvements to support the development of large-scale investment programmes in existing private and public buildings. Three national policy briefs and a cross-border recommendation package will also be delivered.

Assessing the implementation of the Long-term building renovation strategies and documents and reviewing existing financial solutions and market conditions for stimulating financing of energy efficiency improvement of the existing building stock is an important starting point of the project.

Sharing knowledge among project partners, experts, national stakeholders and similar EU projects three international cross-border exchange events with site-visits will be organized to showcase collected 50+ good practices and elaborate six case studies to foster the roll out of smart financing possibilities.

The added value of RENOINVEST is that the consortium is providing specific technical knowledge by engaging key actors representing legislative advisory organizations, research institutes, large engineering manufacturers, SMEs and financial experts in three CE countries fostering sustainable investments.

## 2 PROJECT CONSORTIUM

1. Institute for Transport Science and Quality Control in Building (KTI) legal successor of ÉMI Építésügyi Minőségellenőrző Innovációs Nonprofit Kft (ÉMI)- HUNGARY, coordinator



2. Solar Tech-Investment Tervezési Fejlesztési Tanacsado Kft. (ARCHENERG CLUSTER) - HUNGARY



1. Zavod za gradbeništvo Slovenije (ZAG) - SLOVENIA  
Slovenian National Building and Civil Engineering Institute



2. Gospodarska zbornica Slovenije (CCIS) - SLOVENIA



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### 3 EXECUTIVE SUMMARY

This Action Plan has been developed within the framework of the **RENOINVEST project** with the objective of supporting the **acceleration of sustainable building renovation in Hungary**, with a particular emphasis on **improving financing conditions and mobilising private investment**. It responds to the increasing gap between Hungary's long-term climate and energy targets and the current rate of renovation in the residential and public building sectors. Although technical solutions for energy-efficient renovation are widely available, their large-scale deployment remains limited due to structural, financial and institutional barriers.

The primary **aim of the action plan is to identify concrete and feasible measures** that can facilitate investment in building renovation over the period 2025-2030, while also contributing to Hungary's longer-term climate neutrality objectives for 2040 and 2050. The document adopts a financing-driven approach, recognising that large-scale renovation cannot be achieved through public grants alone. Instead, **public support must be used strategically to leverage private capital**, household savings and commercial financing, thereby creating a stable and predictable investment environment.

This Action Plan is not a governmental strategy or regulatory document. It represents the **outcome of an extensive consultative process involving a broad range of stakeholders**, including public authorities, municipalities, financial institutions, homeowner and condominium representatives, professional organisations, market actors, researchers and civil society actors. The measures presented are therefore proposals and recommendations, reflecting a shared understanding of existing barriers and practical opportunities, rather than binding policy commitments.

Methodologically, the **Hungarian Action Plan** was developed in line with the approach applied in the other two RENOINVEST partner countries, Austria and Slovenia, and is based on **three main pillars**. **First**, it builds on the analytical work carried out within the RENOINVEST project, including the assessment of national policy frameworks, market conditions and existing financing instruments, as well as the analysis of more than fifty best practice renovation examples and six in-depth case studies across the three countries. **Second**, it draws on the results of six national roundtables and thematic working groups organised in Hungary over a two-year period, ensuring continuous input from key stakeholders. **Third**, the recommendations are aligned with Hungary's national climate, energy efficiency and renovation strategies, while explicitly addressing the main challenges related to their implementation.

The Action Plan is grounded in the assessment that Hungary currently lacks a **long-term, stable and sustainable financing framework** capable of supporting deep renovation at scale, particularly in the case of **multi-apartment residential buildings and municipal properties**. Existing renovation programmes have been predominantly short-term, grant-based and fragmented, providing limited predictability for homeowners, municipalities and financial institutions. As a result, private capital remains underutilised, investment risks are perceived as high and market confidence remains weak.

The document proposes a total of **fifteen concrete measures**, designed to establish sustainable financing as the core enabling mechanism for large-scale renovation, while being strongly supported and enabled

by legislative and awareness-raising actions. The measures are structured under three interdependent priority areas that must be implemented in parallel.

The **Legislative Area provides the necessary framework conditions** for the effective operation of sustainable renovation financing. The proposed measures focus in particular on adjustments to condominium-related legislation to enable long-term financial planning, reserve accumulation and decision-making that supports staged and deep renovation pathways. In addition, legislative action aims to remove key regulatory barriers by enabling municipalities to participate in Energy Performance Contracting (EPC)-type arrangements, establishing a nationwide network of One-Stop-Shops to support renovation processes, and integrating circular economy principles and nature-based solutions into renovation-related regulations. Together, these measures are intended to increase legal certainty, improve project creditworthiness and create predictable conditions for the deployment of long-term, market-based financing instruments. Proposed measures include:

- ✓ Enable municipalities to participate in EPC-type mechanisms
- ✓ Adjust the law on condominiums (Law No. CXXXIII. of 2003.) with respect to introducing long-term financial planning in order to create the budgetary preconditions to staged renovations and to introduce compulsory screening of their technical conditions including energy consumption
- ✓ Enable condominiums to decrease/reclaim VAT
- ✓ Establish nationwide or regional One-Stop-Shops
- ✓ Make property renovation more attractive to investors
- ✓ Integrate circular economy and nature-based solutions into building renovation regulations

Measures in the **Financing Area form the backbone of the Action Plan**. They focus on creating **predictable, long-term and bankable financing solutions**, including blended schemes that combine public subsidies with private capital, extended loan maturities aligned with energy savings, financing models for staged and serial renovation and the systematic use of energy savings obligations (HEM) to reduce effective investment costs. These measures are designed to improve affordability, reduce risk for financial institutions and enable continuous renovation activity beyond isolated funding cycles. Proposed measures of the action plan:

- ✓ Launching a long-term financing mechanism combining subsidies and private finance for deep renovation, open for every homeowner, focused on energy savings
- ✓ Framework for financing staged or serial renovations
- ✓ Extend the duration of the interest rate subsidy of the existing condominium financing scheme from 10 to 15 years
- ✓ Use of energy savings obligations (HEM) in the financing of deep renovations

Measures related to **Awareness & Knowledge Transfer address the non-financial barriers** that often prevent financing solutions from being used in practice. They focus on professionalising condominium management, improving access to reliable and transparent data, introducing renovation roadmaps and passports, promoting real-time energy consumption monitoring and implementing targeted public awareness campaigns. These measures ensure that homeowners, municipalities and professionals are able to understand, plan and implement renovation projects that are compatible with available financing instruments. Proposed measures:

- ✓ Education of condominium management as a profession and building renovation in architecture
- ✓ Facilitate/support renovations by public databases
- ✓ Introduce renovation roadmaps and passports
- ✓ Promotion of real-time energy consumption monitoring and visualisation platforms
- ✓ Targeted Public Awareness Raising

The implementation of the Action Plan depends on the **active cooperation and coordinated engagement of multiple stakeholder groups**, as each proposed measure requires contributions from different actors across the public, financial and professional domains. Endorsement by key national stakeholders - including public authorities, municipalities, financial institutions, homeowner and condominium organisations and professional bodies - is therefore essential. Such endorsement is intended to strengthen coordination, foster shared ownership and facilitate the translation of the proposed measures into concrete actions. In this context, the document may also serve as a **reference framework for the future work of the Hungarian Energy Efficiency Financing Coalition HUB**, supporting the alignment of public and private initiatives and contributing to the development of a coherent, long-term renovation financing ecosystem in Hungary.

## 4 INTRODUCTION

### 4.1 Purpose and Scope

The renovation of the existing building stock is a key enabler for achieving climate neutrality and meeting the European Union's long-term climate and energy objectives. Despite the availability of technically proven solutions for deep renovation and building decarbonisation, **renovation rates remain well below what is required, particularly in the multi-apartment residential and municipal building segments**, which continue to require substantial additional action.

A central barrier is the **limited attractiveness, continuity and predictability of financing conditions**, which constrains investment by homeowners, municipalities and financial institutions. This Action Plan addresses this gap by focusing on the enabling conditions for sustainable renovation financing, rather than on technical solutions. It builds on more than two years of project work and stakeholder engagement, supported by insights from Hungarian pilot cases and a wide range of national and international best practice examples.

The Action Plan represents a **bottom-up, stakeholder-driven initiative**. It is not a governmental strategy or regulatory document, but a pathway-oriented framework designed to support policy development and implementation. Its objective is not to create new financial products, but to identify the measures, regulatory adjustments and forms of cooperation required to mobilise private investment into renovation.

While primarily addressing the period 2025-2030, the Action Plan also considers Hungary's longer-term climate objectives for 2040 and 2050, providing a practical contribution to scaling up renovation in line with national and European goals.

Within the RENOINVEST project, Austria, Hungary and Slovenia represent different levels of maturity in renovation financing. While Austria operates more established schemes that combine subsidies with debt-based instruments, Hungary still lacks a nationwide, long-term funding framework for deep residential renovation that is accessible to all homeowners. For this reason, the Action Plan adopts a shared interpretation of innovative financing. **Innovative financing** includes more effective ways to finance sustainable measures in the building sector. This encompasses new financing methods that go beyond traditional tools, as well as more effective combinations of existing instruments.

Recent Hungarian programmes have been temporary and targeted, focusing mainly on single-family houses, while multi-apartment residential buildings and municipal properties remain under-supported. Public building renovations continue to rely predominantly on grants, with limited mobilisation of private capital. In this context, the Hungarian Action Plan aims to align existing and underutilised financing instruments within a coherent, long-term framework, with particular emphasis on multi-apartment residential buildings and municipal buildings, where integrated financial and regulatory measures can most effectively unlock large-scale renovation activity and private investment.

## 4.2 Development of the Action Plan

### 4.2.1 Methodology of Action Plan Development

The Hungarian Action Plan was developed through an in-depth and structured process jointly implemented by ÉMI Non-profit Ltd. for Quality Control and Innovation in Building (ÉMI) and SolarTech-Investment Design Development Consulting Ltd. (Archenerg Cluster). ÉMI coordinated the methodological framework, data collection and organisation of Thematic working groups and national roundtables, while Archenerg led stakeholder engagement and analytical evaluation. Combining ÉMI's technical expertise with Archenerg's financial knowledge ensured the active involvement of experts from the financial, construction and policy sectors. Two years of consultations and iterative reviews resulted in a coherent and well-founded framework for action. The findings of the Action Plan are based on three key sources of information:

#### 1. Results from the RENOINVEST project

The first source builds on the existing results of the RENOINVEST project's deliverables. A key document, [Policy Context and Market Capacities for Sustainable Building Renovations](#) - available on the RENOINVEST website - provided valuable insights into current policies, market conditions in the construction and renovation sectors and the prevailing financial framework. The Hungarian RENOINVEST team also collected information on former and existing financing solutions and developed detailed SWOT analyses for both the residential (condominiums and apartment houses) and public (municipal buildings) sectors. Best practice examples for renovation financing identified across both segments are presented in the [Best Practice Handbook of Sustainable Building Renovations](#). Together, these materials constitute the analytical foundation of the Hungarian Action Plan.

#### 2. Stakeholder consultations

The second pillar of the methodology is based on systematic stakeholder input. As part of this process, approximately thirty thematic working group meetings and six national roundtables were organised in Hungary. In addition, three international roundtables were held to facilitate cross-country exchange: one in Slovenia focusing on One-Stop-Shops, one in Hungary addressing financing solutions and the national implementation of the Energy Performance of Buildings Directive (EPBD), and one in Austria involving representatives of the Energy Efficiency Financing Coalition. Targeted discussions were also conducted with representatives of banks, public administration and other experts. At the beginning of the project, four thematic working groups (TWGs) were established to analyse specific topics (see section 3.2.2) and provide an overview of the current situation. After the first year, the scope of work expanded and the results of the TWGs were integrated into a broader analysis aimed at identifying measures to improve the financing of building renovations. The outcomes of this phase are reflected in the recommended measures presented in the Action Plan.

### 3. The country specific strategies

The third source is the currently available national strategy framework. The Action Plan takes into account the goals set out in Hungary's national climate- and energy-efficiency strategies, with the aim of establishing a sustainable mechanism that supports the achievement of those targets.

## 4.2.2 Results of National Round Tables and Technical Working Groups

As already explained in section 4.2.1, the TWGs were purposefully composed of experts on the respective topic in the first half of project period and opened up in the second half of the project to focus more strongly on financing aspects of the topics. As a result of the work of the TWGs it can be concluded that legislative changes are very important for most of the topics discussed by the TWGs, therefore the necessary changes in the relevant regulations are a main part of the Action Plan measures in chapter 6. The other main conclusion was that a predictable economic and financial environment, especially with regard to financing solutions that are available in the long-term are the most important precondition to boost the large-scale deep renovation of buildings.

### Topic 1: Staged and Serial Renovation

Building-material prices and engagement costs have significantly increased in recent years, resulting in longer return on investment (ROI) periods for deep renovations. For many apartment-house residents, the elevated cost of such comprehensive works is beyond reach - making **staged renovation** an increasingly practical and necessary alternative.

Staged (or step-wise) renovation divides the overall building upgrade into several planned phases, implemented sequentially over time. This allows energy-performance improvements to begin after initial measures, while spreading financial burden and lowering implementation risks through careful planning and technical guidance. It also offers promising opportunities for the construction and renovation sector: they help provide a stable demand for building materials and renovation services, dampen the cost-escalation effects of short-term campaigns and balance seasonality in the construction market. Serial renovations - where similar buildings undergo planned upgrades using standardised solution - can further reduce costs via bulk procurement and economies of scale.

The EU favours this approach: under the Renovation Wave strategy the Commission states that “deep renovation is not always achievable in one go. It is therefore important to create better conditions for staged renovation”.<sup>1</sup>

To kick-off better exploitation of the potential related to the staged renovation of buildings, stakeholders have identified priority action areas as follows:

- **Legal framework:** Adjustments are needed in the *Law on Condominiums (Law No. CXXXIII of 2003)* to introduce compulsory long-term financial planning and technical condition assessments (including energy use). Such changes would enable condominiums to plan renovations systematically and improve their creditworthiness. In parallel, the Value Added Tax (VAT) rate

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<sup>1</sup> A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives. COM(2020) 662 final

applied to renovation services (currently 27 %) should be reduced or made reclaimable. A 5 % VAT rate for energy-related renovation works would significantly reduce overall project costs and encourage deep renovation. These changes would require legal clarification of condominium status, as they are currently not recognised as legal entities.

- **Market development and promotion:** Homeowners and condominium managers need technical assistance, clear and transparent information, and access to reliable data for planning. These services should be provided through a nationwide network of **One-Stop-Shops (OSS)** offering advice on technical solutions, financing schemes and legal requirements. The establishment and stable operation of OSS offices were repeatedly emphasised as essential for enabling stepwise renovation planning. Transparent, publicly available databases on building typologies, costs and energy performance should complement this effort.
- **Financing models:** The development of long-term, combined financing instruments is critical. Financing schemes should mix private resources, commercial loans and state or EU subsidies to ensure predictability and accessibility. The **revitalisation of the home-savings scheme** and its integration into new renovation finance models was strongly recommended. Participants also proposed the creation of a **dedicated Renovation Fund** - drawing from EU and national resources - to provide revolving credit lines or guarantee products tailored to condominiums and multi-apartment houses. Financing models should reward proven energy savings, for instance by linking higher subsidy levels to certified efficiency improvements.
- **Municipal involvement:** Municipalities, as building owners and key local actors, should be empowered to participate in renovation programmes and energy-efficiency investments. Allowing them to co-finance projects or allocate dedicated renovation budgets could significantly boost implementation capacity and demonstrate leadership at local level.
- **Capacity building:** Staged renovation requires stronger technical, financial and organisational competencies. Training programmes for condominium managers, energy auditors and construction professionals are needed to ensure consistent quality and reliable verification of energy savings.

## Topic 2: Circular economy & nature-based solutions

Circular economy and nature-based approaches are gaining attention in Hungary, yet their application in the construction and renovation sector remains limited. Although sustainability and material-efficiency principles are included in national policy discussions, there is still no overarching circular economy strategy specifically targeting buildings. Waste management regulations continue to focus mainly on collection and disposal, and the use of recycled materials or nature-based elements is not yet embedded in everyday practice.

To strengthen the integration of circular economy and nature-based solutions in the building sector, stakeholders have identified key findings and discussion results as follows:

- **Regulatory environment:** Current legislation and building codes provide limited guidance on material reuse, recyclability, or environmental performance. Participants underlined the lack of binding standards and certification schemes for secondary raw materials. The 2023 Architecture

Act introduced sustainability aspects but has not yet translated them into operational regulations or incentive mechanisms.

- **Data and information gaps:** There is no comprehensive national database recording the availability, quality, or potential reuse of construction and demolition waste. Participants noted that reliable data on the life cycle of materials, embodied energy, and environmental impact are largely missing. Without these datasets, it is difficult to assess the benefits of circular design or compare it with conventional construction.
- **Market conditions:** Circular and nature-based solutions are often perceived as costlier than traditional methods. The market for recycled or reused materials is underdeveloped, and the supply of certified products is limited. This contributes to higher perceived risks among designers, contractors, and investors.
- **Professional capacity and awareness:** Knowledge about circular design principles is increasing, but mostly within academic and research circles. Practical implementation in architectural and engineering practice remains rare. Participants emphasised that professional education and on-site training are key to bridging this gap and translating awareness into action.
- **Financial and investor perspectives:** The financial sector currently lacks clear evaluation frameworks for circular investments. Banks and investors consider such projects uncertain due to the absence of benchmarks for economic performance, making financing less accessible.

### Topic 3: Energy Communities, district heating and renewables

Energy communities, renewable energy integration, and the modernisation of district heating systems have become increasingly important components of Hungary's energy transition. Although many municipalities are interested in establishing **energy communities**, only around **15 initiatives** are currently in operation. Their creation and long-term operation remain complex, requiring changes and harmonisation across several laws and regulations. At present, most Hungarian energy communities focus primarily on **electricity production from decentralised photovoltaic (PV) systems**, enabling local energy generation and shared consumption.

From **September 2025**, a favourable regulatory change came into effect, allowing **condominium-based energy communities to obtain licences directly through distribution system operators (DSOs)**. Stakeholders welcomed this as an important milestone but emphasised that additional harmonisation of regulations and clearer administrative procedures will be needed to scale up the model.

To provide an overview of the current state and challenges of energy communities, district heating systems and renewable energy **integration, stakeholders have identified key findings and discussion results as follows:**

- **Regulatory framework:** The legislative and regulatory framework governing community energy and district heating is fragmented, involving several ministries, agencies and market actors. Participants pointed out that the **lack of coherent regulations**, overlapping responsibilities, and complex permitting procedures significantly hinder the establishment and management of new energy communities or renewable projects.
- **Municipal participation and capacity:** Municipalities are among the most motivated actors in promoting community energy and district heating renewal. However, **administrative burdens**,

**limited technical expertise and borrowing restrictions** under the Act on Economic Stability restrict their ability to invest in long-term energy projects or join ESCO/EPC-type partnerships.

- **District heating transformation:** District heating companies, which are typically owned by municipalities, have a central role in Hungary's heating sector. A **national tender programme** launched in 2024 opened the way for **geothermal exploration and integration of renewables** into district heating and cooling (DHC) networks. These developments are viewed as a major step toward diversification of heat sources and decarbonisation of municipal energy supply.
- **Renewable energy integration:** Stakeholders highlighted the **high potential of geothermal energy**, which can provide stable, low-cost heating and hot water for decades once operational. Nonetheless, the **upfront costs of exploration, pilot drilling and feasibility studies** remain prohibitively high, and the **licensing process is long and technically demanding**. Beyond geothermal, **biomass and waste-incineration technologies** have become increasingly significant renewable or partly renewable components of Hungary's heating mix, particularly in larger cities. In some cases, **solar thermal systems** and **heat pumps** are also being tested for district or community-level integration.
- **Financial and organisational challenges:** Financing continues to be one of the main obstacles to expanding both renewable-based district heating and energy communities. The combination of long payback periods, high investment risk, and the limited creditworthiness of municipalities constrains access to commercial loans. Participants underlined the need for **predictable long-term financing frameworks** and **stronger institutional support structures** to help local governments, utilities and investors prepare and implement renewable energy projects.

#### Topic 4: Data management and visualization

Effective data management and transparent visualisation of energy use were identified as critical enablers for successful renovation financing and monitoring. Reliable data are essential for assessing the real impact of renovation measures, yet Hungary's current system of data collection and sharing is highly fragmented. Participants of the thematic working group emphasised that existing datasets are incomplete, inconsistent and often inaccessible due to legal and technical barriers.

To improve understanding of the current situation, stakeholders have identified key findings and discussion results as follows:

- **Data accessibility:** Energy consumption data are largely unavailable for external use. GDPR-related restrictions and institutional fragmentation prevent building owners, municipalities and financiers from accessing detailed consumption figures necessary for planning and verification.
- **Accuracy of energy certificates:** The new Energy Performance Certificate (EPC) system, in use since 2023, aligns with the EPBD and includes renovation recommendations. However, stakeholders noted that the information provided is **not detailed enough to support staged renovation planning**, limiting its practical value for homeowners and investors. Better integration with national renovation tools and databases is needed to enhance its usefulness
- **Institutional fragmentation:** Responsibilities for energy data management are split among multiple organisations - including the Ministry of Energy, the Ministry of Construction and Transport, Hungarian Energy and Public Utility Regulatory Authority (MEKH) and Hungarian

Electricity Works Group (MVM Group) - with no unified data standard or interoperable system. This leads to overlapping processes and prevents consistent national analysis.

- **Financial sector perspective:** Banks and investors emphasised that the lack of verified, standardised data makes it difficult to assess energy savings and meet EU taxonomy or Environmental, Social and Governance (ESG) reporting requirements. Transparent, comparable data are essential for scaling up green financing products.
- **Monitoring and awareness:** While smart metering initiatives by MVM are ongoing, coverage remains partial and data integration into public systems is still limited. Participants agreed that digital tools visualising real-time consumption could enhance public awareness and provide valuable feedback to homeowners and decision-makers alike.

## 5 INITIAL SITUATION

### 5.1 Important Targets and Associated Policy Content

This chapter provides an overview of Hungary’s key national targets and objectives for the building sector, structured along the 2030, 2040 and 2050 timelines. It draws on the findings of the RENOINVEST study [“Policy context and market capacities for sustainable building renovations”](#) (Deliverable D2.1), complemented by the most recent national policy developments. Beyond climate and energy efficiency targets, the section also covers objectives related to the diversification of energy sources, the promotion of circular economy principles and the application of nature-based solutions. The emphasis lies not on completeness, but on identifying the most relevant policy frameworks, current gaps and implementation challenges, as well as highlighting the key potentials for accelerating sustainable renovation in Hungary’s public and private building sectors.

#### 5.1.1 General Level

Hungary’s climate and energy objectives are primarily defined by the *National Energy and Climate Plan (NECP, updated 2024)* and the *Long-Term Renovation Strategy (LTRS 2050)*. These strategies, in line with the European Union’s *Energy Efficiency Directive (EED)* and *Energy Performance of Buildings Directive (EPBD, 2024/1275)*, set the overall framework for achieving climate neutrality by 2050 and a 50% reduction in greenhouse gas emissions by 2030 compared to 1990 levels.

The NECP defines a cap of **740 PJ final energy consumption by 2030** (down from 787 PJ in 2021), of which the building sector accounts for approximately 42% (around 330 PJ). The goal is to reduce this figure by at least **16% (42 PJ) by 2030** and **20–22% by 2035** through energy efficiency improvements and fuel switching. The *EED* requires Hungary to deliver **1.9% annual energy savings in the public sector** and to **renovate 3% of the total floor area of public buildings each year** to near-zero or zero-emission standards. By 2050, Hungary aims to achieve **climate neutrality** through extensive building renovation, fuel diversification and integration of renewable energy sources. The *LTRS 2050* foresees that **74% of detached family houses** and **91% of apartment buildings** will undergo energy renovation by 2050, resulting in **45% lower energy consumption** and **75% reduction of CO<sub>2</sub> emissions** compared to 2005.

Despite this ambition, the pace of implementation remains slow. Key challenges include limited long-term funding mechanisms, high interest rates and the absence of a stable legal and institutional environment for deep renovation. Administrative fragmentation between ministries and local authorities further constrains progress. Establishing an integrated, predictable renovation framework is therefore a key precondition for meeting 2030 and 2050 targets.

#### 5.1.2 Private Level

The residential sector represents roughly one-third of Hungary’s total final energy consumption, of which 74% is used for heating. Around **70% of Hungary’s 4.6 million homes require renovation**, particularly those built before 2007. Within this stock, **multi-apartment houses (condominiums)** constitute a

significant share of the energy-saving potential but face specific financial and organisational barriers, such as limited access to affordable credit, weak management capacity and collective decision-making challenges.

#### **Targets for the Residential Sector:**

- Increase the **annual renovation rate** from below 1% to **3% by 2030**, prioritising deep and staged renovations.
- Achieve a **30% reduction in energy consumption** of residential buildings by 2030 (equivalent to 42 PJ).
- Gradually **phase out fossil-based heating systems** by 2035 and replace them with renewable or hybrid solutions.
- Integrate **circular economy principles** and **nature-based solutions (NbS)** into building regulations and renovation standards by 2026.

#### **Existing and Recent National Programmes:**

- **Home Renovation Program (2024–2026):** Combines a 0% interest loan and non-refundable grant up to 3 million HUF each (total 6 million HUF) for energy-modernisation of family houses. Eligible measures include insulation, window replacement and heating system upgrades with a minimum of 30% energy savings required.
- **Rural Home Renovation Program (2025–2026):** Targets smaller settlements with less than 5,000 inhabitants. Provides up to 50% coverage of renovation costs (max. 3 million HUF) and offers a subsidised loan of up to 6 million HUF at 3% interest.
- **Green Energy Recovery and Resilience Facility Programme (2024–2026):** Provides grants and zero-interest loans for households to install photovoltaic systems and heat pumps, particularly in rural areas.
- **Energy Efficiency Obligation System (EKR/HEM):** Requires energy suppliers to achieve verified energy savings, partly through residential renovations. The scheme, extended until 2035, aims for 28.5 PJ cumulative savings from 2021 to 2030 and encourages the financing of household retrofits via tradable energy savings certificates.
- **Home Savings Scheme (re-launch planned):** Encourages long-term household savings for renovation through matched state contributions.

#### **Main Barriers and Needs**

The large-scale renovation of residential buildings, especially multi-apartment condominiums, is hindered by a combination of financial, institutional and technical barriers. Most condominiums lack reserve funds and cannot secure financing without prior savings or collateral. After the termination of the state-supported home savings scheme in 2018, access to long-term, affordable loans has diminished significantly. At the same time, homeowners face the challenge of high renovation costs aggravated by a 27% VAT rate, which they cannot reclaim.

Data gaps further complicate planning and financing: there are no comprehensive, accessible databases on energy consumption, building typologies, or renovation costs. Condominium managers and

homeowners often lack technical, legal and financial expertise to prepare and manage complex projects, resulting in suboptimal or delayed decisions.

The fragmented ownership structure of condominiums and the requirement for full consensus make decision-making slow and conflict-prone. To overcome these challenges, stable and predictable multi-source financing frameworks - combining grants, soft loans, savings and tax incentives - are needed, alongside reintroducing savings-based financial products. One-Stop-Shops should provide tailored technical, financial and legal assistance to homeowners and condominiums, while professionalising condominium management remains essential for scaling up deep renovations.

### 5.1.3 Public Level

The Hungarian public building stock includes approximately **12,500 institutions** managing **26,000 buildings**, with an estimated **annual energy consumption of 34–35 PJ** - around 11% of total building - related energy use. These buildings include schools, hospitals, administrative facilities and municipal offices.

#### Targets for the Public Sector:

- Renovate **3% of the total floor area of public buildings annually** to near-zero or zero-emission levels.
- Achieve **1.9% annual energy savings** in the public building stock between 2024 and 2030.
- Reduce total public building energy use by **10% (3.4 PJ)** by 2030 compared to 2021.
- Replace at least **35% of fossil-based heating (≈18 PJ)** in non-residential and public buildings with renewable sources such as heat pumps and geothermal systems.

#### Existing and Planned Programmes:

- **KEHOP Plus (Environment and Energy Efficiency Operational Programme)**: HUF 103 billion allocation for the energy renovation of public buildings between 2024 and 2030.
- **TOP Plus (Territorial and Settlement Development Operational Programme)**: HUF 31 billion dedicated to local authority renovation projects, focusing on smaller municipalities.
- **Energy Efficiency Obligation System (EKR)**: Enables municipalities to account for energy savings and reinvest them into renovation projects.
- **Green Preferential Capital Programme of the Central Bank**: Facilitates green real-estate investment by public or mixed ownership entities.
- **ESCO/EPC Pilot Projects**: Introduced for municipal buildings, yet their uptake remains limited due to the *Act on Economic Stability (2011)*, which restricts municipal long-term borrowing and debt financing.
- **Geothermal District Heating Tenders (2024–2025)**: Support public utilities and municipalities in integrating renewable heat sources into local heating systems.

#### Main Barriers and Needs

For municipal buildings, renovation efforts are constrained by strict borrowing limits under the *Act on Economic Stability (2011)* and the lack of own financial resources. Local governments rely heavily on grant-based programmes (e.g. KEHOP, TOP), which are not sufficient to cover the full renovation potential.

Alternative financing models—such as EPC/ESCO schemes or energy communities—are rarely used due to missing legal definitions, standard contracts and administrative capacity.

Annual budgeting practices prevent long-term investment planning, while technical data on building performance and energy consumption remain fragmented or outdated. Many municipalities lack skilled staff to prepare, procure and manage complex renovation projects. To address these gaps, a targeted exemption in the Stability Act for municipal energy efficiency investments would be essential, together with the legal authorisation for municipalities to engage in EPC/ESCO contracts.

In addition, creating a central technical advisory body or One-Stop-Shop for municipalities would help standardise project preparation, ensure quality control and support access to EU and national funding. A comprehensive, open database on municipal building energy performance could also strengthen planning, monitoring and investment prioritisation.

## 5.2 Practical Guidelines

Within the framework of the RENOINVEST project, the project partners jointly developed two dedicated documents: one collecting and analysing **fifty best practice renovation examples**<sup>2</sup> across the three participating countries and another assessing **six selected case examples**<sup>3</sup> covering different building typologies and financing approaches. The Hungarian partners actively contributed to this joint work, both through the provision of national case studies and through their involvement in the comparative evaluation process.

Based on these exercises, the Hungarian project team drew several **key conclusions and practical findings**, which proved highly relevant for understanding the real-world constraints and opportunities of financing deep renovation. These findings directly informed and supported the development of the proposed measures of the Hungarian Action Plan.

A central conclusion emerging from the best practice analysis is that **existing public and private resources must be used more efficiently and in a coordinated manner**. The Hungarian example of the deep renovation of the multi-apartment building at *Hamvas Béla Street 2-10. in Szentendre* clearly illustrates this point. The renovation of the 80-apartment building was financed through a **blended model**, combining the condominium's own resources (accumulated through monthly common charges and reserve funds), commercial financing and targeted municipal subsidies. This case demonstrates that deep renovation cannot be financed by homeowners and loans alone, but also that subsidies on their own are insufficient. Instead, **public support must be used strategically to leverage private investment and reduce overall financing risk**.

Another recent good example is the “*Green Panel Program*” launched by the City of Budapest and the participating district municipalities<sup>4</sup> in January, 2026. It targets condominiums or housing cooperatives whose buildings are built with industrialized technology (concrete panels). The program aims at reaching

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<sup>2</sup> Deliverable 2.3: [Best Practice Handbook on Sustainable Building Renovations](#)

<sup>3</sup> Deliverable 5.1: [Documentation of Pilot Cases](#)

<sup>4</sup> BKM Budapesti Közművek Nonprofit Zrt (Public Utilities of Budapest): [Green Panel Program](#)

the highest possible primary energy savings, at least 30 %, by deep renovation measures like insulation, change of doors/windows and modernisation of heating. It also aims to develop technical, financial and organisational solutions that can serve as models for a long-term, large-scale renovation program. The projects within the program will be financed by a blended model combining the condominium's own resources (reserve funds, minimum 10 % of the project's costs), maximum 30 % comes from targeted subsidies given jointly by the City of Budapest and the district municipality where the condominium is located and the rest of the funding comes from commercial banking loans. As a further assistance to the selected condominiums, a full technical and financial feasibility study will be prepared for them by an expert team of the Municipality of Budapest in the project preparation phase.

Two pilot cases were selected and analysed within the RENOINVEST project in Hungary to test the applicability of financing-driven renovation approaches in different building segments: one public building and one multi-apartment residential building. The public pilot case is the *Hírös Agóra Cultural and Youth Centre in Kecskemét*, a municipally owned community building, while the residential pilot case is the *Rákóczi út 11. condominium in Budapest*. In both cases, the buildings were assessed from a technical, energy and organisational perspective, and renovation concepts were reviewed or further developed in close cooperation with the owners and managers. Based on these concepts, tailored financing models were proposed, combining own resources, potential public support instruments and private financing options, with the objective of demonstrating how bankable, long-term renovation projects can be structured in practice.

The pilot cases confirm several practical guidelines that are consistent with the best practice examples. First, early technical assessment and a **clearly defined renovation concept are essential prerequisites for identifying viable financing structures**. Second, **blended financing models** - combining own funds with subsidies, preferential loans or performance-based mechanisms such as ESCO market arrangements - **are critical for reducing upfront costs** and improving affordability. In the residential case, predictable cash flows from energy savings and condominium fees are key to enabling loan-based financing, while in the public building case, strong owner commitment and the strategic combination of grants with contracting or performance-based models significantly improve project feasibility. Finally, across both pilots, **transparent communication with owners and users, staged renovation planning and the early alignment of technical ambition with financing conditions emerge as decisive factors** for successful implementation and replicability.

### 5.3 Key Stakeholder Network

The stakeholder groups were identified to support the development of the Hungarian Action Plan and to ensure that the proposed measures reflect the perspectives of all relevant actors in the building renovation ecosystem. The mapping provides a structured overview of the key institutions, organisations and market participants involved in or influencing renovation activities in Hungary, highlighting their respective levels of **interest** and **influence**. This analytical framework served as a foundation for stakeholder engagement throughout the project. The identified actors were subsequently invited to participate in the RENOINVEST round tables and technical working groups, where their insights and experiences directly contributed to shaping the Action Plan.

In the **private building sector**, the key actors include condominium associations and homeowners, investors, construction companies, ESCOs and other service providers, as well as financial institutions such as commercial banks and insurance companies. Their level of interest in renovation is generally high, particularly among building owners and technical service providers, but their influence on the regulatory and financial framework remains limited. Financing institutions hold strong influence, as access to capital and affordable loan structures are crucial for accelerating renovation rates. Intermediaries such as clusters, NGOs and research organisations also play a growing role in awareness raising, capacity building and in the development of innovative financial and technical models.



Figure 1: Stakeholders of the private sector

In the **public building sector**, municipalities and national agencies represent the most significant actors, as they are responsible for the management of public building stock and the implementation of state-funded renovation programmes. Ministries, public funding institutions and the Central Bank of Hungary exert substantial influence through regulation and budget allocation, while ESCOs and contractors hold operational importance as project implementers. The graphs included in the mapping illustrate that while municipalities and local actors demonstrate high interest in renovation, their actual decision-making power is constrained by financial and legislative dependencies on central government structures.



Figure 2: Stakeholders of the public sector

This stakeholder mapping provides a strategic overview of the current landscape of actors involved in building renovation in Hungary. By analysing their respective interests and influence, it highlights the need for stronger coordination between policy makers, financial institutions and local stakeholders. The results underpin the Action Plan’s approach to fostering more inclusive, multi-level collaboration and to designing financing and policy measures that reflect the realities of both the private and public renovation markets.

## 6 ACTION PLAN

The Action Plan was developed with the active involvement of key stakeholders through the national roundtables, thematic working groups and expert discussions described in section 3.2.1. Their expertise and practical experience were essential in identifying the main barriers and defining realistic solutions to accelerate sustainable building renovation in Hungary. **The document is not a governmental strategy or regulatory instrument, but a set of recommended measures intended to support the development of sustainable renovation financing and to inform future policy design.**

Chapter 6 presents the proposed measures and actions needed to create the framework for large-scale renovation investments across both the private and public sectors. The measures are structured under three interlinked priority areas which together establish the basis for stable regulations, the mobilisation of financing and the strengthening of professional capacity and social awareness.

A key focus of the Action Plan is to transition from grant-dependent renovation schemes towards market-oriented models involving greater mobilisation of private financing, thereby ensuring long-term financial sustainability and increased participation of private actors in achieving Hungary's renovation goals. The Action Plan summarises all recommended measures necessary to reach these objectives; however, the proposed measures will require further elaboration and refinement in order to support their practical implementation.

### 6.1 Priority Action Areas

The Action Plan recommendations are explicitly **financing-driven, with a primary objective of mobilising private financing at scale** to accelerate sustainable building renovation in Hungary. The proposed measures are designed to create a stable and predictable investment environment in which private capital can effectively complement public resources and support long-term renovation objectives. This requires the **simultaneous alignment of legal, financial and capacity-related conditions**: financing mechanisms depend on an enabling regulatory framework as well as on sufficient levels of awareness, knowledge and professional capacity among all relevant actors. As no dedicated supporting measures are foreseen at this stage, the success of the Action Plan relies on the strong, parallel and mutually reinforcing implementation of these conditions, which together form the foundation for market-based renovation.

The **Legislative Area** focuses on creating legal certainty and regulatory stability for renovation investments by removing existing barriers, aligning regulations with long-term renovation objectives and enabling new financing models such as staged renovation, energy performance-based contracts and blended public-private financing. A predictable legal framework is essential to reduce risk for investors, financial institutions and building owners and to support long-term financial commitments.

The **Financing Area**, which forms the core of the Action Plan, aims to establish predictable, long-term financing instruments that effectively combine public support with private capital. The emphasis is on moving away from short-term, grant-dominated schemes towards market-oriented solutions that can operate at scale, attract private investors and remain available over longer time horizons, while

addressing the needs of homeowners, condominium associations and municipalities and leveraging public funds efficiently.

The **Awareness & Knowledge Transfer Area** addresses the human and institutional factors that influence uptake and implementation. It focuses on strengthening professional capacity, improving access to reliable information and fostering cooperation among public authorities, financial institutions, professionals and building owners, thereby reducing non-financial barriers and ensuring that financing solutions result in high-quality renovation projects.

Key Measures	
Legislative Area	1.1 Enable municipalities to participate in EPC-type mechanisms
	1.2 Adjust the law on condominiums (Law No. CXXXIII. of 2003.) with respect to introducing long-term financial planning in order to create the budgetary preconditions to staged renovations and to introduce compulsory screening of their technical conditions including energy consumption
	1.3 Enable condominiums to decrease/reclaim VAT
	1.4 Establish nationwide or regional One-Stop-Shops
	1.5 Make property renovation more attractive to investors
	1.6 Integrate circular economy and nature-based solutions into building renovation regulations
Financing Area	2.1 Launching a long-term financing mechanism combining subsidies and private finance for deep renovation, open for every homeowner, focused on energy savings
	2.2 Framework for financing staged or serial renovations
	2.3 Extend the duration of the interest rate subsidy of the existing condominium financing scheme from 10 to 15 years
	2.4. Use of energy savings obligations (HEM) in the financing of deep renovations
Awareness & Knowledge Transfer Area	3.1 Education of condominium management as a profession and building renovation in architecture
	3.2 Facilitate/support renovations by public databases
	3.3 Introduce renovation roadmaps and passports
	3.4 Promotion of real-time energy consumption monitoring and visualisation platforms
	3.5 Targeted Public Awareness Raising

Table 1: Proposed priority action areas and key measures of the Hungarian Action Plan

## 6.2 Key Measures

An overview of all proposed measures of the Action Plan is provided in Table 1 grouped by Key Action Areas. Each measure is subsequently described in more in separate tables.

The following main actions are proposed by the Hungarian RENOINVEST team to accelerate sustainable building renovation. First, the measures describe the **necessary legislative changes** to create an enabling framework, followed by those in the **financing area** to ensure long-term and accessible funding and finally measures on **awareness and knowledge transfer** to strengthen professional capacity and public engagement. Each measure follows a structured format outlining the initial situation, proposed actions, target and implementing groups, key stakeholders, added value, timeline, awareness level and monitoring approach.

Each proposed measure in the Action Plan follows a unified structure to ensure clarity and comparability. The **Initial Situation** outlines the current regulatory, financial, or market conditions and identifies the main barriers or gaps that the measure seeks to address. The **Description of the Measure** then presents the concrete policy actions, legal adjustments, or implementation steps proposed to overcome these challenges.

The **Affected Sector(s)** specify which parts of the economy - such as the residential, public, construction, or financial sectors - are directly influenced. The **Target Group of the Measure** identifies those who benefit most or are directly impacted, for example homeowners, developers, municipalities, or financial institutions. The **Implementing Group of the Measure** names the public or private institutions responsible for enacting and managing the measure, while the **Involved Stakeholder Groups** list the partners, experts and organisations expected to collaborate in implementation and monitoring.

The **Added Value of Implementing the Measure** summarises the anticipated social, economic and environmental benefits. The **Timeline for Implementation** indicates when and in what phases the measure should be introduced. The **Current Level of Awareness of Decision Makers**, based mainly on the political agenda, reflects how well the topic is prioritised:

-  **Red:** Low awareness, little or no action taken or scheduled.
-  **Orange:** Moderate awareness, limited action taken or planned.
-  **Green:** High awareness, several actions taken or under implementation.

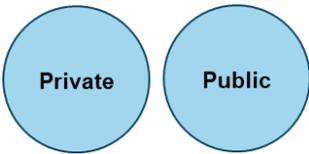
Finally, the **Monitoring of the Implementation Process** explains how progress will be tracked - identifying the responsible bodies, data sources and key performance indicators used to measure success and ensure transparency.

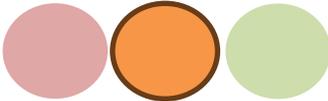
## 6.2.1 Legislative Area

<b>Legislative Area</b>	1.1 Enable municipalities to participate in EPC-type mechanisms
	1.2 Adjust the law on condominiums (Law No. CXXXIII. of 2003.) with respect to introducing long-term financial planning in order to create the budgetary preconditions to staged renovations and to introduce compulsory screening of their technical conditions including energy consumption
	1.3 Enable condominiums to decrease/reclaim VAT
	1.4 Establish nationwide or regional One-Stop-Shops
	1.5 Make property renovation more attractive to investors
	1.6 Integrate circular economy and nature-based solutions into building renovation regulations

Table 2: Proposed measures of the legislative area

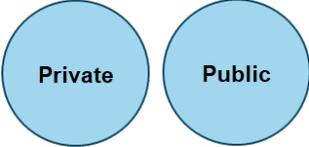
1.1 Enable municipalities to participate in EPC-type mechanisms	
<b>Initial situation</b>	<p>Since 2011 the financing of local governments has been regulated by <b>Act CXCV of 2011 on the Economic Stability of Hungary</b>. According to this act the previous <b>normative financing has been replaced by targeted financing</b>, i.e. resources are allocated through a sub-chapter of the state budget for the legally defined mandatory tasks that local governments must perform. This means that financing the mandatory tasks of the municipalities comes each month via a central allocation of the state funds. In addition to the mandatory tasks municipalities can undertake further tasks voluntarily only if they can allocate revenue for financing them. Local governments have the option of levying and collecting local taxes, but even so, the local governments' revenue-generating capacity is low. Local governments are obliged to include the resources and expenses of the performance of their tasks in a local government budget decree every year, i.e. they are obliged to prepare an annual budget. The local government may only use the resources that it uses to perform its tasks; if there is any money left at the end of the budget year that was not spent on task performance, it must be paid back to the state budget. Furthermore, according to the law, local governments are not entitled to take out long-term loans for investment purposes and if this were to happen, a state permit or guarantee is required, therefore municipalities are not encouraged to commit themselves to ESCO/EPC schemes.</p> <p>Funds intended for development and investments are made available to municipalities by the government within the framework of operational programs from European Union sources. The funds available in the present cycle are tied to the priority system and investment objectives of the Hungarian state budget funded Operational Program i.e. they do not necessarily coincide with the development objectives of individual local governments. All of this means that the room for financial manoeuvring of</p>

	<p>local governments is quite limited in Hungary. In the system described above, the municipalities do not have funds that can be spent freely, nor do they have the opportunity to generate money for developments and investments, including climate-related developments, by reallocating funds.</p>
<b>Description of the measure</b>	<p>A new <b>and well-defined rule must be added</b> to the above Law <b>with regard to the financing of energy efficient retrofits by the municipalities</b>: while it is not forbidden for the municipalities to assume ESCO/EPC type contractual fee payment liabilities this rule should specifically enable municipalities to pay the contracted fees for ESCOs/EPC partners by letting municipalities to keep these amounts from the central allocation on their own accounts; with the condition that only audited ESCOs/EPCs can be financed which qualify as off-balance sheet items (do not form part of state budget deficit).</p> <p>This would be a <b>basic condition for the municipalities to invest in energy efficiency via innovative methods, like energy communities, ESCO/EPC structures</b>, etc.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p>Public and Private</p> <p>The measure targets stakeholders in the public sector (government and municipalities), but also in the private sector involved in building renovations, like ESCO companies and companies offering EPC schemes. Commercial banks may also be affected as financing ESCO/EPC is expected to be increasing by this measure.</p>
<b>Stakeholders to implement the measure</b>	<p>The Law can be changed by the Parliament based on the government's initiative (the Ministry for Energy is responsible for the preparation of the change). Municipalities will make use of the change as it takes effect.</p>
<b>Involved stakeholder groups</b>	<p>Government/Ministry for National Economy          Municipalities, Municipal Associations          ESCO companies, companies offering EPC contract services, Construction industry companies          Commercial banks</p>
<b>Added value of implementing the measure</b>	<p>The modification helps municipalities implement energy efficiency projects that are out of the scope of the present Operative Programmes, i.e. they would be able to implement the municipalities' own goals (like SECAPs).</p> <p>It would enable municipalities making public procurements for ESCO/EPC services, taking part in energy communities, i.e. using other sources of finance besides the grants only.</p>

	Using ESCO/EPC type of contracts/services would mean including higher scale of private finance and producing more bankable projects. It can also help the ESCO market to start to develop again.
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	Preparation of changing the Law is managed by the Ministry of Energy. After the text of the change of the Law is ready, it shall be presented to Parliament and Parliament should approve it, finally the change in the Law should be published in the official gazette of the government.

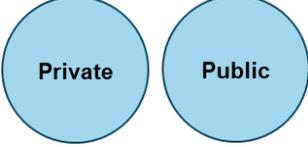
## 1.2 Adjust the law on condominiums (Law No. CXXXIII. of 2003.) with respect to introducing long-term financial planning in order to create the budgetary preconditions to staged renovations and to introduce compulsory screening of their technical conditions including energy consumption

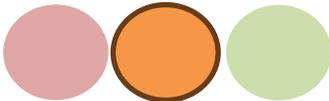
<p><b>Initial situation</b></p>	<p>Under the above law condominiums are obliged to prepare an annual budget. The budget is focused on the operation of the condominium, i.e. the operational costs have to be covered by the revenues of the condominium. It is also possible for the condos to collect money for future renovations and refurbishment; however, this is not compulsory. Many of the condos collect money by incorporating an amount into the monthly bill paid by the homeowners for the common costs of the condo and placing these amounts on a reserve account. Government decree No. 12/2001. includes provisions on the amount to be collected on the reserve account of a condominium (in the case of buildings newer than 15 years, the amount to be collected is 6 HUF/m<sup>2</sup> in a house without elevator, 8 HUF/m<sup>2</sup> in a house with elevator, in the case of buildings older than 15 years, the amount to be collected is 10 HUF/m<sup>2</sup> in a house without elevator, 12 HUF/m<sup>2</sup> in a house with elevator). <b>The amounts collected this way will serve as a source of own funding in the case of a renovation/refurbishment project. However, a large number of condos does not allocate money for future renovations</b> and they usually face problems when they seek financing for larger renovation works. Banks are reluctant to give loans to condominiums when they do not have reserve funds for renovation. Homeowners on the other hand are usually not able to finance larger renovation works themselves either.</p> <p>Condominiums are not obliged to assess the building's technical condition at present. This means that the homeowners – and even the condo's official representatives are usually not aware of the building's technical condition, how it could be improved, what it means in energy consumption and what risks, problems are they facing regarding future operation. In order to raise the awareness of homeowners and to be able to foresee what kind of measures and when will have to be taken at the building it is necessary to have an assessment/screening on its the technical condition.</p>
<p><b>Description of the measure</b></p>	<p>The above <b>law on condominiums needs to be modified with respect to the building's technical screening and the introduction of a long-term planning.</b></p> <p>The obligation of annual budget preparation should be extended: besides the annual operational budget the condominium should prepare a longer term, <b>at least 5-year plan with regard to investment needs. This long-term plan should be based on the assessment of the technical condition of the building.</b> The screening should also be made compulsory for each condominium (by giving certain time for the implementation). Moreover, the above government decree should also be modified, by <b>increasing the amounts to be collected to the reserve account</b>, as the amounts fixed in</p>

	<p>2001 are far from representing the necessary volume of savings for future retrofits.</p> <p>Based on the screening the condo will have a clear picture of its technical status, what kind of investments (repairs or refurbishment or renovation) are necessary and the measures can also be prioritized. Costs of the investments can also be estimated; thus, the condominium can also discuss with the individual homeowners how to get funding for the necessary works. By raising the awareness of homeowner's decision making on funding possibilities, e.g. raising the amounts of money collected on reserve accounts for future investments could be justified in a more efficient way.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Mainly Private Sector:</b></p> <p>The measure affects all condominiums, companies/persons managing condominiums, actors who provide technical services to condos and/or carry out building renovations.</p> <p>The measure also affects homeowners who live in multi-apartment houses and local authorities, where municipal housing exists.</p>
<b>Stakeholders to implement the measure</b>	<p><b>Private Sector</b></p> <p>The modification of the law needs a preparation by government and approval by Parliament. (Public)</p> <p>Implementation of the recommended changes needs a lot of preparatory work for the managers of condominiums (companies/persons). They must also be educated how to deal with the new tasks; therefore, the law must give a certain time for the implementation of the changes (e.g. 2 years). Information and awareness raising campaigns are also necessary for the homeowners of multi-apartment houses. Besides condominium managers and homeowners, associations of condominiums, associations of condominium managers and potential One Stop Shops will also be important groups as regards education and awareness raising.</p> <p>An outstanding motivation towards implementing these modifications could be if the VAT payable on the services rendered to condominiums could be reduced from 27 % to 5 % (see also Measure 1.2).</p>
<b>Involved stakeholder groups</b>	<p>Condominium managers          Homeowners          Association of condominiums          Association of condominium managers          Chamber of Engineers          One-Stop-Shops</p>

<p><b>Added value of implementing the measure</b></p>	<p>The compulsory technical assessment of the building’s technical condition and a long-term investment plan contributes to the followings: Condominiums and homeowners will be made aware of the technical condition of their building and needs for renovation and its costs. Condominium managers will be able to rationally argue that better technical condition and lower energy consumption will lead to increasing or keeping the market value of the building. Condominiums will be able to act in a proactive way rather than just doing the very necessary repairs.</p> <p><b>Economically</b>, being aware of the technical conditions and the investment requirements will lead to more responsible planning and financial management, including collecting more appropriate amounts on the reserve fund for investment purposes. Technical assessments would create work opportunities for the service sector, and the hopefully increased renovations create market potential for the construction industry and regional value creation.</p> <p><b>Ecologically</b>, renovations reduce energy consumption and accelerate decarbonisation. In view of ambitious climate targets, the proposed measures are urgently needed.</p>
<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda</b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>The education and awareness raising needs lots of efforts from NGOs like associations of condominiums and condominium managers, OSS and the Hungarian Chamber of Engineers as information providers. They must use public relations work to highlight existing or lacking progress and must be supported for their work in this respect.</p>

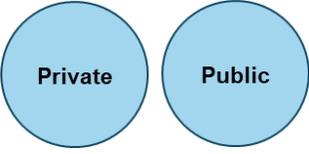
### 1.3 Enable condominiums to decrease/reclaim VAT

<b>Initial situation</b>	<p>Condominiums are <b>not legal entities in Hungary, they cannot reclaim Value Added Tax (VAT)</b>, which is 27 %. All services rendered to condominiums or goods sold to them including building materials for repairs and renovations are subject to a 27 % VAT. As condominiums represent private persons (the homeowners) at the end of the day it would be justified to reduce the VAT related to the services rendered to condos, like the condominium management, maintenance works, renovation and repair works including materials to 5 % (similar to certain basic food items).</p> <p>Another possibility is that condos can reclaim VAT, however this would require a higher level of consideration as their legal status makes the question more complex.</p>
<b>Description of the measure</b>	<p>The <b>law on the VAT needs to be modified</b> with respect to the specific services rendered to condominiums. It needs to be specified in the modification what services would fall under the 5 % VAT category and what conditions need to be met for instance in the case of a renovation in order to be eligible for the lower VAT. For example, renovation projects (including the preparation of plans, energy audits, implementation of renovation works, technical supervision, etc.) could be eligible for 5 % VAT if the renovation project is based on a technical assessment and is included in the 5 years plan of the condominium and the plan is approved by the majority of the homeowners in the condominium.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Public Sector:</b>        The modification of the law needs a preparation by government (Ministry of Economy) and approval by Parliament.        Reducing VAT on services rendered to condos decreases the tax revenues of the state on one hand, however the increasing volume of renovations counterbalances this effect.</p> <p><b>Private Sector:</b>        The measure affects all condominiums, all actors who provide services to condos and/or carry out building renovations, repairs and maintenance services.</p> <p>The measure also affects all homeowners who live in multi-apartment houses and <b>local authorities</b>, where municipal housing exists. <b>Municipalities could also benefit from the measure</b> as a large number of municipalities have properties in condominiums where they are also subject to paying both the costs of operation and renovations. As municipalities cannot reclaim VAT either, this measure would <b>reduce the</b></p>

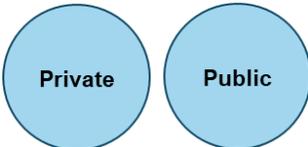
	<b>costs to be paid by the municipalities</b> for their condominium properties as well.
<b>Stakeholders to implement the measure</b>	<b>Private Sector/Public Sector</b> Implementation of the recommended change needs preparatory work with respect to taxation and state budget issues. After the modification comes into force condominium managers and all actors providing services to condominiums will have to adopt the change in their financial administration.
<b>Involved stakeholder groups</b>	Condominium managers Municipalities All actors providing services to condominiums – energy auditors, engineers, SMEs in the construction sector, maintenance companies Hungarian Chamber of Engineers
<b>Added value of implementing the measure</b>	Reduction of the VAT on the services provided to condominiums contributes to the followings: <b>Economically</b> , condominiums will be able to reduce their overall operational costs by paying only 5% VAT instead of 27% on purchased services. If homeowners decide to keep the monthly common cost bill at the same level, the VAT savings could be immediately allocated to a reserve account for future renovations. Investment and renovation costs would also be reduced, which is a significant advantage given the generally high and increasing costs of renovation; as a result, deep renovations would become more affordable for condominiums. Together, Measures 1.2 and 1.3 could therefore play a considerable role in boosting deep renovations of multi-apartment houses in Hungary. Municipalities could also reduce their costs of existing properties in condominiums. <b>Ecologically</b> , Renovations reduce energy consumption and accelerate decarbonisation. In view of ambitious climate targets, the proposed measures are urgently needed.
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	The reduction of VAT on services provided to condominiums needs an administrative action in invoicing, when it takes effect, implementation is immediate. OSS, association of condominiums and condominium managers, Hungarian Chamber of Engineers are actors who are able to follow renovation activities of condominiums and track how these activities develop. As invoicing takes usually place on real-time basis, the National Tax and Customs Authority can also monitor implementation.

1.4 Establish national wide or regional One-Stop-Shops	
<b>Initial situation</b>	<p><b>Homeowners and condominium managers require technical assistance, clean and transparent information for planning staged renovation.</b> These can be made available via dedicated market actors, like One-Stop-Shops. Up-to date only very few OSS operate in Hungary at present (a pilot was created in the RenoHub<sup>5</sup> project), large-scale OSS development has not been implemented. The existing few OSS face difficulties of financing their operation, a financially sustainable business model has not yet been created.</p> <p>The Hungarian Chamber of Engineers provides technical assistance to homeowners and condominiums, energy audit services are also available, however, the Chamber's activity in this respect is little known and the business model is not clear either.</p>
<b>Description of the measure</b>	<p>To efficiently facilitate renovations both in the fields of residential and public buildings, <b>country-wide or regional OSS must be created and operated.</b> OSS could specialize to focus on residential buildings and/or municipal buildings. The OSS main activities are guiding renovation projects, providing energy advice, technical assessment, financing and subsidy information, technical and legal guidance, technical and planning advice regarding staged renovation and access to skilled trades. The OSS can collaborate with the Hungarian Chamber of Engineers, certain tasks can be shared with it. OSS can also function as knowledge centres for professional training.</p> <p><b>Key supporting measures include the creation of a sustainable business model.</b> EU and/or national state funded Technical Assistance programmes for training OSS advisors, setting up and standardization of good consulting practices, a data base, running communication campaigns, a list of qualified service providers and advisors and developing revenue streams for further operation.</p> <p>Revenue streams may come from services sold through the OSS, advisory fees and cooperations with actors in the construction sector or financiers.</p> <p>The main activities of an OSS are guiding condominiums, homeowners, municipalities in renovation projects, Renovation Passports, scaling pilot projects; coordinating the roles of governmental and municipal authorities; training OSS advisors; running communication campaigns; and involving condominium managers and construction companies as key multipliers.</p>

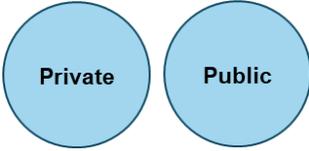
<sup>5</sup> <https://renohub-h2020.eu/>

<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Mainly Private Sector:</b>          It targets actors involved in both small- and large-scale building renovations, including homeowners, condominiums, their associations, the Chamber of Engineers, NGOs and energy consulting agencies, existing OSS.          As to public sector municipalities and their associations are targeted.</p>
<b>Stakeholders to implement the measure</b>	<p><b>Mainly Public Sector:</b>          The implementing actors include administrative authorities (government), associations of municipalities, OSS, the Hungarian Chamber of Engineers, KTI/ÉMI, energy agencies, advisory organisations, independent energy advisors.</p>
<b>Involved stakeholder groups</b>	<p>Government          Municipalities, association of municipalities          Existing OSS          Independent energy advisors, NGOs          Association of condominiums, condominium managers          Actors of the construction industry          Engineering consultancies and independent engineers</p>
<b>Added value of implementing the measure</b>	<p>National wide One-Stop-Shops contributes:</p> <p><b>Socially</b>, OSS improve accessibility to renovation guidance, financing and technical support, enabling both condominiums and homeowners to participate and strengthening local expertise through training and knowledge transfer.</p> <p><b>Economically</b>, coordinated support increases renovation activity, stimulates demand for construction, installation and advisory services, creates jobs and improves the efficiency of public subsidies and investments.</p> <p><b>Environmentally</b>, OSS promote energy-efficient renovations, renewable energy integration and sustainable building practices, resulting in lower energy consumption and reduced CO<sub>2</sub> emissions, while contributing to Hungary's broader climate goals.</p>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	

<p><b>Monitoring of the implementation process</b></p>	<p>The implementation of OSS should be closely monitored through multiple layers of oversight. Regional authorities track regulatory compliance, funding allocation and geographic coverage, while OSS report operational metrics such as clients served, consultations provided, financing facilitated and contractor referrals. Independent evaluators assess the impact on renovation uptake, energy efficiency and CO<sub>2</sub> reductions. Key issue is that the monitoring can be supported by centralized digital monitoring platforms for data aggregation and benchmarking.</p>
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<b>1.5 Make property renovations attractive to investors</b>	
<b>Initial situation</b>	<p>Investors and property developers pay only 5% VAT on energy efficient new investments, like residential buildings. However, there is <b>no incentive of building renovation and urban rehabilitation investments</b>, s these are subject to a 27% VAT rate. Both building materials and construction works are subject to a VAT payment of 27 %. This makes renovation works even more expensive both for homeowners, as being private persons, they cannot reclaim VAT. Owners of public buildings like municipalities are in the same situation as they are not entitled to reclaim VAT either.</p>
<b>Description of the measure</b>	<p>To efficiently facilitate property renovations both in the fields of residential and public buildings, property renovation and urban rehabilitation projects have to be made attractive for property developers and investors – the competition between developing a new property and renovation/rehabilitation of existing properties should be placed on equal terms.</p> <p><b>Incentivize energy-efficient building renovation for real estate developers and investors by decreasing the level of VAT to paid on property renovation and urban rehabilitation projects to 5 %.</b></p> <p>The reduced VAT would be subject to the project qualifying as deep renovation, tied to pre-defined levels of energy savings, the use of certain technologies and materials (see circular economy, the use of recycled building materials).</p> <p>Independent technical experts, engineers are expected to validate each renovation project to prove its eligibility.</p> <p>The National Tax and Customs Authority could control and approve the qualifications.</p> <p>As the reduction of VAT is an issue with regard to the state budget, its effects have to analysed and examined. Reducing the VAT will have a boosting effect on renovations and the construction industry and could have a multiplier effect on a wider ecosystem which would balance the reduction of VAT in the state budget over the years.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Private Sector:</b> The measure targets investors and property developers, actors involved in both small- and large-scale building renovations.</p> <p><b>Public Sector:</b> The Ministry for National Economy is responsible budget planning</p>

<b>Stakeholders to implement the measure</b>	<b>Mainly Public Sector:</b> The implementing actors include the Ministry for National Economy and the National Tax and Customs Authority. Technical compliance issues will be implemented by administrative authorities (government), the Hungarian Chamber of Engineers, energy agencies, advisory organisations, independent energy advisors.
<b>Involved stakeholder groups</b>	Government/ministries and their agencies Independent energy advisors, NGOs Property developers Actors of the construction industry Engineering consultancies and independent engineers
<b>Added value of implementing the measure</b>	Making property renovations attractive to investors contributes: <b>Socially</b> , equalizing the competition between new developments on the residential market and the renovations, therefore helps to accelerate renovations. <b>Economically</b> , the reduced VAT makes renovations more affordable, less financing/subsidy is necessary, it increases renovation activity, stimulates demand for construction, installation and advisory services, creates jobs and improves the efficiency of public subsidies and investments. <b>Environmentally</b> , renovations result in lower energy consumption and reduced CO <sub>2</sub> emissions, while contributing to Hungary's broader climate goals.
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	The monitoring of the projects qualifying for reduced VAT the data related to them can be assigned to a suitable authority of the government. The National Tax and Customs Authority can also monitor the invoices in relation to the qualified projects/developers.

1.6 Integrate circular economy and nature-based solutions into building renovation regulations	
<b>Initial situation</b>	Circular economy principles and nature-based solutions are not systematically integrated into building codes or renovation regulations in Hungary. Reuse of building materials, recycling of demolition waste, or the integration of green-blue infrastructure elements (e.g. green roofs, vertical greening, rainwater retention) are not incentivized.
<b>Description of the measure</b>	<ul style="list-style-type: none"> <li>• Amend national building regulations to include mandatory assessment of reuse and recyclability of materials for renovations.</li> <li>• Introduce standards and certification for circular construction materials and secondary raw materials.</li> <li>• Promote nature-based solutions (NbS) such as green roofs, façades and urban biodiversity-enhancing renovation elements by integrating them into energy renovation frameworks.</li> <li>• Link eligibility for renovation subsidies or reduced VAT to circular material use or NbS integration.</li> </ul>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Private Sector:</b> Property developers, construction companies, architects and engineers involved in renovation projects who can apply circular materials and nature-based solutions (NbS)</p> <p><b>Public Sector:</b> Ministries, municipalities and public building owners affected by the new regulatory and incentive framework promoting circularity and NbS integration.</p>
<b>Stakeholders to implement the measure</b>	<p><b>Mainly Public Sector:</b> The Ministry of Construction and Transport and the Ministry of Economy are responsible for preparing and amending national building regulations and linking subsidies or VAT incentives to circular and NbS criteria.</p> <p><b>Supporting Actors:</b> KTI/ÉMI, the Chamber of Engineers, environmental agencies and advisory organisations will develop technical standards, certification schemes and guidance materials for implementation.</p>
<b>Involved stakeholder groups</b>	<p>Government/ministries and their agencies, e.g. KTI/ÉMI</p> <p>Municipalities</p> <p>Engineering and architectural chambers</p> <p>Technical universities</p> <p>Construction industry representatives</p> <p>Independent energy and sustainability advisors, NGOs active in circular Economy and green infrastructure</p> <p>Financial institutions supporting green investment</p>

<p><b>Added value of implementing the measure</b></p>	<p><b>Economically</b>, reduces material dependency and waste management costs.  <b>Ecologically</b>, supports biodiversity, urban climate adaptation and carbon sequestration.  <b>Socially</b>, creates new green jobs and improves living comfort in renovated buildings.</p>
<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda</b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>The Ministry of Construction and Transport, together with KTI/ÉMI and technical universities, oversees data collection on the application of circular materials and NbS. Annual reports evaluate progress based on key indicators:</p> <ul style="list-style-type: none"> <li>• Share of renovation projects using circular or recycled materials (%).</li> <li>• Number of projects integrating nature-based solutions (e.g. m<sup>2</sup> of green roofs/façades).</li> <li>• Number of certified circular construction materials/products.</li> <li>• Annual reduction in construction waste or material footprint (% or tons)</li> </ul>

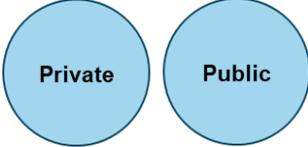
## 6.2.2 Financing Area

<b>Financing Area</b>	2.1 Launching a long-term financing mechanism combining subsidies and private finance for deep renovation, open for every homeowner, focused on energy savings & circular economy and natural based solution
	2.2 Framework for financing staged renovations
	2.3 Extend the duration of the interest rate subsidy of the existing condominium financing scheme from 10 to 15 years
	2.4. Use of energy savings obligations (“HEM”) in the financing of deep renovations

Table 3: Proposed measures of the financing area

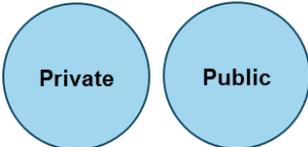
<b>2.1 Launching a long-term financing mechanism combining subsidies and private finance for deep renovation, open for every homeowner, focused on energy savings</b>	
<b>Initial situation</b>	<p>Hungary has not had a dedicated funding mechanism for <u>residential deep renovation open to every homeowner</u> up till now, although several subsidized programmes were implemented in the past five-six years. These programmes were focused on the acquisition of homes targeting families with children or focusing on families with the potential to have children. Other programmes were focused on families moving into small villages. From September 2025 a new facility has been opened up for those who are buying their first own apartment/home, it is a loan facility with subsidized interest rate (the difference to the market interest is paid by subsidies from the state). All these programmes are funded by large amounts of grants given by the government and although there are conditions to be fulfilled, these programmes are focused on only certain target groups of citizens. Although the majority of these programmes is no longer available (they were running for 2-3 years) some of the funding obligations from the state budget will still prevail.</p> <p>A facility introduced in 2024 has a focus on renovations and/or renewable energy, it is already a combination of grants and interest free loans and although the grant element is tied to energy savings, it is limited to certain areas of the country only, not available country-wide.</p> <p>As a result of all these programmes large amounts of grants and subsidies were spent on supporting certain target groups for the acquisition of apartments, part of which are newly built apartments or houses. <u>However, the deep renovation of the existing residential building stock remained on a very low level</u> (under 1 % of the existing stock) and is still far from the annual rate of 3 % which would be necessary to reach the national climate targets. Hungary had the highest inflation rate in the EU in 2022-24, which resulted in significantly increased prices of building materials and construction works and as it is still difficult to curb inflation the base interest rate is kept high (6,5 %) by the Central Bank of Hungary.</p>

	<p>As a consequence, mortgages and traditional bank loans are rather expensive, green mortgages do not have significantly lower rates either. Existing bank loans, such as mortgages and housing loans, are the most common form of third-party financing in Hungary as well, but they are harder to access for renovations than for new construction/acquisition. Banks perceive renovations as harder to value and securing loans for multi-apartment buildings or condominiums is complex. Standard loan terms (10–20 years) are typically too short for energy-efficient renovations, which would benefit from longer terms (20–30 years) and initial grace periods. Long-term, multi-generational repayment models are not yet established, and banks are cautious due to unclear risk assessments and legal as well as organizational issues.</p> <p>As a consequence of all the above, the average homeowner in Hungary can hardly afford a deep renovation of his/her house/apartment. While high-income or creditworthy owners have reasonable access to financing, broader populations—especially older homeowners or middle- to low-income households—face significant barriers, limiting renovation uptake crucial for climate goals and social equity. Therefore, it is justified to conclude that subsidies and grants should still play an important role in boosting renovation uptake, however, grants and subsidies should be used in a more efficient and socially balanced way. Furthermore, it is imperative that only <u>long-term schemes</u> are able to facilitate renovation uptake prevailing at least for 10 years with predictable terms.</p> <p>Differential subsidies or interest rate reductions could be introduced for renovations that demonstrably reduce material footprint, extend building lifespan, or contribute to urban climate resilience.</p>
<b>Description of the measure</b>	<p>The creation and provision of <b>specific funding and financing schemes dedicated for home renovation</b> is necessary to facilitate the large-scale uptake of renovation. These schemes must be <u>long-term schemes</u>, i.e. available in the long run to <u>create a predictable financing environment</u>. The dedicated scheme(s) combine the own resources of condominiums/homeowners, commercial bank loans and subsidies in an efficient way. This dedicated scheme comprises different elements and can be implemented in the form of different models:</p> <ul style="list-style-type: none"> <li>• The models are a <b>combination of subsidies and commercial loan financing</b>, with the necessary own funds of homeowners/condominiums,</li> <li>• The <b>subsidy/grant element focuses on deep renovation tied to energy savings</b> like certain level of energy savings to be reached, or dedicated measures (e.g. insulation, change of windows/doors) with the condition that the homeowner continues with other measures on his own budget,</li> <li>• <b>Size of subsidies must be differentiated</b>, for example lower income households receive higher level of subsidy and/or higher energy</li> </ul>

	<p>savings/higher proportion of deep renovation elements receive higher subsidy,</p> <ul style="list-style-type: none"> <li>• Subsidies/grants can come in the form of one-time payments or interest rate subsidies to make the loans, especially longer-term loans more affordable,</li> <li>• The well-known <b>home savings products (Bausparkasse) should be revitalized</b>, at present these are available on market basis. As this product is still popular and well understood, <b>incentives should be given to its wider scale use again</b> (increasing levels of premium for higher volume of savings to keep its competitiveness and advantages when taking out loans for renovation purposes, like reduced interest rates),</li> <li>• Subsidies/grants can also be used <b>to create a “Special Purpose Vehicle” for dedicated residential renovation purposes</b>, which can develop products tailored to home renovations/condominiums renovations. It can refinance the loans given by commercial banks like a revolving fund, or like an investment fund. The fund can start with EU grants/EIB loans with co-financing from commercial banks and investors. Launching such a Vehicle would mean a <b>long-term commitment</b> from government as such funds are worth operating for the long run only.</li> <li>• Subsidies/grants can also be used to create a <b>Guarantee Facility</b> which gives guarantees to banks to back up the loans given for dedicated renovation purposes,</li> <li>• Subsidies/grants can also be used to incentivise commercial banks to develop dedicated home renovation loan products, by state-backed interest rates, thus making the commercial loans affordable in general and with special focus to <b>financially vulnerable households</b>.</li> <li>• <b>Loan durations</b> should be extended to align with energy-saving payback periods and <b>repayment conditions</b> made more flexible through grace periods and adaptable schedules.</li> </ul>
<p><b>Affected sector(s)</b></p>	
<p><b>Target group of the measure</b></p>	<p><b>Mainly Private Sector:</b> The primary focus is on the residential housing sector, including small homeowners and condominiums, multi-apartment houses. In addition, small- and medium-sized companies involved in building renovations, as well as organisations providing services for home renovations.</p>
<p><b>Stakeholders to implement the measure</b></p>	<p><b>Public and Private Sector:</b> Government/ministries, the Central Bank of Hungary, the Hungarian Development Bank, commercial banks, funding agencies and insurance companies need to create regulatory and financial frameworks and offer advisory service.</p>

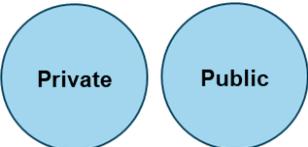
<b>Involved stakeholder groups</b>	<p>Government/Ministries, other governmental organisations          Central Bank of Hungary          Hungarian Development Bank          Commercial banks and the Hungarian Banking Association          Guarantee organisations          Financial consulting companies          Construction sector companies</p>
<b>Added value of implementing the measure</b>	<p>Creating a long-term financing mechanism focusing on deep renovation and energy savings contributes:</p> <p><b>Socially</b>, subsidies make renovations more affordable and accessible to a wider population therefore it should be available for every homeowner. A scheme prevailing in the long term can create predictable financing environment. Grants lower entry costs, enabling lower-income households to finance renovations, promoting social equity and higher acceptance.</p> <p><b>Economically</b>, by enabling more renovations, subsidies strengthen the construction sector, craftsmanship and a stable demand for the construction sector. They improve project profitability, shorten payback periods and reduce risks for both property owners and financial institutions, thereby triggering additional investments.</p> <p><b>Environmentally</b>, subsidies steer investments toward high-impact energy and climate measures, such as thermal insulation, renewable heating systems and photovoltaics, maximizing CO<sub>2</sub> reduction and supporting climate protection goals.</p>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	<p>Implementation can be tracked through the official statistics of the ministries and the Central Bank of Hungary (based on commercial banks' statistics) that centrally record subsidies, loans, renovation roadmaps and Renovation Passports. Regular reporting aggregates data on the number, type and scope of supported renovations, while qualitative surveys among property owners, banks, contractors and advisory services identify barriers and potential improvements. Benchmarking across regions, funding programs, or financial institutions helps to highlight best practices.</p> <p>This combined approach of centralized data collection, regular reporting, qualitative evaluation and benchmarking ensures that the measure's implementation can be monitored, successes made visible and necessary adjustments made in a timely manner.</p>

<b>2.2 Framework for financing staged renovations</b>	
<b>Initial situation</b>	<p>Building material prices and engagement costs have significantly increased during the past few years, leading to longer return on investment (ROI) for deep renovations. Average citizens living in apartment houses usually cannot afford the considerably increased costs of deep renovation, this makes staged renovation even more imperative. However, staged renovations face financial disadvantages, as both subsidies and banks tend to favour comprehensive renovations. <b>Banks are reluctant to finance small parts</b> of a renovation project as <b>the taxonomy requires a minimum level of 30 % in energy savings – which has to be proved - in order to qualify the loan as taxonomy compliant.</b> Energy audits have to be made before and after the intervention, administrative requirements are high compared to the low amounts of loan disbursement. This makes it expensive for the bank, therefore the bank’s interest is to disburse as high amounts as possible.</p> <p>In the case of multi-apartment houses – condominiums – staged renovation is more relevant as the condominium projects represent higher volume than the individual homes. Renovations costs/m<sup>2</sup> in multi-apartment houses are relatively cheaper compared to costs/m<sup>2</sup> in individual houses, thus savings achieved are also higher than in individual houses, this is a good motivation for banks to go into financing of renovations of condominiums.</p> <p>Banking products remain standardized, without adapting to the specific needs of step-by-step or serial solutions. This <b>strong focus on comprehensive renovations hinders</b> the broader rollout of <b>staged and industrialized models.</b></p>
<b>Description of the measure</b>	<p>The financing framework for staged renovations must incorporate <b>models with long duration</b>, i.e. they must be available in the long run in order to create a predictable financing environment. The financing models should <b>combine the own resources of condominiums, commercial financing and subsidies in an efficient way.</b> Revitalization of the home savings scheme and its integration into the financing models is necessary.</p> <p>Banks should be encouraged to offer loan financing based on measure-specific renovation plans, for example through framework loans, revolving facilities or staged financing. The focus is on building and stock renovations by the condominiums. Additionally, <b>private capital sources</b> like Green Bonds or contracting models should be more <b>strongly integrated.</b> Social protection measures, such as guarantees and interest subsidies, help ensure affordability for property owners. Necessary actions:</p> <ul style="list-style-type: none"> <li>• A long term (at least 10 years long) staged renovation support scheme is needed with a subsidy element coupled with Home Renovation Saving Schemes</li> </ul>

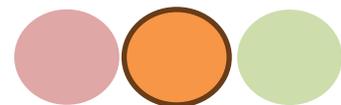
	<ul style="list-style-type: none"> <li>• First stage of renovation can be a larger part, e.g. insulation, change of windows/doors with an upfront financing</li> <li>• Next stages could be subject to compulsory level of savings by the homeowners (Housing Savings Schemes) and reserve account of the condominium and proven energy savings achieved during the first stage,</li> <li>• Energy savings must be proven and validated by technical experts, energy auditors accepted by the bank in order to be eligible for the subsidy element,</li> <li>• Levels of the subsidy/grant could be differentiated according to the income position of the homeowners, geographical differences, levels of savings achieved, etc.</li> <li>• A <b>Revolving Fund refinancing loans</b> given by the commercial banking sector for residential deep renovation purposes <b>should be created funded partially by EU grants and/or EIB loans and partly by commercial fund raising.</b></li> <li>• A <b>Guarantee facility</b> could also be established for the guarantee of commercial loans for energy efficiency purposes (funded by grants/EIB loans) – the duration of the funds should at least be 10 years in order to provide the long-lasting availability (presence) of the whole scheme.</li> <li>• In the case public buildings staged renovation can also be relevant, Public-Private Partnerships like ESCO models, EPC contract-based partnerships can be a way to efficiently finance their staged renovations.</li> </ul> <p><b>Institutional Support:</b></p> <ul style="list-style-type: none"> <li>• <b>Establish One-Stop-Shop</b> structures that combine financing, subsidy administration and technical advice, including integration of the Renovation Passport.</li> <li>• The <b>Renovation Passport</b> documents planned renovation stages, providing security and certainty for banks and funding agencies.</li> <li>• Engagement of technical experts, engineers and energy auditors to assist in planning the staged renovations and to assist banks in validating the plans, the intervention measures taken and the energy savings achieved.</li> <li>• Facilitating ESCO and EPC models by harmonizing the relevant rules and laws.</li> </ul> <p>This approach facilitates the implementation of staged and serial renovation models, increases planning reliability and reduces risks for condominiums, homeowners, banks and funding agencies alike.</p>
<b>Affected sector(s)</b>	

<b>Target group of the measure</b>	<p><b>Mainly Private Sector:</b></p> <p>Small homeowners, condominiums and non-profit developers are key targets due to large building stocks and potential for economies of scale. Commercial developers are also relevant but less because of their business models.</p> <p>Public buildings as schools and hospitals are also suitable for staged and serial renovations because of their large-scale properties.</p>
<b>Stakeholders to implement the measure</b>	<p><b>Private and Public Sector:</b></p> <p>Commercial banks, government/ministries and their agencies, the Hungarian Development Bank and funding agencies need to create regulatory and financial frameworks and offer advisory service.</p>
<b>Involved stakeholder groups</b>	<p>Government/ministries, other governmental organisations          Central Bank of Hungary, Hungarian Development Bank          Commercial banks and the Hungarian Banking Association,          Guarantee organisations          Financial consulting companies          Construction sector companies: manufacturers, contractors, developers, designers; National Federation of Hungarian Building Contractors</p>
<b>Added value of implementing the measure</b>	<p>The measure contributes:</p> <p><b>Socially</b>, renovations become more affordable, with phased implementation allowing cost distribution over time. Subsidies reduce upfront expenses. If the scheme operates in a reliable way for many years, its predictability will encourage more and more homeowners and condominiums to enter into deep renovations.</p> <p><b>Economically</b>, the construction sector, craftsmanship and regional value creation are strengthened. Subsidies shorten payback periods, reduce investment risks and leverage additional private capital. The scale of renovations will create a steady demand for the construction industry and helps balance the seasonal differences. The scale of renovations creates a steady demand for the banking services as well, procedures and products can be standardized, efficiency can be increased.</p> <p><b>Environmentally</b>, targeted incentives make high-impact measures—such as thermal insulation, renewable heating systems and PV installations—more attractive, maximizing CO<sub>2</sub> reduction per euro invested.</p>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	

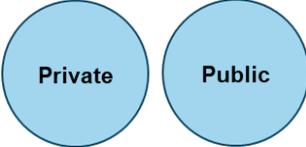
<b>Monitoring of the implementation process</b>	<p>Implementation can be monitored and overseen through a combination of quantitative and qualitative measures. The Hungarian Development Bank coordinates overall progress and integrate reporting into national and EU frameworks while the Central Bank of Hungary as Financial Market Supervision ensures regulatory compliance and monitors risk weighting for renovation loans. Banks and banking associations track loan volumes, advisory services and integration with subsidies and funding agencies verify correct application of grants in connection with the Renovation Passport. Independent evaluators and research institutes provide ongoing assessment of effectiveness, efficiency and scalability, supplemented by dashboards, benchmarking and user surveys to capture feedback from property owners, banks and construction professionals. This multi-level oversight ensures accountability, continuous improvement and alignment with policy objectives.</p>
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2.3 Extend the duration of the interest rate subsidy of the existing condominium financing scheme from 10 to 15 years	
<b>Initial situation</b>	<p>One of the leading commercial banks in Hungary (OTP Bank) offers loan facilities for condominiums to finance renovation works. The bank is also involved in keeping the current accounts of condominiums.</p> <p>The loan facility offered has a maturity of 15 years and is offered with reduced (subsidized) interest rates, i.e. 70 % of the interest rate is paid by the state budget in the first five years and 30 % of the interest rate is paid by the state in the second five years, in the third five years there is no subsidy. Therefore, most of the condominiums carry out renovations the cost of which can be paid back within 10 years. The main decision-making factor of the investment is that it can be repaid within 10 years, instead of the real need for renovation or energy savings.</p> <p>This raises the problem of <b>locked-in costs and inefficient investments</b>, condominiums do not implement the necessary level of renovation, as renovation costs have risen considerably, return on investment has grown to 20-25 years, which justifies longer loan payback time. As interest rates tend to remain high due to the high risk of inflation, an interest rate subsidy of at least 30 % would be justified for the next 5 years' periods as well.</p>
<b>Description of the measure</b>	<p><b>The maturity of this loan should be extended to 20 years, with an interest rate subsidy of at least 30 % extended to the third and fourth five years of the loan facility as well. Moreover, the interest rate should be fixed, for at least five years' periods</b>, with the interest rate subsidy included (at present the rate is based on the market rate, BUBOR<sup>6</sup>). This enables condominiums to perform the necessary level of deep renovations, not just a partial solution which would lock-in costs for the condominium. Investments can be made as efficient as possible by extending the preferential interest rate conditions and fixing the rate as well, to realize the most available savings in energy consumption.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Mainly Private Sector:</b>          Homeowners and condominiums are the target group of this measure; this would help them implement deep renovations in an efficient way.</p>
<b>Stakeholders to implement the measure</b>	<p><b>Private and Public Sector:</b>          Government/Ministry for National Economy to approve the interest rate subsidy in the state budget.</p>

<sup>6</sup> Budapest Interbank Offered Rate

	Commercial banks to apply the measure if approved, they can further develop their offerings for condominiums.
<b>Involved stakeholder groups</b>	Government/Ministry for National Economy Commercial banks and the Hungarian Banking Association Condominiums, Homeowners
<b>Added value of implementing the measure</b>	<p>Extending the interest rate subsidy to the third period of the condominium loan facility contributes:</p> <p><b>Socially</b>, renovations become more affordable. If the scheme operates in a reliable way for many years, its predictability will encourage more and more homeowners and condominiums to enter into deep renovations.</p> <p><b>Economically</b>, the financial position of condominiums will be strengthened as they will be in a better position to pay back the loans. Payback time will be better matched to the return on investment. Less expensive loans can contribute to encouraging more condominiums to carry out renovations.</p> <p><b>Environmentally</b>, targeted incentives make high-impact measures—such as thermal insulation, renewable heating systems and PV installations—more attractive, maximizing CO<sub>2</sub> reduction per euro invested.</p>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	Implementation can be monitored and overseen through the regular reporting of banks to the Central Bank of Hungary as market supervision.

<b>2.4 Use of energy savings obligations (“HEM”) in the financing of deep renovations</b>	
<b>Initial situation</b>	<p>The <b>Energy Efficiency Obligation System was introduced in Hungary from the beginning of 2021, as a policy initiative to help to reach the climate goals.</b> A similar system is operating in 16 countries of the EU. In this system the companies obliged have to run programmes and implement measures as a result of which validated/proven energy savings can be achieved in the final consumer’s energy consumption. Final consumers in the sector of the Hungarian companies and private homeowners are the beneficiaries of the system, i.e. companies operating in Hungary or residential homeowners can implement renovation measures as a result of which energy savings can be realized. These savings can be audited and validated, so the company or homeowner will have a certification of validated energy savings (Hungarian abbreviation “HEM”). The HEM is a property right, as asset, that can be capitalized in a company’s balance sheet and the companies obliged to implement energy savings measures are interested in buying them as HEMs owned can be used to reduce the level of their own obligations. Therefore, HEMs have a monetary value and are tradeable with certain limitation (HEMs can only be sold to companies obliged under the system). The monetary value of the individual HEMs is set by a catalogue issued by the Hungarian Energy and Public Utility Regulatory Authority (MEKH).</p> <p>Since the middle of 2024, HEMs are traded at HUPX, the Hungarian Power Exchange in Budapest, there are regular auctions where the registered traders can buy the HEMs offered. Prices have shown a rising trend during the first couple of months, then started to decrease as the companies obliged have fulfilled their obligations. In 2025 the government increased the level/volume of obligations to be fulfilled by the companies obliged, so the demand for HEMs is rising again which forms a more predictable background for this marketplace.</p> <p>The largest company obliged under the system is the Hungarian Electricity Works (MVM) with 14 M PJ in 2024. This amount of obligation could have been used to renovate 250-300 thousand residual homes, whereas only 25 thousand homes were involved in partial renovations based on the HEM system in 2024.</p>
<b>Description of the measure</b>	<p>As the increase of the level of obligations elevates the demand for the HEMs is expected to rise accordingly. <b>HEMs can serve for financing of deep renovations in the case of residential homes, first of all in the case of condominiums, but also with municipal buildings.</b></p> <p>Companies obliged, like MVM, or electricity/gas suppliers (DSOs), large building material manufacturers shall collaborate with actors like OSS or condominiums, municipalities in the frame of which HEMs achieved by implementing deep renovation measures, such as insulation or change of doors/windows are bought by the company obliged and the countervalue of the HEM is given to the actor implementing the</p>

	<p>renovation to cover a part of his cost of renovation. Key stakeholders, like MVM and MEKH have expressed their willingness to participate in collaborations in using HEMs in financing deep renovations.</p> <p>It is in the interest of condominiums to elaborate methods and ways of using HEMs in financing their deep renovation, based on further analysis. Energy advisors, NGOs, OSS can help in this respect.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Mainly Private Sector:</b>          companies operating in Hungary as well as homeowners and condominiums by lowering effective investment costs and thereby improving the financing conditions for deep renovation projects.</p>
<b>Stakeholders to implement the measure</b>	<p><b>Private and Public Sector:</b>          Government- keeping/raising the level of obligations          Hungarian Energy and Public Utility Regulatory Authority          Companies and organisations obliged          HUPX electricity exchange          Intermediary market actors like energy consultants, NGOs, OSS,          Condominiums and homeowners, their associations,          Municipalities</p>
<b>Involved stakeholder groups</b>	<p>Government/ministries          Hungarian Energy and Public Utility Regulatory Authority          Companies and organisations obliged          Intermediary market actors like energy consultants, NGOs, OSS,          Condominiums and homeowners, their associations, Municipalities</p>
<b>Added value of implementing the measure</b>	<p>The use of HEMS in financing deep renovations contributes:</p> <p><b>Socially</b>, renovations become more affordable. If the scheme operates in a reliable way for many years, its predictability will encourage more and more homeowners and condominiums to enter into deep renovations.</p> <p><b>Economically</b>, the use of HEMS will effectively lower the costs of investments for condominiums and homeowners therefore renovations will be more affordable. It will also boost the construction/building material industry by maintaining a steady demand for their products and services.</p> <p><b>Environmentally</b>, targeted incentives make high-impact measures—such as thermal insulation, renewable heating systems and PV installations—more attractive, maximizing CO<sub>2</sub> reduction per euro invested.</p>
<b>Timeline for implementation</b>	

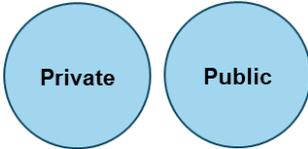
<p><b>Current level of awareness of decision makers, mainly based on political agenda</b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>Implementation can be monitored and overseen by the Hungarian Energy and Public Utility Regulatory Authority, MEKH, with whom HEMs must be registered.</p>

### 6.2.3 Awareness And Knowledge Transfer Area

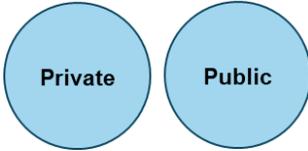
<b>Awareness &amp; Knowledge Transfer Area</b>	3.1 Education of condominium management as a profession and building renovation in architecture
	3.2 Facilitate/support renovations by public databases
	3.3 Implementation of renovation roadmaps and passports
	3.4 Promotion of real-time energy consumption monitoring and visualisation platforms
	3.5 Targeted Public Awareness Raising

Table 4: Proposed measures of the awareness & knowledge transfer area

3.1 Education of condominium management as a profession and building renovation in architecture (capacity building)	
<b>Initial situation</b>	<p>Condominium management, as a profession has emerged in Hungary in recent years only. The economic environment in which condominiums operate has become much more complex with regard to legal regulations, obligations or renovation needs. Both operational costs of a condominium and repair/renovation costs have considerably increased due to the high inflation. Homeowners in a condominium are usually of very different social background with different financial positions, different goals in life. A unique situation is therefore created by the way condominiums operate, make their decisions and their legal status which is rather complex to manage. On top of that condominiums are usually managed with the short-term view only, i.e. annual operating budgets are approved and annual operative plans managed.</p> <p>As a consequence, <b>condominium management today is not a simple administrative function anymore, but it requires a number of skills and well-established knowledge</b> in a number of fields, like financing, building maintenance and fields of construction, etc. Condominium managers should be able to run meetings of homeowners, manage decision-making processes, argue and negotiate about what is necessary to be done, etc. Up till now a three-month long training is available for those who choose to become a condominium manager, with no specific degree or education required beforehand.</p>
<b>Description of the measure</b>	<p><b>Capacity building in condominium management</b> has become an important issue. It has become imperative that <b>condominium management be realized as a profession</b> and condominium managers be <b>professionally trained</b>. The capacity building should be based on a dedicated training programme which should incorporate all important skills and give a good knowledge base in the fields of financials (operative and long-term planning, dealing with banks), legislative issues, technical issues (maintenance, improvement, renovation, energy management). It is very important to develop the future condominium managers' skills in</p>

	<p>communication, negotiation, running meetings and how to help the decision-making process.</p> <p>The training should be long enough to include all the above topics (one to two years) and its outcome should be a professional certificate.</p> <p>The Hungarian Chamber of Commerce or its affiliate, the Budapest Chamber of Commerce is an authorized organisation who can deliver professional trainings, this is one of the organisations suitable to implement it.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Mainly Private sector:</b>          Condominium managers (private persons) either working privately or in condominium management companies.</p>
<b>Stakeholders to implement the measure</b>	<p>Private and Public Sector:          Organisations dealing with professional trainings, like the Hungarian Chamber of Commerce and Industry, Hungarian Chamber of Engineers          Universities and higher education organisations          Condominium management companies</p>
<b>Involved stakeholder groups</b>	<p>Organisations dealing with professional trainings, like the Hungarian Chamber of Commerce and Industry, Hungarian Chamber of Engineers          Universities and higher education organisations          Condominium management companies</p>
<b>Added value of implementing the measure</b>	<p>The measure contributes:</p> <p><b>Socially:</b> By incorporating the long-term perspective in condominium management both homeowners and the condominiums themselves can make more rational decisions.</p> <p><b>Economically:</b> Condominium management improves, homeowners can have a better picture on how their home building is operated, what necessities they face in the future. This enables more responsible and rational planning and decision-making.</p> <p><b>Environmentally:</b> Renovations reduce energy use and CO<sub>2</sub> emissions. Higher renovation rates accelerate progress toward a climate-neutral building stock. Renovation Passes prioritize measures with the greatest energy and CO<sub>2</sub> impact first, enabling the highest ecological benefits and facilitating national monitoring of energy and emission targets (National Energy and Climate Plan, EPBD).</p>
<b>Timeline for implementation</b>	

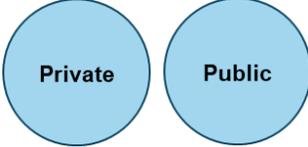
<p><b>Current level of awareness of decision makers, mainly based on political agenda</b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>The implementation of capacity building in condominium management can be tracked by the professional organisations that will implement the training by reporting the necessary statistics on the training (number of participants, number of certificates given, etc).</p>

3.2 Facilitate/support renovations by public databases	
<b>Initial situation</b>	<p><b>Energy certificates are compulsory in Hungary if a property is sold.</b> The energy certificates issued are registered and kept in the Lechner Knowledge Center.</p> <p>It would be imperative that the data included in these certificates be used for statistical purposes. Banks for instance, should be able to use them for making relevant benchmarks in risk analysis.</p> <p>However, the data in the Lechner are not fully available publicly.</p> <p>Another usual barrier in planning deep renovations, especially staged renovations, is that there is no large-scale, reliable technical dataset available publicly on relating to renovations, for example what is the impact of a specific renovation measure.</p>
<b>Description of the measure</b>	<p><b>Set up a reliable building energy efficiency database</b> on the basis of the system developed by Lechner Knowledge Centre in association with universities and research centres.</p> <p>The existing database (energy certificates) must be interlinked with the Renovation Passport system (Measure 3.3) and the proposed monitoring data (Measure 3.4). <b>The database must provide a public, anonymized benchmark function</b>, where owners and banks can see the typical costs and expected savings for a renovation of a specific building type (e.g., "Kádár-cube," "panel building"). This reduces the banks' risk perception and increases owners' confidence.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Mainly Private sector:</b>        Engineers, construction industry experts and contractors, condominium managers</p> <p><b>Public sector:</b>        Technical staff of municipalities, public buildings</p>
<b>Stakeholders to implement the measure</b>	<p>Government, ministries        Universities and research centres        Architects and engineering companies        Hungarian Banking Association</p>
<b>Involved stakeholder groups</b>	<p>Construction companies,        Chamber of engineers,        Building associations,        Commercial banks, the Central Bank of Hungary,        Government, ministries and governmental agencies        NGOs</p>

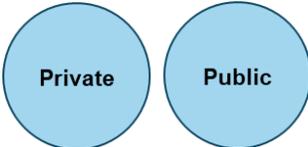
<p><b>Added value of implementing the measure</b></p>	<p>The measure contributes:</p> <p><b>Socially:</b> Condominium management improves. By incorporating the long-term perspective in condominium management both homeowners and the condominiums themselves can make more rational decisions.</p> <p><b>Economically:</b> Condominium management improves, homeowners can have a better picture on how their home building is operated, what necessities they face in the future. This enables better more responsible and rational planning and decision-making.</p> <p><b>Environmentally:</b> Renovations reduce energy use and CO<sub>2</sub> emissions. Higher renovation rates accelerate progress toward a climate-neutral building stock. Renovation Passes prioritize measures with the greatest energy and CO<sub>2</sub> impact first, enabling the highest ecological benefits and facilitating national monitoring of energy and emission targets (National Energy and Climate Plan, EPBD).</p>
<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda</b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>The implementation of data accessibility can be best monitored by the level of public accessibility of the relevant data. The present institutional fragmentation can be overcome by assigning one institution with the responsibility of overseeing the process of data gathering and using the data collected. This institution could be responsible for providing the relevant statistics as well.</p>

### 3.3 Implementation of renovation roadmaps and passports

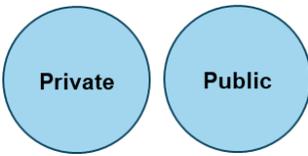
<b>Initial situation</b>	<p><b>Renovation Passport Guidelines</b> need to be published, based on <b>EU Directive (EU) 2024/1275</b>. The guidelines will need to provide a structured framework for the content and design of a renovation passport including the following elements: documentation of current energy consumption, development of multi-step renovation roadmaps toward net-zero-emission buildings (NZEB), recommendations for the optimum sequence of measures and guidance on available subsidies, technical consulting and climate data.</p> <p>A <b>comprehensive nationwide rollout</b> will need to be achieved. Full implementation requires digital infrastructure, advisory systems (e.g. OSS) and integration into funding decision making and building registries.</p>
<b>Description of the measure</b>	<ul style="list-style-type: none"> <li>• <b>Renovation Roadmap</b> to provide a multi-step, long-term energy retrofit plan tailored to each building, specifying measure sequencing (e.g. insulation → windows → heating → PV), costs and expected energy savings.</li> <li>• <b>Official Renovation Passport</b> to document the current building status (energy certificate, CO<sub>2</sub> emissions, renovation needs) and links it to the roadmap; intended as a <b>tool for funding, financing and monitoring</b>.</li> <li>• <b>Regulatory integration</b>: Incorporate the Renovation Passport into building codes with standardized content (energy performance indicators, cost-benefit analysis) and alignment with EU EPBD requirements and the National Building Renovation Plan.</li> <li>• <b>Funding incentives</b> i.e. subsidies linked to Renovation Passports; integrated financing models combining bank loans and grants based on the roadmap; special funds to cover costs of renovation passports for private owners, condominium associations and municipalities.</li> <li>• <b>Digital infrastructure</b>: Establish a separate platform or incorporate into the building registry Renovation Passports and provide access to owners, banks and funding agencies.</li> <li>• <b>Professional capacity building</b> to train energy consultants, architects and other professionals on standardized renovation roadmaps.</li> <li>• <b>Pilot programs</b> to launch across the country in order to generate practical experience and showcase best practices.</li> <li>• <b>Integration into One-Stop-Shops</b>: Combine advice, roadmap and financing in a single service, facilitating practical implementation. (Measure 1.4.)</li> <li>• <b>Communication &amp; engagement</b>: Campaigns to raise awareness (“Roadmap to a climate-neutral home”), low-threshold online tools (quick checks) and engagement of condominium associations and property managers. (Measure 3.1.)</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Cooperation with banks:</b> Use the Renovation Passport as a basis for credit decisions to link financial instruments directly with renovation plans.</li> </ul>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Mainly Private sector:</b> small investors, homeowners, homeowner associations, property developers, as well as municipalities can use renovation passports and renovation roadmaps for guidance and access to financing and subsidies.</p>
<b>Stakeholders to implement the measure</b>	<p>Private and Public Sector: Governments need to adapt regulations and funding; standards in building codes, energy agencies &amp; consultants need to implement roadmaps and passports, banks &amp; funding agencies need to offer financing and the construction industry needs to realise renovations as provided.</p>
<b>Involved stakeholder groups</b>	<p>Homeowner associations, building associations, commercial banks, government ministries, Central Bank of Hungary, association of municipalities, NGOs</p>
<b>Added value of implementing the measure</b>	<p>The measure contributes:</p> <p><b>Socially:</b> Renovations become more affordable and accessible, with transparent cost-sharing and clear guidance reducing barriers of implementation. Staged measures allow owners to plan and execute renovations in manageable steps. In condominium associations, fair cost allocation is ensured because all owners have a shared, transparent basis for decisions.</p> <p><b>Economically:</b> Binding renovation roadmaps increase the likelihood of actual implementation by making financing, subsidies and technical planning more predictable. Owners and banks gain a reliable basis for investment decisions, building trust and investment security.</p> <p><b>Environmentally:</b> Renovations reduce energy use and CO<sub>2</sub> emissions. Higher renovation rates accelerate progress toward a climate-neutral building stock. Renovation Passes prioritize measures with the greatest energy and CO<sub>2</sub> impact first, enabling the highest ecological benefits and facilitating national monitoring of energy and emission targets (National Energy and Climate Plan, EPBD).</p>
<b>Timeline for implementation</b>	

<p><b>Current level of awareness of decision makers, mainly based on political agenda</b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>The implementation of Renovation Passport measures can be tracked using a combination of quantitative, qualitative and structural indicators. Key quantitative indicators include the number of issued passports, implemented renovation measures, estimated energy and CO<sub>2</sub> savings, uptake of funding and financing, digital platform usage and participation in pilot programs and One-Stop-Shops. Qualitative indicators cover satisfaction and acceptance among owners, condominium associations, banks and consultants, as well as media visibility, social media engagement and feedback from pilot projects. Regional institutions and energy agencies can be used to monitor the implementation of the above-described measure.</p>

3.4 Promotion of real-time energy consumption monitoring and visualisation platforms	
<b>Initial situation</b>	Currently, <b>energy savings from renovations are <i>estimated</i></b> (based on energy certificates), not <i>measured</i> in real-time. Homeowners and condominium managers do not see the immediate, tangible results of their investment or behavioural changes. Financial institutions lack reliable, measured post-renovation data to accurately de-risk green loans and other financial products; they must rely on pre-renovation estimates. This "invisibility" of savings creates a missing feedback loop, reducing motivation for further investment and behavioural change. Furthermore, while the Energy Efficiency Obligation System (HEM) relies on verified savings, this data is not typically visualized or made accessible to the end-user in a motivating way.
<b>Description of the measure</b>	The measure aims to <b>support the nationwide development and rollout of smart metering solutions linked to user-friendly digital platforms</b> (e.g., mobile applications, web dashboards). These platforms must provide clear, simple and real-time visualization of energy consumption, ideally benchmarking pre- and post-renovation performance. A key component is ensuring these systems are interoperable and can provide standardized, anonymized data to the national database (Measure 3.2), financial institutions (Measure 2.1) and One-Stop-Shops (Measure 1.4), creating a data-driven renovation ecosystem.
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>Primary:</b> Homeowners, condominiums (and their managers) and municipalities (for their public building stock).</p> <p><b>Secondary:</b> Commercial banks and financial institutions (for data-driven risk assessment), Energy Service Companies (ESCOs) and obliged parties under the HEM system (for verified savings data).</p>
<b>Stakeholders to implement the measure</b>	<p>Government/Ministries (e.g., Ministry of Energy, Ministry for National Economy) to create the legal and incentive framework.</p> <p>Energy utility companies / Distribution System Operators (DSOs) as owners and operators of the metering infrastructure.</p> <p>Technology companies (PropTech, software developers) for creating the user-facing platforms and applications.</p> <p>One-Stop-Shops (OSS) as the primary promoters and integration points for homeowners.</p>
<b>Involved stakeholder groups</b>	<p>Government/Ministries</p> <p>Hungarian Energy and Public Utility Regulatory Authority (MEKH)</p> <p>Commercial banks and the Hungarian Banking Association</p> <p>Homeowners, Condominiums and their associations</p> <p>One-Stop-Shops (OSS), energy advisors, NGOs</p> <p>Utility companies (DSOs) and IT/PropertyTechnology companies</p>

<p><b>Added value of implementing the measure</b></p>	<p>The measure contributes:</p> <p><b>Socially:</b> Empowers homeowners by making savings tangible and visible. This increases user engagement, satisfaction and trust in renovation measures. It provides a direct feedback loop that encourages conscious energy-saving behaviours.</p> <p><b>Economically:</b> De-risks green investments for banks by replacing estimates with verified, measured data. It creates the foundation for new "Pay-for-Performance" financing models. It also provides reliable data for the HEM system, potentially creating a new revenue stream for homeowners who verifiably save energy.</p> <p><b>Environmentally:</b> Allows for the accurate, real-world measurement of CO2 reductions, moving beyond estimations. The immediate feedback loop encourages deeper and more persistent energy savings and improved data facilitates more accurate national monitoring of climate goals.</p>
<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda</b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>Key indicators: Number of buildings (residential and public) equipped with smart meters and connected to visualization platforms.</p> <p>Uptake metrics and user engagement feedback reported by OSS.</p> <p>Reports from the Hungarian Banking Association on the utilization of measured data in new green loan products.</p> <p>Volume of measured energy savings reported to the national database (Measure 3.2) to the Hungarian Energy and Public Utility Regulatory Authority (MEKH).</p>

3.5 Targeted Public Awareness Raising	
<b>Initial situation</b>	There is <b>low public awareness regarding the benefits of deep renovation</b> versus obsolete, partial interventions. Owners' decisions are often driven by short-term costs rather than long-term benefits (comfort, health, property value). A lack of trust and reliable information sources leads to the "lock-in" effect: poorly chosen partial renovations (e.g., only window replacement) make subsequent, complex interventions for genuine energy savings more difficult or expensive. The willingness to renovate is low and owners are often unaware of available support (Measure 2.1) and advisory (Measure 1.4) mechanisms.
<b>Description of the measure</b>	<p>Launch a continuous, multi-channel (national TV, online media, social media, local press) national communication campaign. The campaign's goal is to promote deep renovation and staged renovation (Measure 3.3). The campaign must focus on the following messages:</p> <ul style="list-style-type: none"> <li>• <b>Comfort and Health:</b> Renovation as an investment in quality of life (mould-free, better indoor climate, thermal comfort).</li> <li>• <b>Property Value:</b> The higher market value of a renovated property.</li> <li>• <b>Cost Savings and Security:</b> Predictable, low utility bills and reduced energy dependency. The campaign must actively combat myths that lead to the "lock-in" effect and must include a clear "call to action," directing interested parties to the One-Stop-Shop (OSS) network (Measure 1.4) and available financial products (Measure 2.1).</li> </ul>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p><b>The general public</b>, with a special focus on residential property owners (family houses and condominium apartments).</p> <p><b>Condominium managers</b> and common representatives (as key multipliers).</p> <p><b>Municipalities</b> (as owners of public building stock and local community influencers).</p>
<b>Stakeholders to implement the measure</b>	<p>The Government (e.g., Ministry of Energy or a designated background institution/communication agency) for central coordination and funding of the campaign.</p> <p>The One-Stop-Shop (OSS) network (Measure 1.4), serving as the local "face" and implementation point of the campaign.</p>
<b>Involved stakeholder groups</b>	<p>Government/Ministries</p> <p>One-Stop-Shops (OSS)</p> <p>Municipalities and their associations</p> <p>Professional chambers (e.g., Hungarian Chamber of Engineers, Chamber of Hungarian Architects)</p>

	<p>NGOs</p> <p>Commercial banks and the Hungarian Banking Association (as stakeholders in promoting financial products)</p> <p>Media (national and local)</p> <p>Construction industry and building material manufacturer associations</p>
<p><b>Added value of implementing the measure</b></p>	<p>The measure contributes:</p> <p><b>Socially:</b> Increases public trust in the renovation process. It educates owners to make better long-term decisions, avoiding the "lock-in" effect. It creates social demand for quality, deep renovations and builds acceptance for the new institutional system (OSS).</p> <p><b>Economically:</b> Generates demand for quality renovations and new financial products (Measure 2.1). It provides a stable and predictable order backlog for the construction industry. It steers public interest towards effective (deep, staged) solutions instead of partial, inefficient interventions.</p> <p><b>Environmentally:</b> By increasing demand for deep renovations, it accelerates the reduction of the building stock's energy consumption and CO2 emissions, thereby contributing to achieving national and EU climate goals.</p>
<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda</b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>Measurement of website traffic statistics for the campaign's central webpage and the OSS portals.</p> <p>The number of inquiries (expressions of interest) received by the OSS network (Measure 1.4).</p> <p>Measurement of the campaign's media publicity and reach (e.g., social media reach, press clippings).</p> <p>Public opinion surveys (pre- and post-campaign) to measure renovation willingness, awareness and recognition of key messages (e.g., "deep renovation," "OSS").</p>

## 6.3 Overview of Measure Implementation

The table provides a **structured overview of all proposed Action Plan measures** (see subchapter 6.2) and illustrates the **roles and level of involvement of key stakeholder groups** in their implementation. For each measure, the table indicates which actors are expected to play a leading, supporting or contributory role, highlighting the **multi-actor nature and interdependence** of the proposed actions. This overview underlines that successful implementation cannot be achieved by a single institution alone, but requires **coordinated cooperation across public authorities, financial institutions, market actors, professional bodies and civil society**.

To support interpretation, the table visualises the **relative interest and influence of stakeholder groups** using a four-level scale:

- (low interest, low influence),
- + - (high interest, low influence),
- + (low interest, high influence),
- ++ (high interest, high influence),

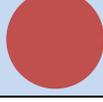
If the stakeholder-Group is not relevant for the objective the cell remains empty.

For example, a “+ +” rating for a given stakeholder group indicates that the actor has both **high interest in the successful implementation of the measure and a high level of influence** over its delivery, suggesting a key role in implementation and decision-making. By contrast, a “+ -” rating signals **high interest but limited influence**, indicating stakeholders who should be closely engaged and supported, but who may not be able to drive implementation on their own.

In addition, the table indicates the **current level of awareness and implementation readiness** through a three colour-coded system:

-  = low awareness and little action taken or scheduled,
-  = high awareness and little action taken or scheduled and
-  = high awareness and many action taken or scheduled.

Each measure is also linked to an **indicative timeline for implementation**, providing a practical basis for prioritisation, sequencing and targeted stakeholder engagement during the implementation phase.

Action Plan Measures	Government, Ministries	Municipalities	Commercial Banks	ESCO & EPC Providers	Condominium Managers	Homeowners	Chamber of Engineers	One Stop Shops	Property Developers	Construction Companies	Universities, Training centres	NGOs	Utility Companies	Timeline of Implementation	Current level of Awareness of decision makers
1.1: Enable municipalities to participate in EPC-type mechanisms	- +	+ -	+ -	+ -									- +	2030	
1.2: Adjust the law on condominiums	- +				+ -	+ -	- -	+ -						2030	
1.3: Enable condominiums to decrease/reclaim VAT	- +				+ -	+ -	- -		- -	+ -				2030	
1.4: Establish nationwide or regional One-Stop-Shops	- +	+ -			+ -	+ -	- -	+ -	+ -			+ -		2027	
1.5: Make property renovation more attractive to investors	- +	- -				+ -	+ -		- +	+ -				2027	
1.6: Integrate circular economy and nature-based solutions into building renovation regulations		- -					- -				+ -	- +	+ -	2027	

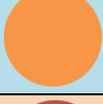
2.1: Launching a long-term financing mechanism combining subsidies and private finance for deep renovation, open for every homeowner, focused on energy savings	- +		- +			+ -		+ -							2030	
2.2: Framework for financing staged or serial renovations	- +		+ -			+ -		+ -							2030	
2.3: Extend the duration of the interest rate subsidy of the existing condominium financing scheme from 10 to 15 years	- +		+ -		+ -	+ -									2030	
2.4: Use of energy savings obligations (HEM) in the financing of deep renovations	+ +	+ -		+ -	+ -	+ -		+ -		+ -				+ -	2030	
3.1 Education of condominium management as a profession and building renovation in architecture					+ -	+ -	+ -	+ -						- +	2030	
3.2 Facilitate/support renovations by public databases	+ +	+ -	+ -	+ -	+ -	+ -	+ -	+ -	+ -	+ -	+ -	+ -			2030	
3.3 Introduce renovation roadmaps and passports	+ -	+ -	+ -	+ -	+ -	+ -	+ -				+ -	+ -	+ -		2030	
3.4 Promotion of real-time energy consumption monitoring and visualisation platforms	- +	+ -	+ -	+ -	+ -	+ -			+ -				+ -	+ -	2030	
3.5 Targeted Public Awareness Raising	+ -	+ -	+ -					+ -	+ -						2030	

Table 5: Stakeholder interest to implement the Action Plan

## 7 CONCLUDING REMARKS AND RECOMMENDATIONS

This Action Plan has been **developed within the framework of the RENOINVEST project** as a recommendation-based, non-governmental document, reflecting the outcomes of extensive stakeholder consultations and expert exchanges. Its purpose is to respond to the structural and financial barriers currently limiting the scale and pace of building renovation in Hungary, with a particular focus on financing conditions. The action plan proposes a total of **fifteen interrelated measures**, structured around three complementary areas—legislative framework, financing mechanisms, and awareness and knowledge transfer—which together aim to address the systemic challenges identified by stakeholders. The measures set out in this document are intended to provide a practical pathway for improving investment conditions and are not binding commitments, but policy-oriented recommendations designed to support implementation by relevant actors.

Hungary has not yet established a nationwide funding mechanism for residential deep renovation accessible to all homeowners. Although several subsidised programmes have supported home acquisition or renovations, mainly for families with children or residents of smaller settlements, these were only temporary and geographically limited. Stand-alone, *ad hoc* support programmes are not sufficient to trigger stable investment decisions. **Stakeholders are more likely to act when the policy trajectory is transparent in the long term, and when the trust and financing conditions required for complex renovations are institutionally supported.**

The condominium sector manages a significant share of national wealth, yet much of the building stock effectively entered this responsibility without capitalisation. This historical legacy is still evident today in weak reserve accumulation and short-term decision-making practices. Public building renovations still rely primarily on grants, with limited private capital involvement, coupled with the short-term logic of the task-based, annual cycle financing mechanism of the municipalities. This is particularly evident in the lack of ESCO/EPC type solutions for deep renovation.

As climate protection still holds low social and political priority, **long-term commitment to comprehensive renovation policies is imperative.** The Action Plan recommendations are, therefore, built around an interrelated three-pillar approach made of the necessary legislative changes, the creation of a long-term, stable financing framework and the creation of a mix of supporting measures, including making available the necessary information – transparent data – to support more responsible decision-making.

As an overall measure, **the creation of a long-term, predictable, stable financing scheme for energy efficient renovation of homes, available to every homeowner, is an imperative.** Grants should be efficiently combined with private funds like own resources of homeowners and commercial loans, targeting well defined goals in energy savings. Home-owner saving schemes should be given more emphasis also in relation to staged renovations. **The long-term financial framework is to be built on clear institutional collaboration and responsibilities** including government agencies, the Central Bank of Hungary, the Hungarian Development Bank, commercial banks and insurance companies and their associations.

For public buildings and the municipalities meaningful market development depends also on predictable, transparent legal and institutional framework for multi-year commitments and on **ESCO/EPC models being treated as regulated, viable mainstream pathway to large-scale renovations.**

**Public awareness for energy efficient renovations should be considerably raised**, also by the recommended legislative changes. **One-Stop-Shops** and other organisational assistance should be launched and strengthened to facilitate decision making on and implementation of renovations.

The fragmentation of consumption, renovation and verified savings data makes it difficult to build a standardised and bankable project pipeline in each segment. Risk perceptions of financiers and homeowners should, therefore, be lowered **by making anonymized benchmark data available**. Training programmes for condominium managers and capacity building in municipalities can help in awareness raising for energy efficient deep renovations.

The **endorsement and implementation** of the proposed measures represent the next critical step following the completion of this Action Plan. Effective delivery will depend on the **active cooperation of a broad range of stakeholders**, including public authorities, municipalities, financial institutions, professional organisations, market actors and civil society, as each measure requires coordinated action across institutional and sectoral boundaries. In this context, the Hungarian Action Plan is intended to serve as a reference framework for future policy dialogue and implementation, including as a potential input to the ongoing and future work of **the Hungarian Energy Efficiency Financing Coalition (EEFC)**. Through such platforms, the recommendations may be further refined, prioritised and taken up by relevant actors, supporting the gradual establishment of a coherent, long-term renovation financing ecosystem in Hungary and facilitating the translation of stakeholder-driven proposals into concrete action.

## 8 GLOSSARY

Abbreviation	Long Version (English)	Long Version (Original Language)
<b>BIM</b>	Building Information Modelling	
<b>CAPEX</b>	Capital Expenditure	Beruházási költség
<b>CCIS</b>	Chamber of Commerce and Industry of Slovenia	Gospodarska zbornica Slovenije
<b>DSO</b>	Distribution System Operators	
<b>EED</b>	Energy Efficiency Directive	Energiahatékonysági Irányelv
<b>EEFC</b>	European Energy Efficiency Financing Coalition	
<b>EIB</b>	European Investment Bank	Európai Beruházási Bank
<b>EKR</b>	Energy Efficiency Obligation Scheme	Energiahatékonysági Kötelezettségi Rendszer
<b>ÉMI</b>	ÉMI Non-profit limited liability company for quality control and innovation in building	Építésügyi Minőségellenőrző Innovációs Nonprofit Kft
<b>EPBD</b>	Energy Performance Building Directive	Épületek Energiahatékonyságáról szóló Irányelv
<b>EPC</b>	Energy Performance Contracting	
<b>ESCO</b>	Energy Saving Company	Energetikai szolgáltató vállalat
<b>ESG</b>	Environmental Social Governance	
<b>EU</b>	European Union	Európai Unió
<b>HEM</b>	Energy Savings Certificate (under the Energy Efficiency Obligation Scheme)	Hitelesített energia megtakarítás
<b>HUF</b>	Hungarian Forints	
<b>HUPX</b>	Hungarian Power Exchange	
<b>IIBW</b>	Institute for Real Estate, Construction and Housing Ltd.	Institut für Immobilien, Bauen und Wohnen GmbH
<b>IT</b>	Information Technology	Information Technology
<b>KEHOP</b>	Environment and Energy Efficiency Operational Programme	Környezeti és Energiahatékonysági Operatív Program
<b>KTI</b>	Institute for Transport Science and Quality Control in Building	
<b>LTRS</b>	Long-Term Renovation Strategy	Hosszú Távú Felújítási Stratégia
<b>MEKH</b>	Hungarian Energy and Public Utility Regulatory Authority	Magyar Energetikai és Közmű-szabályozási Hivatal

<b>MVM</b>	Hungarian Electricity Works Group	MVM Magyar Villamos Művek Zrt.
<b>Nbs/NBS</b>	Nature-based Solutions	Természet alapú megoldások
<b>NECP</b>	National Energy and Climate Plan	Nemzeti Energia- és KlímaTerv
<b>NGO</b>	Non-Governmental Organisation	
<b>NZEB</b>	Nearly Zero-Energy Building	
<b>OPEX</b>	Operational Expenditure	Működtetési költség
<b>OSS</b>	One-Stop-Shop	Egyablakos szolgáltató
<b>PPP</b>	Public–Private Partnership	
<b>PV</b>	Photovoltaic system	
<b>ROI</b>	Return of Investment	
<b>RRF</b>	Recovery and Resilience Facility	
<b>SECAP</b>	Sustainable Energy and Climate Action Plan	
<b>SME</b>	Small and Medium-sized Enterprise	Kis- és közepes vállalkozás (KKV)
<b>TOP</b>	Territorial and Settlement Development Operational Programme	Terület- és Településfejlesztési Operatív Program
<b>TWG</b>	Thematic Working Group	Tematikus munkacsoport
<b>VAT</b>	Value Added Tax	Általános forgalmi adó (ÁFA)
<b>ZAG</b>	Slovenian National Building and Civil Engineering Institute	Zavod za gradbeništvo Slovenije

Table 6: Glossary table



**RENOINVEST**

sustainable renovation of buildings





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the European Union



**RENOINVEST**  
sustainable renovation of buildings

## Action Plan

# Measures and Actions to Facilitate Investments in Building Renovations in Slovenia

January 2026

Submitted deliverable - under approval by European  
Climate, Infrastructure and Environment Executive  
Agency (CINEA)

RENOINVEST PROJECT	
<b>Project no.</b>	101120673
<b>Project acronym</b>	RENOINVEST
<b>Project title</b>	Roundtables enhancing smart investments in sustainable renovation of buildings
<b>Call</b>	EU-LIFE 2022–CET-FINROUND
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<b>WP number</b>	WP4
<b>Author(s)</b>	IIBW - Institute for Real Estate, Construction and Housing Ltd.
<b>Short Description</b>	The national action plans contain recommendations for specific measures to facilitate investments in energy efficiency in the building sector.
<b>Contributors</b>	KTI/ÉMI, Archenerg, ZAG, CCSI, RENOWAVE, IIBW
<b>Type</b> R = Report, DEC=Websites, videos etc. O = Other,	R
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## Disclaimer

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# 1 RENOINVEST PROJECT

The RENOINVEST project is co-funded by the European Union under the LIFE programme. The project intends to reflect cross-border challenges and opportunities for sustainable building renovation in the private and public sectors. The main aim of the project is to develop action plans on smart investments in sustainable renovation of buildings for 2025-2030 for Austria, Hungary and Slovenia by establishing three national roundtables building on the activities of the Sustainable Energy Investment Forums.

RENOINVEST provides a platform for open dialogue involving key financial, private and public experts through the green finance thematic working group activities to identify barriers to the upscaling of long-term financing instruments and propose improvements to support the development of large-scale investment programmes in existing private and public buildings. Three national policy briefs and a cross-border recommendation package will also be delivered.

Assessing the implementation of the Long-term building renovation strategies and documents and reviewing existing financial solutions and market conditions for stimulating financing of energy efficiency improvement of the existing building stock is an important starting point of the project.

Sharing knowledge among project partners, experts, national stakeholders and similar EU projects three international cross-border exchange events with site-visits will be organized to showcase collected 50+ good practices and elaborate six case studies to foster the roll out of smart financing possibilities.

The added value of RENOINVEST is that the consortium is providing specific technical knowledge by engaging key actors representing legislative advisory organizations, research institutes, large engineering manufacturers, SMEs and financial experts in three CE countries fostering sustainable investments.

## 2 PROJECT CONSORTIUM

1. Institute for Transport Science and Quality Control in Building (KTI) legal successor of ÉMI Építészügyi Minőségellenőrző Innovációs Nonprofit Kft (ÉMI) - HUNGARY, coordinator



2. Solar Tech-Investment Tervezési Fejlesztési Tanacsado Kft. (ARCHENERG CLUSTER) - HUNGARY



3. Zavod za gradbeništvo Slovenije (ZAG) - SLOVENIA  
Slovenian National Building and Civil Engineering Institute



4. Gospodarska zbornica Slovenije (CCIS) - SLOVENIA



5. RENOWAVE.AT eG (RENOWAVE) - AUSTRIA



6. Institut für Immobilien, Bauen und Wohnen GmbH (IIBW) - AUSTRIA



### 3 EXECUTIVE SUMMARY

As one of the largest energy consumers in Europe, the building stock plays a crucial role in achieving energy and carbon neutrality by 2030. This specific goal therefore requires an accelerated renovation of a huge number of existing buildings that are energy inefficient. To this end, the EU has increased the amount of public funding for deep renovation and to support financial mechanisms dedicated to renovation. However, it is already clear that private financing must also be mobilised to achieve the set targets.

This document, *Action Plan Recommendation – Measures and Actions to Facilitate Investments in Building Renovations in Slovenia* (hereinafter referred to as the Action Plan), outlines a possible path and the measures required to achieve the above-mentioned goals. The recommendations for the measures have been strategically designed by the RENOINVEST project team to facilitate implementation in relevant areas of policy, finance and legislation in the country. Foundation of these lies on careful research by the experts from ZAG and GZS: the desk research of initial situation (4.2 Methodology and 5 Initial situation), and live research, mainly in the framework of discussions with numerous stakeholders in thematic working groups, financial working groups and national round table events. All abbreviations used in the text are explained at the end of the document in Table 6.

The core of the report consists of **13 key measure recommendations** presented in detailed description and divided into the following three key action areas: **Legislative Area, Financing Area, Awareness & Knowledge Transfer Area.**

The **legislative area** is an extremely important area with a large top-down influence, i.e. from national level to all sub-level structures. It includes government apparatus, responsible for regulations and the development of the state, as well as relevant ministries. Recommended measures:

- ✓ Reduce bureaucracy and simplify procedures throughout the construction process
- ✓ Reduce taxes for sustainable products and sustainable renovations of buildings
- ✓ Implement the missing legislation in the area of sustainable renovations
- ✓ Establish a dedicated body for sustainable building construction and renovation
- ✓ Establish central building information data system to collect and manage the data of buildings

**Financing area** is the core of the problem in enhancing sustainable building renovation. Renovation financing mechanisms are a key element of the Action Plan's actions, not only in terms of identifying existing potential financial opportunities for financing sustainable renovations, but also in terms of creating an environment for the development of new ideas in this key segment. Recommended measures:

- ✓ Financially support the step-by-step renovation with seismic improvement as the first step
- ✓ Financially support commercial banks' services for sustainable renovations
- ✓ Financially support the development of sustainable construction products and solutions, including ICT solutions
- ✓ Financially support upgrade of existing energy business models and development of new circular business models

**Awareness and knowledge transfer area** shows that challenges in building renovation include highly diverse value chains, ownership relationships, local regulations and the involvement of different stakeholders at separate life cycle stages who rarely communicate directly with each other, which should be addressed directly. The Action Plan sets out planned activities, responsible stakeholders, target groups, monitoring strategies and the main effects of implementation of key measures to facilitate and intensify more large-scale investment programs in sustainable building renovations in the private and public sectors. Recommended measures:

- ✓ Renew and upgrade the educational processes and the professional training
- ✓ Provide methodology and guidelines for step-by-step renovation
- ✓ Support public awareness campaign to raise awareness about sustainable renovation benefits
- ✓ Support DEMOs in sustainable building renovations based on innovative financial solutions

Among all listed measures, the following stand out as potentially the most effective and therefore the most important:

- 1. Establishment of a dedicated body for sustainable building construction and renovation,**
- 2. Providing financial support to commercial banks' services for sustainable renovations and**
- 3. Providing support for public awareness campaigns to raise awareness about sustainable renovation benefits.**

This study can be used as a basis for the official renovation action plan of the building stock in Slovenia and for the future work of the European Energy Efficiency Financing Coalition (EEFC) in the Slovenian National Hub. Explanation of abbreviations used in the document.

## 4 INTRODUCTION

### 4.1 Purpose and Scope

The aim of this document is to present measures and guidelines to facilitate investments in building renovations in Slovenia, while supporting and promoting **innovative financing**<sup>1</sup> of sustainability measures in built environment. This applies in particular to energy efficiency measures, environmentally friendly measures, circularity in construction sector and to implementation of the renewable energy sources. **This action plan provides recommendations for additional key and supporting measures to existing measures and for the implementation of new ones within the framework of the adopted policy at EU level.**

The main focus of the action plan is on the period 2025-2030, but it also provides insights for achieving the climate targets for 2040 and 2050. The action plan is the result of structured and guided discussions on previously identified challenges and barriers to successful building renovation, which were addressed in the RENOINVEST project within the framework of numerous activities and targeted events organized in Slovenia. The document is based on an overview of the legislation, policies and situation in Slovenia, guided discussions in numerous TWGs and national roundtables and examples of best practices in Slovenia, as well as practical knowledge from 2 pilot cases. This makes the report particularly meaningful and should ensure that it is incorporated into legislation.

### 4.2 Development of the Action Plan

#### 4.2.1 Methodology of Action Plan Development

Action plan is based on targeted project outputs, which gathered research on initial situations in each country (chapter 5) and on the results of intensive engagement of relevant invited stakeholders. The process of communication and cocreation encompassed thematic working groups (TWGs), financial working groups (FWGs), national and international roundtables, which are presented in more detail below. Each event was organised with the aim to identify and dissect barriers in financing energy efficiency and sustainable renovations. Stakeholders' presentations, panel debates, discussions and stakeholders feedback served to directly inform the design of key measures (subchapter 6.2).

A crucial report, titled *Policy context and market capacities for sustainable building renovations*<sup>2</sup>, describes initial situation in each country through a detailed SWOT and will be expanded upon in chapter 5. Along this fundamental analysis, action plan is also informed by *Best practice Handbook*<sup>3</sup>, which collects more

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<sup>1</sup> The consortium of RENOINVEST agreed on the following definition: **Innovative financing** includes a more effective way to finance sustainable measures in the building sector. New financing methods that go beyond traditional financing tools are also included as a more effective combination of existing financing tools. This common definition also fits into the regional context of Slovenia

<sup>2</sup> Deliverable 2.1 [Policy context and market capacities for sustainable building renovations](#)

<sup>3</sup> Deliverable 2.3: [Best Practice Handbook on Sustainable Building Renovations](#)

than fifty best practices of innovative green financing of renovations in the three countries, detailing their weaknesses and opportunities.

One of the main aims of the project is to actively involve national stakeholders to discuss how private financing could play a more significant role in financing renovation of residential and municipal buildings, but also to gather direct input on barriers and opportunities, which inform the Action plan recommendations. The national roundtables were organised in Austria, Hungary and Slovenia with a focus on both country-specific issues and broader regional strategies that align with the goals of the LIFE-2022-CET initiative. These meetings were attended by more than 450 experts and representatives from various sectors, with approximately 70 attendees specializing in finance related topics.

On a smaller scale, Thematic Working Group (TWG) and Finance Working Group (FWG) meetings provided structured forums for stakeholders from various sectors - financial, technical, regulatory, and policy-making - ensuring that discussions were comprehensive and solutions were actionable. In all Thematic working groups technical experts, policymakers, and financial actors collaborated to ensure that both regulatory and practical barriers were addressed. This ensured that the recommendations developed by the TWGs could be applied at the national and local levels, creating a stronger alignment between policy objectives and real-world renovation practices. Prepared recommendations take into account current Slovenian national strategy framework, like the National Energy and Climate Plan, issued in 2024 and goals outlined in DSEPS 2050.

## 4.2.2 Results of National Round Tables and Technical Working Groups

RENOINVEST builds upon deep stakeholder engagement, like previously mentioned, in form of national and international roundtables and technical thematic working groups (TWGs). The latter addressed four crucial topics in private and public sector: staged renovation, circular economy & nature-based solution, district heating & energy communities and energy consumption monitoring & visualisation, results of which will be presented below.

### Topic 1: Staged and Serial Renovation

Staged and serial renovation presents a significant challenge for Slovenia stakeholders, especially in private sector. These discussions were focused on mechanisms that would allow for gradual, cost-manageable building renovations, particularly for private homeowners and SMEs. Participants agreed that multi-step renovation roadmaps (renovation passports) must be implemented in practice with technical assistance and long-term funding schemes. Regulatory and administrative burdens were identified as key barriers. A recurring recommendation was to create revolving funds at municipal level and provide subsidized project preparation services.

### Topic 2: Circular Economy and Nature-Based Solutions (NBS)

The discussions led exposed a legal ambiguity around secondary material classification and the lack of EPDs, which is a critical obstacle for the uptake of circular building materials and bio-based innovations. Producers struggle to get environmental certifications due to high testing costs and administrative burden. Public procurement was singled out as a major driver that must evolve to reward sustainable

materials. Recommendations included fast-track EPD processes, clearer rules for end-of-waste status, and creation of a material innovation platform to promote uptake.

#### Topic 3: Energy Communities & District Heating Networks

In this area, a major funding and legislative gap in developing smart district heating networks and energy communities was identified. Stakeholders from organisations with relevant experience stressed the importance of public-private cooperation and early-stage risk financing. They emphasized the need for the state to act as an anchor investor to trigger private funding. Challenges include insufficient legal incentives for collective investment by multi-owner buildings. The discussion also called for local authorities to take proactive roles in initiating energy communities, supported by capacity-building measures.

#### Topic 4: Energy Consumption Monitoring & Visualisation

Experts pointed out that the Slovenian building stock lacks consistent data infrastructure for energy consumption, which hinders planning and monitoring. RENOINVEST consultants advocated for expanding digital tools like smart meters and energy dashboards. There was a call to mandate digital building passports and integrate them with NEPN monitoring. This TWG series recommended launching a pilot program to deploy monitoring tools in publicly owned buildings as a demonstration of impact.

## 5 INITIAL SITUATION

### 5.1 Important Targets and Associated Policy Content

#### 5.1.1 General Level

Slovene RENOINVEST team conducted a detailed research and review of current policies, legislation and the general situation in the Slovenian construction sector, reported in deliverable *Policy context and market capacities for sustainable building renovations*<sup>4</sup>. Its goal was to identify the most important characteristics of this area, which was best through a SWOT analysis.

Sustainable renovation of buildings in Slovenia is suffering due to poor communication between key stakeholders, slow return of investment and the fact that renovation in multi-apartment buildings requires the consent of all owners. The main strength to highlight however lies in the Eco Fund financial schemes that cover both public and private buildings, particularly in non-refundable financial incentives for energy-poor households.

Knowledge exchange is crucial for developing effective strategies and solutions that can be implemented across borders. The issues presented in this study were further discussed at national thematic working group events and on national platforms. They were also addressed during the development of national action plans.

In Slovenia, climate goals are written in the Long-term Strategy for the Energy Renovation of Buildings until 2050. (Note: a revised document with new goals is in the preparation phase).

**The general goals:** Energy renovation should be done on 74% of detached buildings and on 91% of apartment buildings. The long-term goal of buildings in the public sector is the energy renovation of 3% of the total floor area yearly, meeting the minimum requirements for EE in accordance with national legislation. Furthermore, in multi-family buildings, the building passport instrument is to be introduced by no later than 2024. It defines the energy, fire, and seismic aspects of renovation and provides guidelines for recommended and required measures for a gradually broader renovation.

**Sectoral goals** for 2030 relative to the year 2020 for different types of buildings:

- **Households:** final energy consumption should be reduced by 25%, and CO<sub>2</sub> emissions by 45%. A total of 16 062 million m<sup>2</sup> of single-family and 7.271 million m<sup>2</sup> of multi-family buildings must be energy-renovated. Energy consumption should be reduced by 26%, with 36% coming as a result of nZEB.
- **Public buildings:** final energy consumption should be reduced by 7%, and CO<sub>2</sub> emissions by 57%. 2.3 million m<sup>2</sup> of public buildings must be energy-renovated. Energy consumption should be reduced by 20%, with 26% coming as a result of nZEB.

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<sup>4</sup> Deliverable D2.1 [Policy context and market capacities for sustainable building renovations](#)

- **Private service sector buildings:** final energy consumption will increase by 1%, while CO<sub>2</sub> emissions should be reduced by 51%. 4.1 million m<sup>2</sup> of buildings in the private service sector must be energy-renovated. Energy consumption should be reduced by 16%, with 24% coming as a result of nZEB.

**The residential buildings goals** set up to 2050 are: Final energy use should be reduced by 25% by 2030, 37% by 2040 and 40% by 2050. CO<sub>2</sub> emissions should be reduced by 45% by 2030, 64% by 2040 and 70% by 2050. For detached buildings the goals are to create cumulative savings of energy consumption of 26% by 2030, 41% by 2040 and 45% by 2050. Similar goals in cumulative savings of energy consumption are set for multi-apartment buildings: 26% by 2030, 44% by 2040 and 48% by 2050.

**The public buildings goals** set up to 2050: A reduction of final energy use of 7% by 2030, 6% by 2040 and 0% by 2050. A reduction of CO<sub>2</sub> emissions of 57% by 2030, 83% by 2040 and 92% by 2050. The percentage of complete renovations of public administrative buildings should be 95.2% by 2050. And finally, the cumulative savings of energy consumption for public buildings should be 20% by 2030, 29% by 2040 and 26% by 2050.

### 5.1.2 Private Level

Slovenia has a well-established system of favourable non-refundable and refundable financing of building renovations with public funds through the Eco Fund. But it should be emphasized that the administrative procedures for applying to the financial mechanism are very complex and time-consuming. The main obstacle in condominiums is the consent of all owners for energy efficient renovation. Also, there is a poor communication between key stakeholders.

Currently the financing in renovation of private buildings in Slovenia has quite a lot of barriers which prevent successful implementation. One of the most important threats is the high investment price at the still relatively low price of energy. The latter results in a negative impact on the return on investment. Other negative influences: lack of confidence in the quality of implementation (or technologies), lack of knowledge about the additional benefits of improvements, a relatively large intervention in the building itself (during the stay), the search for a good contractor, etc.

The most important advantage of the existing financial mechanisms of the public Eco Fund is the offer of incentives to households to **reduce energy poverty**. However, practice has shown that the most financially sensitive households are the least responsive to tender, as they do not want to expose themselves, or lack information and knowledge.

### 5.1.3 Public Level

Regarding public buildings, Slovenia faces a lack of long term and predictable financing mechanisms. The decision-making process is very slow and fragmented, which highly decreases the efficiency of the processes. However, the Eco Fund financial scheme covers also public buildings. The main opportunity can be seen in the development of sustainable financing models that would be able to support step-by-step renovations to reduce the high upfront costs of deep renovation.

The most important barrier in financing the renovation of public buildings, beside high investment price, is the public procurement procedure which is complicated and often results in more expensive investments. Additionally, there is lack of appropriate criteria for balanced and sustainable / green public procurement (GPP).

Similar to renovation of private buildings, the biggest strength is the introduction of new mechanism in Eco Fund which is non-refundable financial incentives for organisation to carry out an energy audit or to introduce an energy management system. The strength is also in PPP as it enables the sharing of resources, risks and benefits between partners. It reduces the risk of development, lowers the need for public investments, mobilizes excess or insufficiently used financial resources, increases efficiency and the time determinant of implementation. And what is just as important, the public sector usually does not have adequate personnel capacity to carry out individual phases in the implementation of project financing.

## 5.2 Practical Guidelines

The project partners of RENOINVEST jointly developed two dedicated documents: one collecting and analysing **fifty best practice renovation examples**<sup>5</sup> across the three participating countries and another assessing **six selected renovation case examples**<sup>6</sup> covering different building typologies and financing approaches. The Slovenian partners actively contributed to this joint work, both through the provision of national case studies and through their involvement in the comparative evaluation process.

The subchapter Practical guidelines summarises the findings from the pilot cases and refers to best practice examples at national (and international) level in line with financing models. The aim is to highlight potentials in financing mechanisms to facilitate a broad market uptake. In addition, they form basis for understanding the real-world constraints and opportunities of financing deep renovation. These findings directly informed and supported the development of the proposed measures of the Slovene action plan.

### 5.2.1 Key findings of Best Practices

The review of international best practices within the RENOINVEST project provides a broader structural context for understanding the Slovenian pilot cases presented in section 5.2.2. Across countries and sectors, successful renovation projects share common enabling conditions, while recurring barriers mirror those identified in Slovenia.

Considering collected examples of existing types of financing renovations it is clear that some solutions already exist for comprehensive and successful EE renovations in Slovenia. However, only rare examples executed the preparation and renovation process smoothly, successfully and satisfactorily for long-term monitoring and use. It is also evident that the level of energy renovation in Slovenia has not yet been exceeded and that sustainable renovation is something imaginary.

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<sup>5</sup> Deliverable 2.3: [Best Practice Handbook on Sustainable Building Renovations](#)

<sup>6</sup> Deliverable 5.1: [Documentation of Pilot Cases](#)

The best practices of Slovene examples demonstrate that renovation scaling strongly depends on coherent and blended financial instruments, clear risk allocation, simplified governance structures, strong advisory and coordination capacity, and predictable long-term policy frameworks. To put it more concretely, complex procedures need to be simplified, strong professional support to investors is needed on formal, technical, procedural and financial issues. A good basis for this in Slovenia is the already established energy offices and consulting agencies and the public fund (Eco Fund) for candidacy for favourable financial mechanisms, i.e. subsidies and loans.

The Slovenian pilot cases presented in section 5.2.2 confirm these structural patterns in practice. They illustrate how governance barriers, fragmented financing schemes and limited institutional capacity directly affect implementation, despite technical feasibility and clear socio-economic benefits.

## 5.2.2 Key Findings Pilot Cases

The Slovenian pilot cases illustrate two structurally different but complementary renovation realities: multi-owner condominium renovation in the private sector and deep renovation of a municipality-owned public building. Together, they highlight systemic financial, governance and regulatory barriers that directly inform the proposed action plan measures.

For both buildings, tailored financing models were proposed, combining own resources, potential public support instruments and private financing options, in line with technical, energy and organisational aspects, with the aim of demonstrating how long-term renovation projects eligible for loans can be structured in practice.

### **Public Sector: Case Study Vaški dom Križ, Municipality of Sežana**

The analysis of this pilot, which concerns deep renovation and extension of an old municipal community building (built 1980) showed that in general for small municipalities, access to large-scale, simplified and integrated funding instruments is decisive for implementation. It also highlighted that public sector renovation must be assessed through broader socio-economic value, not only financial metrics. Even where funding exists, the municipality is usually facing strict eligibility conditions, fragmented grant structures, high administrative burden and need for significant coordination. Availability of professional expertise is severely limited and advisory support capacity is lacking. Replication potential is at the moment still low. Stable, predictable and simplified public financing schemes, combined with strengthened advisory capacity, are essential for scaling renovation in municipal buildings.

### **Private Sector: Case Study Condominium Celovška cesta 83, 85, 87, Ljubljana**

The private-sector pilot concerns renovation of a large multi-apartment building, a condominium with 139 units, built 1963. For this case the analyses indicated that decision-making rules are the main bottleneck as 100% consent requirement for loan approval represents the most critical barrier. In addition, housing communities in Slovenia are not legal entities, which further complicates any kind of processes. As a result, even financially viable renovation concepts become extremely difficult to implement. The market demand has thus given rise to a bypass procedure, i.e. purchase of receivables model (debt transfer mechanism), which significantly increases total investment costs and reduces ROI. As such the receivables purchase model is a workaround rather than a sustainable systemic solution. On the other hand, the case clearly

showed that even when monthly costs increase due to the repayment of a higher loan, the long-term asset value and energy savings justify the investment. It can be concluded that economic feasibility exists, but short-term financial perception and governance constraints slow down decision-making. In addition, the role of the building manager is decisive as he/she contributes to intensive multi-year communication, act as mediator between owners, often provides technical and financial coordination and administrative management of grants and financing.

The Slovenian private sector case study confirms that regulatory reform, improved financing structures and targeted support to building managers are essential to accelerate deep renovation of multi-owner buildings.

### 5.3 Key Stakeholder Network

The purpose of this subchapter is to define key stakeholder groups that are part of Slovene construction sector and consist of stakeholders who participate in the building renovation process. They are classified into groups on the one hand by their essential characteristic that distinguishes them from others, and on the other hand by the same level of interest in building renovation and the same level of influence (power) on the execution of building renovations (Figure 1, Figure 2).

This analytical framework served as a foundation for stakeholder engagement throughout the project. The identified actors were subsequently invited to participate in the RENOINVEST round tables and technical working groups, where their insights and experiences directly contributed to shaping the action plan.

**Stakeholder group 1: State and local authorities** (government, ministries, municipalities, local communities)

The group consists of state and local government stakeholders who perform administrative tasks in one or more administrative areas; it involves ministries that issue regulations and other acts.

**Stakeholder group 2: Public financers** (ministries, municipalities, public funds)

The group consists of stakeholders of public financers, ministries that prepare and implement a selection of operations, i.e. public calls or direct approvals of programs or projects, including the custody and verification of the correctness and efficiency of the funds spent. Next ones are municipalities, that represent local self-government. In addition, this group also includes legal entities under public law - mainly **public funds** that provide financial services and/or public investments (Eco Fund, SPS, SSRS).

**Stakeholder group 3: Private financers** (banks, private companies/private investors)

This group consists of stakeholders with private money. These can be banks that are financial organization that provides money upon conditions. Usually they accepts deposits from the public and creates a demand deposit while simultaneously making loans.<sup>7</sup> Another stakeholder in this

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<sup>7</sup> Source: <https://en.wikipedia.org/wiki/Bank>

group is private investor that can be a person or company with money to be invested into building renovation upon its own decision.

**Stakeholder group 4: Technical Stakeholders** (construction companies, construction industry (LEs and SMEs), technical service providers, engineering companies, investment companies, chambers of professionals, chambers of commerce)

Stakeholder group 4 is made of stakeholders from the technical field - companies who construct and renovate buildings, industry that manufacture construction products and products for building operation (systems, components, devices), entities that provide technical knowledge, and associations that bring together experts in the technical field.

**Stakeholder group 5: Education and R&D** (faculties, high schools, technical schools, professional training centres, chambers of professionals, chambers of commerce, institutes)

Education and R&D group consists of stakeholders who participate in the entire educational process, including those for lifelong learning and further education. At the same time, it also includes those entities that conduct research and development in the field of construction. Some of them perform both tasks.

**Stakeholder group 6: Consulting stakeholders** (property managers, energy agencies, institutes, engineering companies, chambers of commerce)

The Consultants stakeholder group includes organizations that provide technical, economic, and procedural consulting for building renovations, building management entities, and organizations that provide assistance in organizing various building renovation procedures.

**Stakeholder group 7: Energy and data stakeholders** (electricity providers, gas providers, district heating providers, RES providers, data services, energy management providers)

This group consists of companies producing, providing, managing energy from different sources, including RES providers. Furthermore, it includes data service providers and data managing companies.

**Stakeholder group 8: Civil Society** (environmental organisations, consumer organisations, nature protection organisations, general public)

The group 8, Civil Society, includes legal forms that represent and protect the interests of building users, animals and nature, as well as consumers and the general public.

The attitude of each stakeholder group towards the renovation of public and private buildings is not necessarily the same, as is shown in two stakeholder groups matrix that follow the text, the matrix for public buildings (Figure 1) and the matrix for private buildings (Figure 2).

The stakeholder mapping provides a strategic overview of the current landscape of actors involved in building renovation in Slovenia, highlighting their respective levels of interest and influence. The situation clearly indicates the need for stronger coordination between policy makers, financial institutions and local stakeholders. The results underpin the Action Plan's approach to fostering more inclusive, multi-level

collaboration and to designing financing and policy measures that reflect the realities of both the private and public renovation markets.



Figure 1: Stakeholder groups matrix for public buildings in Slovenia.

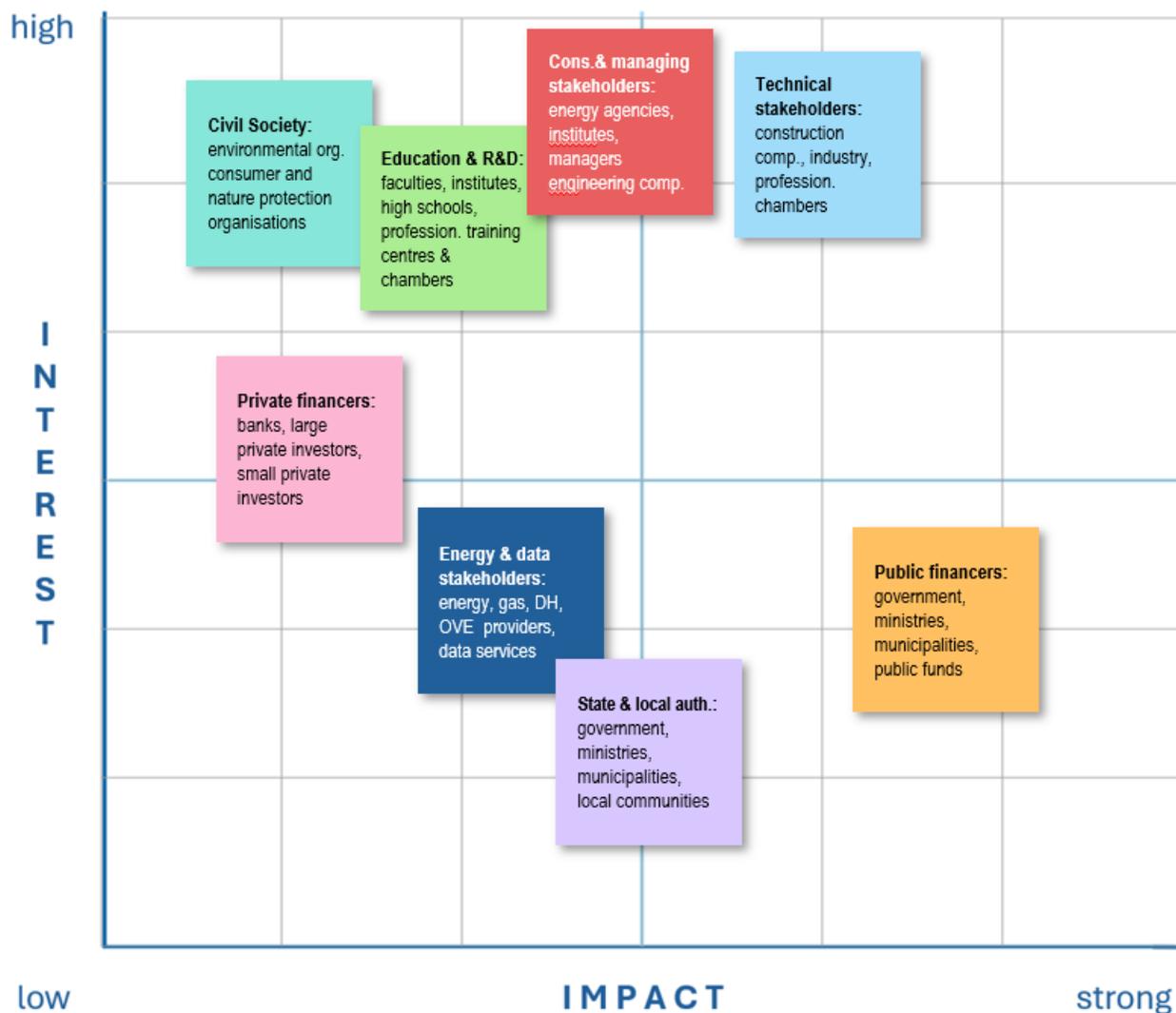


Figure 2: Stakeholder groups matrix for private buildings in Slovenia.

## 6 ACTION PLAN

### 6.1 Priority Action Areas

The action plan is based on three priority action areas, which were gradually shaped by joint project activities through the research work and were defined within the consortium: legislative area, financing area and awareness & knowledge transfer area.

#### Legislative Area:

The legislative field is an extremely important area with a large top-down influence, i.e. from the national level to all sub-level structures. It includes government apparatus, which represents the executive branch and issues regulations and adopts measures necessary for the development of the state and for the regulation of the situation in all areas under the jurisdiction of the state. Then there are ministries, which perform administrative tasks in one or more administrative areas and issue regulations and other acts and adopt related decisions. Without their appropriate activities, decisions and support, the development of a specific area is not possible. Therefore, the legislative area is placed in first place in RENOINVEST Action Plan.

The **specific of Slovenia is that it does not have a ministry responsible for construction** (or any other liaison body), individual areas are covered by different ministries: The Ministry of Natural Resources and Spatial Planning (MNVP) manages nature, water and space. It promotes and coordinates efforts for sustainable development, which, while ensuring social welfare, is based on the rational and economical use of natural resources. The Ministry of the Environment, Climate and Energy (MOPE) covers the areas of environment, energy and climate. It ensures efficient energy supply and the introduction of modern energy policies, with special emphasis on the accelerated increase in the share of RES. The Ministry for a Solidarity Future (MSP) performs tasks relating among others also to the construction and accessibility of non-profit, high-quality and safe rental housing, promotion of housing cooperatives and other non-profit housing organizations. The Ministry of Finance, among others, performs tasks of the state budget, public procurement, the tax and customs system, guarantees, public-private partnerships and state aid.

#### Financing Area:

Financing area is the core of the problem in enhancing sustainable building renovation. In addition to the EU financial and legislative support for the general objectives, Member States need to contribute with their own supporting financial mechanisms. This includes further mobilising all financing options, in particular private financing. Renovation financing mechanisms are therefore a key element of the Action Plan's actions, not only in terms of identifying existing potential financial opportunities for financing sustainable renovations, but also in terms of creating an environment for the development of new ideas in this key segment.

### **Awareness & Knowledge Transfer Area:**

Awareness & knowledge transfer area was identified as a third, but not insignificant ones. Challenges in building renovation include highly diverse value chains, ownership relationships, local regulations and the involvement of different stakeholders at separate life cycle stages who rarely communicate directly with each other. Transferable evidence for optimal financial solutions, strategies and experiences is not sufficiently shared. Awareness of the many benefits of sustainable renovation among policy makers, planners, investors, clients and building owners is insufficient.

The first step of the research work was to identify all relevant measures at national level and to arrange them into priority action areas. The listed measures are the result of discussions arising from the work in Thematic Working Groups (TWGs), and National Round Tables (NRTs), and also reflect the statements of the guest experts involved.

All proposed measures are presented individually and described in more detail in the following subchapter (6.2). The description includes planned activities, responsible stakeholders, target groups, monitoring strategies and the main effects of implementation of key measures to facilitate and intensify more large-scale investment programs in sustainable building renovations in the private and public sectors. The action plan predominantly refers to the period 2025-2030 with an insight up to 2050.

The priority action areas and the corresponding suggested measures are put together in Table 1.

KEY MEASURES	
Legislative Area	1.1. Reduce bureaucracy and simplify procedures throughout the construction process
	1.2. Reduce taxes for sustainable products and sustainable renovations of buildings
	1.3. Implement the missing legislation in the area of sustainable renovations
	1.4. Establish a dedicated body for sustainable building construction and renovation
	1.5. Establish central building information data system to collect and manage the data of buildings
Financing Area	2.1. Financially support the step-by-step renovation with seismic improvement as the first step
	2.2. Financially support commercial banks' services for sustainable renovations
	2.3. Financially support the development of sustainable construction products and solutions, including ICT solutions
	2.4. Financially support upgrade of existing energy business models and development of new circular business models
Awareness & Knowledge Transfer Area	3.1. Renew and upgrade the educational processes and the professional training
	3.2. Provide methodology and guidelines for step-by-step renovation
	3.3. Support public awareness campaign to raise awareness about sustainable renovation benefits
	3.4. Support DEMOs in sustainable building renovations based on innovative financial solutions

Table 1: Proposed priority action areas and key measures of the Slovenian action plan

## 6.2 Key Measures

The key measures form the core of this action plan and are therefore described in detail in following pages. The sequence of actions presented corresponds to the order shown in Table 1. The first group of measures which falls under **Legislative Area** is described in section 6.2.1 and listed in Table 2. The next group consists of measures from **Financing Area**; they are described in section 6.2.2 and listed in Table 3. The last group

in this document is the group from **Awareness & Knowledge Transfer Area** which is described in section 6.2.3 and listed in Table 4.

Each proposed measure in the action plan follows a unified structure to ensure clarity and comparability. The **Initial situation** outlines the current regulatory, financial, or market conditions and identifies the main barriers, gaps and opportunities that the measure seeks to address. The **Description of the measure** details the specific policy actions, legal adjustments, or implementation steps proposed to overcome these challenges. The **Affected sector(s)** specify on which sector the measure has impact, the private, the public or both sectors. The **Target group of the measure** identifies those who benefit most or are directly impacted by the measure. The **Implementing group of the measure** shows which sector and institution or organisations are responsible to manage and implement the measure. The section **Involved stakeholder groups** shows which of the stakeholder groups from subchapter 5.3 should be directly involved in the implementation process for the measure based on their responsibilities, expertise or assigned role. The **Added value of implementing the measure** summarises the anticipated social, economic and environmental benefits. The **Timeline for implementation** indicates until when the implementation should be introduced. The **Current level of awareness of decision makers**, based mainly on the political agenda, reflects how well the topic is prioritised by the current decision makers:

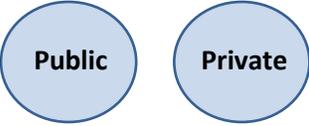
-  **Red:** Low awareness, little or no action taken or scheduled.
-  **Orange:** Moderate awareness, limited action taken or planned.
-  **Green:** High awareness, several actions taken or under implementation.

Finally, the **Monitoring of the implementation process** shows how the implementation of a measure can individually be tracked - identifying responsible bodies, data sources and key performance indicators that can be used to measure success of implementation and ensure transparency.

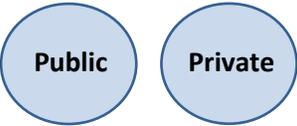
### 6.2.1 Legislative Area

<b>Legislative Area</b>	1.1. Reduce bureaucracy and simplify procedures throughout the construction process
	1.2. Reduce taxes for sustainable products and sustainable renovations of buildings
	1.3. Implement the missing legislation in the area of sustainable renovations
	1.4. Establish a dedicated body for sustainable building construction and renovation
	1.5. Establish central building information data system to collect and manage the data of buildings

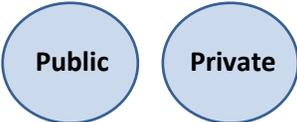
*Table 2: Suggested measures on legislative area in Slovenia*

1.1. Reduce bureaucracy and simplify procedures throughout the construction process	
<b>Initial situation</b>	<p>Bureaucratic procedures are complex, time-consuming and often unclear. Investors are confused and do not know where to start in the process. They also do not have the skills to fill out forms that are unclear, complex and require a lot of technical and other knowledge.</p> <p>Competent authorities still often refer clients to other authorities, which significantly prolongs procedures and increases costs. There is not enough cooperation between different authorities.</p>
<b>Description of the measure</b>	<p>Bureaucratic procedures should be reduced and simplified throughout the construction process, when obtaining approvals, permits, etc., and especially when obtaining financial support.</p> <p>It is necessary to establish a working group that will elaborate the task in detail. One of the first steps is certainly to communicate with users to get feedback on hot spots and bottlenecks in the bureaucratic procedures.</p> <p>All forms for various procedures need to be thoroughly tested, and they should be corrected accordingly and shortened if possible.</p> <p>Very clear and simple instructions must be prepared and the entire procedure need to be written step by step, and supported with graphical presentation. Several options should be prepared, e.g. handling the formalities independently, handling the procedures with the involvement of an independent expert, options with the engagement of a One-stop-shop.</p> <p>Better cooperation between different authorities has to be established.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	Public and private investors in sustainable renovation of buildings, applies to all types and sizes of buildings

<b>Stakeholders to implement the measure</b>	Ministries, Eco Fund, SPS
<b>Involved stakeholder groups</b>	MOPE, Eco Fund, commercial banks, SPS, administrative units, approvers (water sewage supply company, electricity providers...).
<b>Added value of implementing the measure</b>	<p>The measures and actions will speed up the preparation of documentation for investors and will not (as has been the case so far) discourage them from the intention of renovation.</p> <p>They will also make it easier for the financier to verify the adequacy of the documentation in each individual case, which will speed up the procedures and will form the basis for more renovations per year.</p> <p><b>This measure is connected to measure</b></p> <ul style="list-style-type: none"> <li>• Implement the missing legislation in the area of sustainable renovations</li> </ul>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda*</b>	
<b>Monitoring of the implementation process</b>	<p>Monitoring through:</p> <ul style="list-style-type: none"> <li>• Readiness level of actions for simplifying bureaucratic procedures</li> <li>• Number of bureaucratic procedures tested</li> <li>• Number of simple instructions</li> </ul>

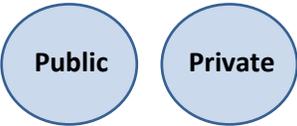
<b>1.2. Reduce taxes for sustainable products and sustainable renovations of buildings</b>	
<b>Initial situation</b>	Building materials, systems and services are in generally taxed at the same rate, regardless of their sustainability quality. Most of them do not even have an environmental impact assessment, let alone an assessment of other or common sustainability aspects.
<b>Description of the measure</b>	<p>Taxes on sustainable building materials, systems and services should be reduced to a minimum, as this directly impacts the costs of sustainable renovations, which are very high for the average investor - particularly the seismic renovation costs.</p> <p>First, a system of environmental evaluation of construction products should be established and then mandatory labelling of construction materials, systems and services from the perspective of environmental impact should be introduced. They should then be classified by group and an appropriate minimum tax rate should be prescribed for each group. Taxes on sustainable products and solutions should be inversely proportional to their assessment of sustainability.</p> <p>Lower taxes would thus affect the total cost of investment in sustainable building renovation in such a way that the more sustainable the renovation (materials, systems and services), the lower the final price of the investment - of course, compared to the old tax rates.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	Public and private investors in sustainable renovation of buildings, applies to all types and sizes of buildings
<b>Implementing group of the measure</b>	Government, Ministry of Finance
<b>Involved stakeholder groups</b>	Ministry of finance, financial experts
<b>Added value of implementing the measure</b>	These measures and actions will strengthen the process of sustainable renovation, as they directly affect investment costs. Investors will be able to invest more easily in basic sustainable

	<p>renovation, or they will be able to afford to invest in more in-depth sustainable renovation.</p> <p>In each case, the impact of the investment on the environment is lower than in unsustainable renovation, and the comfort of users is higher.</p> <p><b>This measure is connected to measure</b></p> <ul style="list-style-type: none"> <li>• Implement the missing legislation in the area of sustainable renovations</li> <li>• Financially support development of sustainable construction products and solutions</li> </ul>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	<p>Monitoring through:</p> <ul style="list-style-type: none"> <li>• Readiness level of actions for reducing taxes</li> <li>• Number of tax actions referring to different situations</li> </ul>

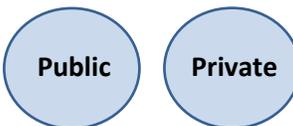
<b>1.3. Implement the missing legislation in the area of sustainable renovations</b>	
<b>Initial situation</b>	<p>The field of sustainable construction is developing very quickly and intensively, and so is the sustainable renovation of buildings. With the current state of the building stock and the share and scope of renovation of existing buildings, Slovenia will not achieve the national goals set in strategic documents related to the EU climate goals. National legislation is deficient and needs corrections and harmonization. There are many obstacles in this area that prevent sustainable renovation from progressing quickly enough. In addition, the competent ministries do not cooperate systematically, and communication with experts and the general public is also very weak.</p>
<b>Description of the measure</b>	<p>In the area of sustainable renovations, missing legislation needs to be supplemented or specified and/or corrected if necessary.</p> <p>The government should establish an inter-ministerial working group (WG) to elaborate on the task. One of the first steps of WG should be to detect all the problems. Then, all legislation that is in any way related to the issues regarding the renovation, ownership and operation of buildings must be thoroughly reviewed, supplemented and/or corrected. Building management legislation must also be included, since these are buildings that are already in use. As well as legislation related to the production, distribution and use of energy, especially RES and the regulation of mutual relations. Special emphasis must be placed on the field of construction waste, recycling and demolition, and on the possibilities of using efficient implementation of building renovations. All ambiguities and conflicts between individual documents must be eliminated and, where appropriate, examples must be prepared for easier use.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p>Public and private investors in sustainable renovation of buildings, applies to all types and sizes of buildings; particularly for planners, architects, building managers, construction industry.</p>

<b>Implementing Group of the Measure</b>	<p>Ministries: Ministry of the Environment, Climate and Energy (MOPE), Ministry of Natural Resources and Spatial Planning (MNVP), Ministry of Higher Education, Science and Innovation (MVZI), Ministry of Infrastructure (MI), Ministry of Finance (MF), Ministry of Economy, Tourism and Sports (MGTS).</p> <p>Cabinet of the Prime Minister.</p>
<b>Involved Stakeholder groups</b>	<p>Established working group consisting of ministries, experts, building managers, professional associations</p>
<b>Added value of implementing the measure</b>	<p>Clear, readable and coherent legislation will lead to easier decisions for renovations and will encourage investors to invest in building renovations. As a result, users will have better living and working conditions. On the other hand, the same legislation will also require an approach to renovations and enable the use of all mechanisms to implement them.</p> <p><b>This measure is connected to measure</b></p> <ul style="list-style-type: none"> <li>• Reduce bureaucracy and simplify procedures throughout the construction process</li> <li>• Renew and upgrade the content of educational processes at different levels of education system.</li> <li>• Provide methodology and guidelines for step-by-step renovation.</li> </ul>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	<p>Monitoring through:</p> <ul style="list-style-type: none"> <li>• Readiness level for implementation of the missing legislation</li> <li>• Number of reviewed documents</li> <li>• Number of legal bottlenecks identified and prioritised</li> <li>• Number of minor legal amendments adopted by relevant authorities</li> </ul>

1.4. Establish a dedicated body for sustainable building construction and renovation	
<b>Initial situation</b>	<p>The transition to a climate-neutral, energy-efficient built environment requires coordinated efforts across multiple policy areas, including energy, environment, construction, finance, housing, and regional development. However, current cooperation between competent ministries and relevant public institutions in Slovenia remains fragmented, with differing priorities, inconsistent interpretation of standards, and insufficient alignment of strategic objectives. As a result, many relatively simple measures that would greatly improve the situation remain unimplemented.</p>
<b>Description of the measure</b>	<p>Slovenia needs to establish a dedicated formal coordinating and decision-making body for sustainable renovation, at the strategic level of the government, i.e. inter-ministerial strategic body of ministers.</p> <p>It is necessary to engage political leadership to recognise sustainable renovation as a national priority within key strategic documents and budgetary processes in Slovenia and to require and organise a working group or body for this purpose.</p> <p>It should be created a structure of the working group and prepare objectives and tasks for the future body. Its main objective would be to involve all relevant public institutions (ministries, agencies, Eco Fund, etc.) involved in renovation, energy and sustainability financing schemes, in order to clarify roles and eliminate duplication. Furthermore, to develop mechanisms for regular coordination, joint planning and information exchange between these institutions. And to coordinate the comprehensive and coherent integration of building renovation objectives into national energy, climate, housing and economic development strategies.</p> <p>Establish a formal inter-ministerial working group dedicated to the green transition of the construction sector, with a clear mandate to coordinate policies and measures related to sustainable renovation.</p> <p>The inter-ministerial working group should establish expert working group to which experts, administrators, building managers, etc. must be invited. This group has to prepare the working plan with precise goals, measures, timelines.</p>

<b>Affected Sector(s)</b>	
<b>Target group of the measure</b>	<p>Ministries: Ministry of the Environment, Climate and Energy (MOPE), Ministry of Natural Resources and Spatial Planning (MNVP), Ministry of Higher Education, Science and Innovation (MVZI), Ministry of Infrastructure (MI), Ministry of Finance (MF), Ministry of Cohesion and Regional Development (MKRR), Ministry of Economy, Tourism and Sports (MGTS)</p> <p>Cabinet of the Prime Minister</p>
<b>Implementing group of the measure</b>	<p>Government of Republic of Slovenia</p>
<b>Involved stakeholder groups</b>	<p>Stakeholder involvement: Relevant ministries, i.e. Core Decision-Makers in the area of sustainable renovation of built environment (Ministry of the Environment, Climate and Energy, Ministry of Infrastructure, Ministry of Finance, Ministry of Cohesion and Regional Development, Ministry of Public Administration, Ministry for solidary future...)</p>
<b>Added value of implementing the measure</b>	<p>The added value of measure and actions is in increased importance of the green transition of the construction sector and increased overall visibility. The measure will also be the basis for easier and more thorough use of EU funds.</p> <p><b>This measure is connected to measure</b></p> <ul style="list-style-type: none"> <li>• Reduce bureaucracy and simplify procedures throughout the construction process</li> <li>• Reduce taxes for sustainable products and sustainable renovations of buildings</li> <li>• Implement the missing legislation and/or correct legislation in the field of sustainable renovations</li> <li>• Support public awareness campaigns to raise awareness about sustainable renovation benefits</li> </ul>

<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda</b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>Monitoring through:</p> <ul style="list-style-type: none"> <li>• Readiness level for formal establishment of an inter-ministerial working group or similar formal high level coordination body</li> <li>• Self-evaluation of the expert group according to working plan</li> </ul>

1.5. Establish central building information data system to collect and manage the data of buildings	
<b>Initial situation</b>	<p>Data on buildings is currently in different forms, in different places, managed in different ways. Some of it is still in an undigitized form. Above all, the data is not connected to each other and does not reflect the real state of buildings. For a large proportion of existing buildings, data does not even exist - e.g. data on energy consumption for heating, type of heating and energy source, construction materials.</p> <p>On the other hand, district heating suppliers, electricity suppliers, and gas suppliers have extremely good digital data on energy consumption for the areas they cover, which could be used systematically. There are various obstacles to this, including concerns about the protection of personal data or “ownership” of energy consumption data at the level of individual apartments, which is why providers in this segment are very cautious. In individual research projects, attempts are already being made to capture data with digital tools and process data with artificial intelligence. However, there is no common system for the whole of Slovenia yet.</p>
<b>Description of the Measure</b>	<p>A central information digital data system for buildings must be established, which will collect data on buildings and building systems and building connections, process them appropriately and prepare them for use for various purposes.</p> <p>It is important to coordinate with all stakeholders who have data regarding the use of space and regarding the buildings (including all logistics and traffic infrastructure). The project task should be designed to define the requirements and conditions for the building data system, followed by tender preparation and selection of the implementation team. This is followed by system management, data supplementation and editing, and system upgrades.</p>
<b>Affected Sector(s)</b>	

<b>Target Group of the Measure</b>	Public and private investors; planners, designers and architects, urbanists, researchers.
<b>Implementing Group of the Measure</b>	Ministries, expert team consisting of building physics experts, construction and other engineers, experts for digital tools and AI
<b>Involved Stakeholder groups</b>	Ministries, experts, professional associations...
<b>Added value of implementing the measure</b>	<p>A data system with digital tools shows the real situation, and is a tool for assessing the situation, as well as for optimizing and planning improvements. It is effective and useful for various stakeholders, primarily for making strategic decisions.</p> <p><b>This measure is connected to measure:</b></p> <ul style="list-style-type: none"> <li>• Renew and upgrade the content of educational processes at different levels of education system.</li> <li>• Support public awareness campaigns to raise awareness about sustainable renovation.</li> </ul>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	<p>Monitoring through:</p> <ul style="list-style-type: none"> <li>• Readiness level of central building information data system (data connection, system operation, user-friendliness...)</li> <li>• Covered share of Slovenia's area</li> <li>• Number of accessible data</li> </ul>

## 6.2.2 Financing Area

<b>Financing Area</b>	2.1. Financially support the step-by-step renovation with seismic improvement as the first step
	2.2. Financially support commercial banks' services for sustainable renovations
	2.3. Financially support the development of sustainable construction products and solutions, including ICT solutions
	2.4. Financially support upgrade of existing energy business models and development of new circular business models

Table 3: Suggested measures on financing area in Slovenia

<b>2.1. Financially support the step-by-step renovation with seismic improvement as the first step</b>	
<b>Initial situation</b>	<p>A large part of Slovenia lies in a geologically active area, which results in numerous earthquakes of varying intensity. However, not all buildings, especially older ones (built before 1966), are sufficiently earthquake resistant. Therefore, for the sake of human safety, seismic improvement must be the first step in the renovation of the buildings. Most public buildings in the entire building stock have already been seismically retrofitted.</p> <p>The measure in this action plan specifically focuses on multi-apartment, multi-owner (usually high-rise) private buildings, which are also at seismic risk. A typical problem of these buildings is the coordination of very diverse interests regarding sustainable renovation which includes highly costly seismic renovation, the different financial (in)capabilities of the owners and the implementation of the procedure itself.</p> <p>Besides, buildings of this type that have already been (at least partially) energy-renovated in the last two decades have a very small chance that the owners of the apartments will decide for (post festum) seismic renovation. As a result, many buildings with renovated exteriors are extremely vulnerable from a seismic perspective.</p>
<b>Description of the measure</b>	It is necessary to ensure a financing process that allows for gradual renovation (step by step), with the first renovation

	<p>measure being seismic reinforcement, if a thorough inspection of the building structure indicates it.</p> <p>An important introductory action should be the implementation of pilot projects with such holistic renovation, which would be substantially financially supported by the government.</p> <p>For further implementation various financial solutions for step-by-step building renovation under favorable conditions and when needed with the first renovation measure being seismic reinforcement of the buildings should be developed and offered.</p>
<b>Affected Sector(s)</b>	
<b>Target group of the measure</b>	<p>Private investors of high-rise multi apartment multi-owner buildings with the intention for step-by-step renovation and particularly in case of renovation of buildings with inadequate seismic resistance.</p>
<b>Implementing group of the measure</b>	<p>Eco Fund, commercial banks, building managers</p>
<b>Involved stakeholder groups</b>	<p>Stakeholder involvement: Investors, Eco Fund, commercial banks</p>
<b>Added value of implementing the measure</b>	<p>This measure will make decisions easier (especially in multi-ownership buildings) as it involves gradual financial burdens. It will make renovations more accessible to investors with lower incomes. It also represents a solution for seismic strengthening of the building, which is usually a very large expense.</p> <p>More measures will be implemented on the building, which will result in a greater contribution to achieving Slovenia's climate goals.</p> <p><b>This measure is connected to measure:</b></p> <ul style="list-style-type: none"> <li>• Financial support existing energy business models and development of new circular business models.</li> <li>• Provide methodology and guidelines for step-by-step renovation</li> </ul>

<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda</b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>Monitoring through:</p> <ul style="list-style-type: none"> <li>• Readiness level of the financial supports for step-by-step renovation</li> <li>• Number of different financial supports for step-by-step renovation</li> <li>• Number of applications for financing sustainable step by step renovation measures (considering also the seismic renovation first)</li> </ul>

<b>2.2. Financially support commercial banks' services for sustainable building renovations</b>	
<b>Initial situation</b>	<p>Among the services of commercial banks are green loans intended for sustainable renovation measures of their clients' buildings. However, with these offers banks cannot compete with the state-supported financially beneficial mechanisms of the Eco Fund. The interest rates of commercial bank loans are formed on a commercial basis and are therefore much higher than the subsidized interest rates of the state fund (from Eco Fund). Other conditions, such as guaranties are also often incomparable with the conditions of the Eco Fund.</p> <p>As a result, the private market for financing energy renovations in Slovenia, currently covered only by commercial banks, is extremely underdeveloped. This is making private investors largely dependent on state and EU grants, which are very limited. This is one of the reasons why the sustainable renovation of the building stock is not progressing at the desired pace, and the gap between the actual situation and the set goals is widening.</p>
<b>Description of the measure</b>	<p>Special financial measures should be provided to commercial banks to support their clients' sustainable renovations in loans interest rates and loans guaranties.</p> <p>First, all commercial banks and other legal entities that would be interested in various sustainable loans, also in combination with other financial support mechanisms, should be identified. A properly designed call to banks should be prepared and published, and funds should be provided to subsidize the interest rates of such loans and to provide loans guaranties. Then the measure should be implemented and supported via campaign.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p>Public and private investors in sustainable renovation of buildings; applies to all types and sizes of buildings</p>

<b>Implementing group of the measure</b>	Ministries, commercial banks
<b>Involved stakeholder groups</b>	Stakeholder involvement: Ministries, commercial banks, financial experts
<b>Added value of implementing the measure</b>	<p>The added value of this measure is the recognized positive role of the state - as a supporter of building renovation, and the increase in trust in the state to directly care for its citizens. More</p> <p><b>This measure is connected to measure</b></p> <ul style="list-style-type: none"> <li>• Establish a dedicated body for sustainable construction and renovation</li> <li>• Financially support the development of sustainable construction products and solutions</li> <li>• Renew and upgrade the content of educational processes at all levels of education system and of professional training</li> <li>• Support public awareness campaigns to raise awareness about sustainable renovation benefits</li> </ul>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	<p>Monitoring through:</p> <ul style="list-style-type: none"> <li>• Readiness level of the financial supports to commercial banks' services to offer loans with subsidized interest rates</li> <li>• Number of commercial banks to offer loans with subsidized interest rates and state guaranties</li> <li>• Number of favourable credit offers in commercial banks</li> </ul>

### 2.3. Financially support development of sustainable construction products and solutions, including ICT solutions

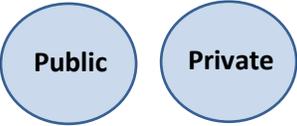
<p><b>Initial situation</b></p>	<p>There are many classic building materials, systems and products on the market, which are gradually changing due to environmental requirements. All solutions, concepts and renovation planning, services related to the operation of buildings (energy, water, materials, transport...) are being adapted to the requirements for sustainable renovation. However, the market for sustainable solutions is still too small today and does not cover all types of products in construction, mechanical and electrical engineering, and especially in ICT. Competitive prices have not yet been established among particular group, which is why they are generally more expensive. More products with sustainable properties are needed: recycled ones, circular, those with a longer lifespan, etc., and their development and the industrialization must be financially supported. In this regard, ICT solutions that enable monitoring, management, optimization of sustainable buildings should be particularly highlighted.</p> <p>Currently, the SPS periodically conducts a call for tenders for the implementation of a comprehensive evaluation of environmental impacts (LCA) that arise during the product's life cycle.</p>
<p><b>Description of the measure</b></p>	<p>A long-term and continuous financial support must be assured for the development of sustainable building materials, systems and products, as well as all conceptual solutions and services that lead to sustainable buildings. Here also ICT products must be included, as they are the basis for monitoring, management and optimization.</p> <p>It is necessary to identify the <b>requirements</b> that industry and service providers must meet to achieve sustainability requirements and then classify them into groups (e.g. the need for environmental product properties, the need for health-safe properties, etc.).</p> <p>First of all, funds must be provided. Then, calls must be organized – with topics, scope, criteria, subsidy amounts, etc.</p>

	<p>Finally, the measure should be implemented with the appropriate legal entity (e.g. SPS).</p> <p>It should also be provided with sufficient media support targeting industry and services.</p> <p>Good practices from abroad should also be identified and applied.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	Construction Industry, mechanical and energy products industry, ICT industry and providers
<b>Implementing group of the measure</b>	Ministries, Slovene Enterprise fund
<b>Involved stakeholder groups</b>	Stakeholder involvement: Ministries, construction industry, construction and service providers, Slovene Enterprise fund, Circular Economy Centre
<b>Added value of implementing the measure</b>	<p>The added value of financial support for the development of sustainable products for building renovations is: a more regulated market, higher quality of products and buildings, higher quality of comfort and healthy living, and higher value of buildings on the market.</p> <p><b>This measure is connected to measure</b></p> <ul style="list-style-type: none"> <li>• Financially support commercial banks' services for sustainable renovations</li> <li>• Financially support the upgrade of existing energy business models and development of new circular business models</li> <li>• Renew and upgrade the content of educational processes at all levels of education system and of professional training</li> <li>• Support public awareness campaigns to raise awareness about sustainable renovation benefits</li> </ul>

	<ul style="list-style-type: none"> <li>Support DEMOs in sustainable building renovations based on innovative financial solutions</li> </ul>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	<p>Monitoring through:</p> <ul style="list-style-type: none"> <li>Readiness level of the financial support for development of sustainable products</li> <li>Number of different types of commercial banks tenders</li> </ul>

## 2.4. Financially support upgrade of existing energy business models and development of new circular business models

<p><b>Initial situation</b></p>	<p>Among the various business models, the ESCO Energy Business Model with EnPCs has been partially established in Slovenia and has also been the most frequently used. The greatest momentum in EnPC use cases has been in the mid-2010s in municipalities, namely for the energy renovation of a large number of buildings (public municipal buildings such as schools, kindergartens), possibly also in combination with a larger public facility. Several ESCOs have emerged offering their services, the most prominent of which were Petrol and Resalta. Recently, these energy business models have become significantly less interesting and increasingly rare in practice. The situation changed mainly during the uncertain conditions on the energy market, when the risk for providers to take on risks was too high, or they could not offer customers the savings they expected for entering into a contractual relationship.</p> <p>However, the ministry responsible for energy informs users about this model and publishes a list of energy service providers who already provide energy contracting services under the contractual energy savings model.</p>
<p><b>Description of the measure</b></p>	<p>Intensive financial support needs to be prepared for the upgrade of existing business models that were mainly used in the energy sector (EnPCs), and for the development of new financial business models that will include elements of circular construction (recycling, reuse, etc.). The measure should cover both the sustainable construction products industry and construction and energy services.</p> <p>Existing concept must be reviewed and tested on theoretical basis to verify the suitability under latest simulated financial and technical conditions for Slovenia. If possible, it should be developed into several sub-models, taking into account other investors, the size of the investment, additional measures and other circumstances. Appropriate (different) elements of circular construction and RES should be added, and the models should be upgraded into innovative business financial models for sustainable renovation.</p>

<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	Public and private investors
<b>Implementing group of the measure</b>	ESCOs, financial advisers and experts
<b>Involved stakeholder groups</b>	ESCOs
<b>Added value of implementing the measure</b>	<p>The added value of this measure is the in great diversity of combined financial solutions, which contribute to a greater range and choice of financing based on the principle of gradual repayment through energy savings.</p> <p><b>This measure is connected to measure</b></p> <ul style="list-style-type: none"> <li>• Reduce bureaucracy and simplify procedures throughout the construction process</li> <li>• Implement the missing legislation and/or correct legislation in the field of sustainable renovations</li> <li>• Establish a dedicated body for sustainable construction and renovation</li> <li>• Financially support the development of sustainable construction products and solutions</li> <li>• Renew and upgrade the content of educational processes at all levels of education system and of professional training</li> <li>• Support public awareness campaigns to raise awareness about sustainable renovation benefits</li> </ul>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	

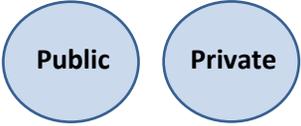
<p><b>Monitoring of the implementation process</b></p>	<p>Monitoring through:</p> <ul style="list-style-type: none"><li>• Readiness level of financial support for the upgrade of existing energy business models and development of new circular business models</li><li>• Number of existing energy business models upgrades</li><li>• Number of new circular business models</li></ul>
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### 6.2.3 Awareness & Knowledge Transfer Area

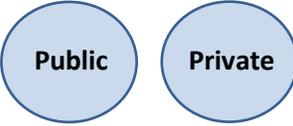
<b>Awareness &amp; Knowledge Transfer Area</b>	3.1. Renew and upgrade the educational processes and the professional training
	3.2. Provide methodology and guidelines for step-by-step renovation
	3.3. Support public awareness campaign to raise awareness about sustainable renovation benefits
	3.4. Support DEMOs in sustainable building renovations based on innovative financial solutions

Table 4: Suggested measures on awareness & knowledge transfer area in Slovenia

3.1. Renew and upgrade the educational processes and the professional training in construction sector	
<b>Initial situation</b>	<p>The elements of sustainable construction and renovation are developing more and more rapidly, stimulated by numerous common requirements and set goals. There is also more and more political support in this area. In addition to solving the financial challenge, two factors are key their implementation: the empowerment of the profession and the public with knowledge and the digitalization. Both areas are underdeveloped in Slovenia. In particular, it is necessary to renew school programs, training and skills programs and lifelong education to be in line with technologies and concepts of sustainability. School programs are outdated, cumbersome and not adapted to the real situation, requirements and needs of modern society. At a similar level is the education of different experts, planners, contractors, etc., which is partly covered by the IZS for engineers and the ZAPS for architects and landscape architects, and partly takes place at the GZS or other associations.</p> <p>Professions in construction are not interesting for young people; the number of students enrolled in technical faculties for education in the field of construction and sustainability is declining.</p>
<b>Description of the measure</b>	Educational processes at all levels of the education system should be renewed with concepts and elements of sustainable

	<p>construction and renovation of the built environment. Similarly, lifelong professional training of experts needs to be enriched with the content of sustainability or newly established for those professions that have not been covered by any training so far. They should be structured flexibly to enable ongoing and faster adaptation to innovations. Digitalization should be intensively incorporated into all educational processes.</p>
<b>Affected sector(s)</b>	 <p>Public Private</p>
<b>Target group of the measure</b>	<p>Ministry of Higher Education, Science, and Innovation, Ministry of Education and Training, universities, faculties, private professional schools, teachers, experts, engineering associations</p>
<b>Implementing group of the measure</b>	<p>Universities, schools, chambers, associations...</p>
<b>Involved stakeholder groups</b>	<p>Stakeholder involvement: sustainability experts, professors, teachers...</p>
<b>Added value of implementing the measure</b>	<p>Added value of this measure is in more sustainable decision-making, greater responsibility towards society and the environment, a brighter future for mankind</p> <p><b>This measure is connected to measure</b></p> <ul style="list-style-type: none"> <li>• Implement the missing legislation and/or correct legislation in the field of sustainable renovations</li> <li>• Financially support the development of sustainable construction products and solutions</li> <li>• Financially support the upgrade of existing energy business models and development of new circular business models</li> <li>• Provide methodology and guidelines for step-by-step renovation</li> <li>• Support DEMOs in sustainable building renovations based on innovative financial solutions</li> </ul>

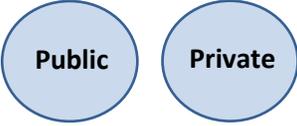
<p><b>Timeline for implementation</b></p>	
<p><b>Current level of awareness of decision makers, mainly based on political agenda</b></p>	
<p><b>Monitoring of the implementation process</b></p>	<p>Monitoring through:</p> <ul style="list-style-type: none"> <li>• Readiness level of the renew and upgrade the educational processes and of professional training</li> <li>• Number of renewed and upgraded educational processes</li> <li>• Number of renewed and upgraded programmes for professional training</li> </ul>

<b>3.2. Provide methodology and guidelines for step-by-step renovation</b>	
<b>Initial situation</b>	<p>Individual building renovation measures in Slovenia are implemented unplanned without a proper professional basis or appropriate sequence of measures. However, in building renovation, in addition to choosing appropriate materials and procedures, the correct sequence of measures is also important.</p> <p>The most important thing is to first implement measures to increase the building's seismic resistance, and only then follow energy and environmental efficiency measures. All of them must comply with legislative criteria.</p>
<b>Description of the measure</b>	<p>It is necessary to provide a professionally developed methodology and guidelines that give both investors and financiers insight into the appropriate and optimized order and procedures for building renovation.</p> <p>The developed methodology and written general guidelines for step-by-step renovation should address different building types and uses (single-family houses, apartment blocks, public buildings, offices, etc.). They should be supported by examples and the selection of generic materials. The content of the document should be well structured and clearly presented, processes supported with graphics.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p>Public and private investors of buildings with the intention for step-by-step renovation (including buildings with inadequate seismic resistance).</p>
<b>Implementing group of the measure</b>	<p>Expert team consisting of building physics experts, construction engineers, seismic experts, materials experts...</p>
<b>Involved stakeholder groups</b>	<p>Stakeholder involvement: policy makers, experts, construction industry, professional associations</p>
<b>Added value of implementing the measure</b>	<p>The measure will provide a clear insight into the concept of gradual renovation, including seismic renovation as the first</p>

	<p>measure. It will provide the appropriate order of measures and possible deviations depending on the condition of the building, as well as variations where possible. On the basis of the document, it will be possible to make a simple financial assessment of the planned technical measures, which will be a good basis for planners, investors and developers of new financial business models.</p> <p><b>This measure is connected to measure:</b></p> <ul style="list-style-type: none"> <li>• Financial support for existing energy business models and development of new circ. financial business models.</li> <li>• Renew and upgrade the content of educational processes at different levels of education system.</li> <li>• Support public awareness campaigns to raise awareness about sustainable renovation.</li> <li>• Provide education for different stakeholders on renovation benefits.</li> </ul>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	<p>Monitoring through:</p> <ul style="list-style-type: none"> <li>• Document readiness level</li> <li>• Number of building types covered</li> <li>• Number of examples included</li> </ul>

### 3.3. Support public awareness campaign to raise awareness about sustainable renovation benefits

<p><b>Initial situation</b></p>	<p>The awareness-raising on sustainable building renovation to date has been very poor, sporadic and unprofessional. Information has only been provided on individual measures, most often by the construction industry, as part of their advertising. All the advantages of sustainable building renovation have never been comprehensively and holistically promoted to users and shown to them in a clear and simple way.</p> <p>For some time now, the increasing amount of misinformation has also been causing problems, making it even more difficult for individuals to make decisions.</p> <p>There is also a significant lack of interest on the part of the government and the relevant ministries to give this content and information the attention it deserves, which is why the situation is not improving.</p>
<p><b>Description of the measure</b></p>	<p>It is necessary to organize awareness campaign, i.e. to professionally structure, plan and financially support a comprehensive campaign to raise awareness among the general public about the effects and benefits of sustainable building renovation.</p> <p>Before starting a work for campaign, it is necessary to determine the current state of people's awareness of the issue as people do not have the same knowledge, behaviour, habits, etc. The key here is to know the target groups and know how to address them appropriately. Otherwise, the campaign may be ineffective or even counterproductive. Before the conceptualizing the campaign, possible sources of financing must be sought. An appropriate strategy must be developed, then tactics, ad hoc solutions and universal messages must be avoided. A campaign plan must be prepared, which includes the content of the campaign, advertising methods, advertising process, timeline and necessary resources, collection of data on responses, etc. This is followed by organizational and implementation work of individual campaign segments: e.g. activation of participants, preparation of broadcasts, recording of videos, design and</p>

	printing of brochures, etc. Finally, the campaign implementation itself is carried out.
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	General public
<b>Implementing group of the measure</b>	Media, R&D institutes, ministries
<b>Involved stakeholder groups</b>	Stakeholder involvement: Sustainability expert team, media
<b>Added value of implementing the measure</b>	<p>The added value of the campaign is in greater awareness of public as regard the importance of sustainable building renovations, the knowledge and better responsiveness to parallel related activities. The very important one is easier decision-making regarding energy/sustainable renovations. It is also more correctly implemented renovations of buildings with fewer errors, and consequently a longer lifespan of buildings. In addition, the added value is greater comfort for the user inside.</p> <p><b>The measure is connected to measure</b></p> <ul style="list-style-type: none"> <li>• Renew and upgrade the content of educational processes at all levels of education system and of professional training.</li> <li>• Provide methodology and guidelines for step-by-step renovation.</li> <li>• Support DEMOs in sustainable building renovations based on innovative financial solutions</li> <li>• Support an application for sustainable renovation</li> </ul>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	

<b>Monitoring of the implementation process</b>	<p>Monitoring through:</p> <ul style="list-style-type: none"><li>• Readiness level to release the public awareness campaign</li><li>• Number of advertising methods included</li><li>• Number of population groups covered</li><li>• Number of repetitions of particular methods</li><li>• Response of the population to each method (number of likes, viewership of shows, downloads of videos...)</li></ul>
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3.4. Support DEMOs in sustainable building renovations based on innovative financial solutions	
<b>Initial situation</b>	<p>There are some DEMOs of sustainable new construction, but practically no DEMOs in sustainable building renovations, especially on large public buildings, with an emphasis on implementing sustainable measures in renovations and at the same time using specific, innovative, successful financial solutions. Such examples are needed for the general and professional public to demonstrate technical and non-technical solutions in sustainable renovations.</p>
<b>Description of the measure</b>	<p>Additional attention should be given, and support must be provided for DEMO examples of sustainable building renovation financed through various innovation solutions. Support should be primarily political, financial, organizational, through the media, professional...</p> <p>Special calls for proposals with guaranteed funding for the implementation of DEMO renovations should be prepared, containing all the criteria and conditions for their development of actions, organisation, implementation and dissemination. All possible stakeholders who can provide an existing building on which extensive sustainable renovation measures are to be carried out should be involved. In this context, funds should also be foreseen for the development of innovative financial business models to be used in the renovation of the DEMO building.</p>
<b>Affected sector(s)</b>	
<b>Target group of the measure</b>	<p>Private investors, consortiums of public and private partners to invest in sustainable renovation of buildings, financial institutions</p>
<b>Implementing group of the measure</b>	<p>Ministries, financial institutions, R&amp;D institutes</p>
<b>Involved stakeholder groups</b>	<p>Ministries, R&amp;D institutes, financial institutions, public authorities, financial experts...</p>

<b>Added value of implementing the measure</b>	<p>The added value of such demonstrations is that they can serve as examples of good practices and as a showcase of national knowledge, technological and non-technological solutions. In addition, they are usually also used as learning cases, scalability cases, cases on which methodology upgrades are worked on, etc. They can even serve to validate certain solutions.</p> <p><b>This measure is connected to measure</b></p> <ul style="list-style-type: none"> <li>• Financially support the step-by-step renovations, with seismic improvement as the first step.</li> <li>• Financial support existing energy business models and development of new circular business models.</li> <li>• Support public awareness campaigns to raise awareness about sustainable renovation.</li> <li>• Provide education for different stakeholders on renovation benefits.</li> </ul>
<b>Timeline for implementation</b>	
<b>Current level of awareness of decision makers, mainly based on political agenda</b>	
<b>Monitoring of the implementation process</b>	<p>Monitoring through:</p> <ul style="list-style-type: none"> <li>• Readiness level of financial support for DEMOs in sustainable building renovations</li> <li>• Number of different calls</li> <li>• Number of applications</li> <li>• Number of selected DEMO projects</li> </ul>

## 6.3 Overview of measures implementation

This subchapter provides an overview of the proposed measures from subchapter 6.2 to facilitate monitoring of their implementation. The measures in the table below (Table 5) are equipped with involved stakeholders, timeline of implementation and current level of awareness of decision makers. The table indicates which actors are expected to play a leading, supporting or contributory role, highlighting the **multi-actor nature and interdependence** of the proposed actions. The below presented overview aims underline that successful implementation cannot be achieved by a single institution alone, but requires **coordinated cooperation across public authorities, financial institutions, market actors, professional bodies and civil society**.

The table showing the **relative interest and influence of stakeholder groups** should be read using a four-level scale, where stakeholder group marked with:

- - (low interest, low influence),
- + - (high interest, low influence),
- + (low interest, high influence),
- + + (high interest, high influence),

in suggested measure to be implemented in the proposed measure.

For example, a “+ +” rating for a given stakeholder group indicates that the actor has both high interest in the successful implementation of the measure and a high level of influence over its delivery, suggesting a key role in implementation and decision-making. By contrast, a “+ -” rating signals high interest but limited influence, indicating stakeholders who should be closely engaged and supported, but who may not be able to drive implementation on their own.

In addition, the table indicates the **current level of awareness and implementation readiness** through a three colour-coded system:

-  = low awareness and little action taken or scheduled,
-  = high awareness and little action taken or scheduled and
-  = high awareness and many action taken or scheduled.

Each measure is also linked to an **indicative timeline for implementation**, providing a practical basis for prioritisation, sequencing and targeted stakeholder engagement during the implementation phase.

	State and local authorities	Public financiers	Private financiers	Technical Stakeholders	Education and R&D	Consulting stakeholders	Energy & data stakeholders	Civil Society	Timeline of Implementation	Current level of Awareness of decision makers
<b>1.1. Reduce bureaucracy and simplify procedures throughout the construction process</b>	- +	- +	+ -	--	--	--	--	+ -	2030	
<b>1.2. Reduce taxes for sustainable products and sustainable renovations of buildings</b>	- +	+ -	+ -	--	--	--	--	+ -	2030	
<b>1.3. Implement the missing legislation in the area of sustainable renovations</b>	+ +	--	--	--	+ -	+ -	+ -	--	2035	
<b>1.4. Establish a dedicated body for sustainable building construction and renovation</b>	- +	--	+ -	+ -	+ -	+ -	--	+ -	2035	
<b>1.5. Establish central building information data system to collect and manage the data of buildings</b>	+ +	--	--	--	+ -	+ -	--	--	2035	
<b>2.1. Financially support the step-by-step renovation with seismic improvement as the first step</b>	+ +	+ -	+ -	--	--	- +	--	--	2027	
<b>2.2. Financially support commercial banks' services for sustainable building renovations</b>	- +	- +	+ -	--	--	+ -	--	- +	2027	

	State and local authorities	Public financiers	Private financiers	Technical Stakeholders	Education and R&D	Consulting stakeholders	Energy & data stakeholders	Civil Society	Timeline of Implementation	Current level of Awareness of decision makers
<b>2.3. Financially support development of sustainable construction products and solutions, including ICT solutions</b>	++	+-	+-	+-	--	--	+-	-+	2030	
<b>2.4. Financially support upgrade of existing energy business models and development of new circular business models</b>	-+	--	--	+-	--	--	-+	-+	2035	
<b>3.1. Renew and upgrade the educational processes and the professional training in construction sector</b>	-+	--	--	--	-+	--	-+	-+	2040	
<b>3.2. Provide methodology and guidelines for step-by-step renovation</b>	++	+-	+-	--	++	+-	-+	-+	2027	
<b>3.3. Support public awareness campaign to raise awareness about sustainable renovation benefits</b>	++	--	+-	+-	+-	--	-+	-+	2027	
<b>3.4. Support DEMOs in sustainable building renovations based on innovative financial solutions</b>	++	--	--	+-	+-	--	-+	-+	2027	

Table 5: Overview of proposed measures implementation in Slovenia.

## 7 CONCLUDING REMARKS AND RECOMMENDATIONS

*Action Plan Recommendations - Measures and Actions to Facilitate Investments in Building Renovations in Slovenia* (hereinafter referred to as the Action Plan), is one of the main deliverables of the RENOINVEST project. Its aim is to address the challenges and opportunities for sustainable building renovation shared among Austria, Hungary, and Slovenia. This document is the result of the research work of Slovene partners about what measures would be needed in Slovenia to support smart investments in sustainable renovation of buildings for the period between 2025 and 2030. The study is primarily based on the outcomes of organized thematic working groups (TWGs), national round tables (NRTs) and international cooperation with various stakeholders, but also on preliminary research findings of the state-of-the-play in Slovenia. However, it is necessary to emphasize that this Action Plan indicates only **the pathway for the improvements** with suggested measures. It is not the official action plan to be adopted by government of Slovenia.

The main result of the research work is **13 recommendations for measures** to be implemented at national level that could help to remove current barriers in financing energy efficient and sustainable renovations of public and private buildings. The measures are divided into the **three categories**, i.e. areas, legislative, financial and awareness & knowledge transfer, and described into detail. Although the measures are structured into three groups by the area according to the context from which they originate (the legislative, the financial, the awareness-raising and knowledge transfer), the discussions showed that they are strongly linked to **decisions at the state level** (government, ministries). This leads to the conclusion that governmental bodies and sectors have the most important role, and so must act in a more cohesive and efficient manner.

The crucial measure that has been recognized in **the legislative area** as fundamental for more coordinated and thorough work in the field of construction and renovation is *Establishment of a dedicated body for sustainable building construction and renovation*. The finding is based on the urgency, scope and potential impact, as currently all tasks in Slovene construction area are scattered across numerous ministries. Therefore, the construction sector could benefit significantly from the effective linking, coordinating and monitoring activities of the newly established dedicated body. The analyses also showed that the main institutions responsible for implementation of all legislative measures are ministries (MOPE, MNVP, MVZI, MI, MF, MGTŠ), together with Eco Fund, SPS, and other national bodies with strong support of expert teams consisting of building physics experts, construction and other engineers, experts for digital tools and AI. All measures in legislative area are recommended to be placed into action between **2030 and 2035**, as the legislative changes require a significant amount of preparation and coordination, but are too urgent to wait for more than one mandate.

**For the financial area**, the measure *Providing financial support to commercial banks' services for sustainable renovations* proved to be the most important as it is the basis for activating private capital. Special financial measures should be provided to commercial banks to support their clients' sustainable renovations in loan interest rates and loan guarantees. Supporting commercial banks' services would increase the loans supply as the target group here is large, including public and private investors in

sustainable renovation of buildings. In addition, the proposed measure applies to all types and sizes of buildings. Perhaps financial incentives for commercial banks could improve competitiveness among financial providers, compelling them to develop more diverse financial models, providing end-users would more choice. It can be highlighted that the main institutions responsible for the implementation of the measures in this area are Ministry of finance, commercial banks, building managers, Slovene Enterprise fund, ESCOs, financial advisers and experts. It was also determined that the timeline for the implementation of measures in the financial area must be shorter: two out of four measures (2.1 and 2.2) are predicted for 2027, as they are crucial to accelerate renovations in private as well as the public sector.

The discussions among stakeholders proved that there is still a significant lack of knowledge in Slovenia. The awareness-raising actions were very poor, sporadic and unprofessional. Besides, all the advantages of sustainable building renovation have never been comprehensively and holistically promoted to users. Therefore, the measure *Providing the support for public awareness campaign to raise awareness about sustainable renovation benefits* was confirmed as the highest in **awareness & knowledge transfer area**. The measure must be financially and operationally supported by the government, and it is imperative to activate key professional segments - construction experts, as well as communication strategists and behaviourists. For the implementation of measures in general it was found that responsible institutions are universities, schools, chambers, associations, media, R&D institutes, experts, relevant ministries and financial institutions. Awareness and knowledge transfer includes one monumental task regarding renewing the educational processes, which demands time, therefore it was planned for 2040. The rest of the recommendations can (and should) be realized within 2027, as they target immediate issues in sustainable renovation, such as lack of general and technical information.

Based on the results of this work, it can be concluded that the research has undoubtedly contributed to a clearer picture of the financial situation and its developing options regarding the renovation of buildings in Slovenia. The study addressed key challenges for improvement and, with the present document, provided the basis for the preparation of a government strategy of measures to reduce obstacles in renovating the building stock in Slovenia. Nonetheless, it also contributed to establishing better communication and networking between stakeholders and established the valuable content for the future work of European Energy Efficiency Financing Coalition Slovene national hub.

## 8 GLOSSARY

Abbreviation	Long Version (English)	Long Version (Original Language)
<b>AI</b>	Artificial Intelligence	
<b>CCIS</b>	Chamber of Construction and Building Materials Industry of Slovenia	Gospodarska zbornica Slovenije
<b>CE</b>	Central European	
<b>CET</b>	Clean Energy Transition	
<b>CINEA</b>	The European Climate, Infrastructure and Environment Executive Agency	
<b>DSEPS</b>	A long-term strategy to boost energy renovation investments	Dolgoročna strategija za spodbujanje naložb energetske prenove stavb
<b>EE</b>	Energy Efficiency	
<b>EED</b>	Energy Efficiency Directive	
<b>EEG</b>	Renewable Energy Community	
<b>EEEEFC</b>	European Energy Efficiency Financing Coalition	
<b>EnPC</b>	Energy Performance Contracting	
<b>ESCO</b>	Energy Saving Company	
<b>EU</b>	European Union	
<b>FINROUND</b>	National Finance Roundtables for sustainable energy investments	
<b>FWG</b>	Financial Working Groups	
<b>GPP</b>	Green Public Procurement	Zeleno javno naročanje
<b>ICT</b>	Information and communications technology	
<b>IIBW</b>	Institute for Real Estate, Construction and Housing Ltd.	
<b>IRT</b>	International Round Tables	
<b>IZS</b>	Slovenian Chamber of Engineers	Inženirska zbornica Slovenije
<b>KTI</b>	Institute for Transport Science and Quality Control in Building	
<b>LCA</b>	Life Cycle Assessment	

<b>LE</b>	Large Entity	
<b>MF</b>	Ministry of Finance	Ministrstvo za finance
<b>MGTŠ</b>	Ministry of Economy, Tourism and Sports	Ministrstvo za gospodarstvo, turizem in šport
<b>MI</b>	Ministry of Infrastructure	Ministrstvo za infrastrukturo
<b>MNVP</b>	Ministry of Natural Resources and Spatial Planning	Ministrstvo za naravne vire in prostor
<b>MOPE</b>	Ministry of the Environment, Climate and Energy	Ministrstvo za okolje, podnebje in energijo
<b>MSP</b>	The Ministry for a Solidarity Future	Ministrstvo za solidarno prihodnost
<b>MVZI</b>	Ministry of Higher Education, Science and Innovation	Ministrstvo za visoko šolstvo, znanost in inovacije
<b>NBS</b>	Nature-Based Solutions	
<b>NEPN</b>	Integrated National Energy and Climate Plan	Nacionalni energetske in podnebni načrt
<b>NRT</b>	National round tables	
<b>NZEB</b>	Net Zero Emission Building	
<b>OIB</b>	Austrian Institute of Construction & Engineering	
<b>PPP</b>	Public-Private Partnership	
<b>PV</b>	Photovoltaic	
<b>R&amp;D</b>	Research and Development	
<b>RES</b>	Renewable Energy Sources	
<b>SME</b>	Small and Medium-sized Enterprises	
<b>SPS</b>	Slovenian Enterprise Fund	Slovenski podjetniški sklad
<b>SSRS</b>	Housing Fund of the Republic of Slovenia	Stanovanjski sklad Republike Slovenije
<b>TWG</b>	Thematic Working Group	
<b>WG</b>	Working Group	
<b>ZAG</b>	Slovenian National Building and Civil Engineering Institute	Zavod za gradbeništvo Slovenije
<b>ZAPS</b>	Chamber of Architecture and Spatial Planning of Slovenia	Zbornica za arhitekturo in prostor Slovenije

Table 6: Explanation of abbreviations used in the document.



# **RENOINVEST**

sustainable renovation of buildings