

# MARCH 2022 NEWS



## Build Europe in support of Ukrainian refugees

On 21 March, Build Europe organized a special meeting, led by President Marc Pigeon together with Build Europe's Polish and Romanian members, to discuss the impact of the Ukrainian refugee crisis on the housing sector. Build Europe's members and non-affiliated federations from Czechia, Hungary, Lithuania, Moldova, Slovakia, and Switzerland had the opportunity to exchange information, cooperate to support each other, and work together to identify solutions ensuring that displaced people find an appropriate accommodation. The discussion led to the organisation of an initiative coordinated by Build Europe and designed to raise funds to bring much-needed supplies to Poland and Romania.

## HOUSING POLICY NEWS

### Build Europe held a press conference in Nice urging EU ministers to prevent a major housing crisis

Build Europe held a press conference in Nice on 7 March, one day before the Ministerial Conference on Housing set by the French Presidency of the EU. Build Europe alerted governments about the urgency of reviving affordable construction in view of an upcoming worsening of the housing crisis, highlighting that new housing prices rose by almost 10% in 2021. Build Europe proposed to the ministers of the Member States to act on four essential levers in order to revitalise the production and renovation of housing.

More information can be found [here](#) and [here](#).

## **Ministerial Conference in Nice: the 27 Member States, the European Commission and housing stakeholders are committed to the ecological transition of the building sector for quality, affordable and environmentally friendly housing**

On 7 and 8 March, Emmanuelle Wargon, Minister Delegate for Housing, brought together the housing ministers of the Member States, representatives of the Commission, and housing and construction stakeholders in Nice for a ministerial conference. A joint declaration was adopted at the end of these two days of exchanges on the political challenge of producing and investing in affordable and sustainable housing in the European Union.

The conference allowed to identify the levers of action, to enhance the relevant initiatives of the Member States in order to draw common lessons and good practices that can be transposed at the European level, and to promote synergies with the initiatives of the European Commission's programme (European Green Pact, New European Bauhaus, Renovation Wave).

More information can be found [here](#).

## **Official start to SHAPE-EU - the European Affordable Housing Consortium**

Coordinated by Housing Europe and co-funded by the European Union's Single Market Programme, the goal of SHAPE-EU is to support social housing providers, public authorities, and SMEs to deliver social and affordable housing district renovations, which include innovative features, such as the use of smart and circular technologies and new approaches created and managed jointly with the local communities. SHAPE-EU will be the point of reference for a socially-inclusive Renovation Wave and New European Bauhaus. As of March 2022, 10 partners have joined efforts to shape the envisaged by the Affordable Housing Initiative 100 lighthouse projects by creating blueprints for a just energy transition with affordability and liveability at its heart.

More information can be found [here](#).

## **New State Aid Rules for Green Projects**

A company receiving government support may gain a distortive advantage over its competitors. Therefore, Article 107 of the Treaty on the Functioning of the European (TFEU) generally prohibits State aid unless exceptionally justified.

The new Guidelines on State aid for Climate, Environment Protection and Energy (the CEEAG), which entered into force in January 2022, detail how the Commission will assess and approve aid that supports the European Green Deal objectives.

More information can be found [here](#).

## **ITRE draft report on the New European Bauhaus (NEB)**

The Committee on Industry, Research and Energy (ITRE) of the European Parliament presented a draft report on the New European Bauhaus Initiative (NEB). The draft report emphasises that the NEB must be accessible, affordable, socially fair and inclusive and must actively involve EU citizens and community-based organisations in a bottom-up way – from project design to roll-out and evaluation – while avoiding any elitist approaches.

More information can be found [here](#).

## FISCAL & FINANCIAL NEWS

### **NextGeneration EU: First annual report on the Recovery and Resilience Facility finds implementation**

The Commission has adopted its first annual report on the implementation of the Recovery and Resilience Facility (RRF), the centrepiece of NextGenerationEU. The RRF is providing up to €723.8 billion (in current prices) of grants and loans to Member States to support transformative investments and reforms that will enable the EU to emerge stronger from the COVID-19 pandemic. More information can be found [here](#).

### **Bank for International Settlement's Bulletin on housing market risks in the wake of the pandemic**

The Bank for International Settlement published a bulletin on "Housing market risks in the wake of the pandemic", highlighting that house prices rose strongly in advanced economies during the pandemic, breaking with typical post-recession patterns. These developments support domestic demand in the short term but carry risks to the outlook if they reverse. Rapid economic recovery, fiscal support and high saving rates amid negative real interest rates explain part of the strong housing demand. Pandemic-induced demand for space, structural supply constraints and increased demand from investors provide additional support for house prices. The monetary policy response to inflationary pressures will be a relevant factor when assessing housing market risks. Moderate increases in interest rates could help forestall speculative demand.

More information can be found [here](#).

### **Review of the Statistical classification of economic activities (NACE)**

Following the changes in the economic structures and organizations, as well as technological developments that give rise to new activities and products, the 2006 version of the Statistical Classification of Economic Activities (NACE Rev. 2) has been reviewed. NACE Rev. 2's former Section L ("Real estate activities") has been renamed Section M. Class 41.10, named "Development of building projects" has been moved to group 68.1, named "Real estate activities with own property" (new class 68.12).

More information can be found [here](#).

## TECHNICAL NEWS

### **Build Europe attended stakeholder discussion at the European Parliament on Energy Performance of Buildings Directive**

On 31 March, the Managing Director of Build Europe Filiep Loosveldt and the Secretariat participated to a stakeholder discussion on the recast of the Energy Performance of Buildings Directive at the European Parliament organised by MEP Seán Kelly, EPP Rapporteur for the Directive. This meeting was an opportunity for a range of industry stakeholders to express their views on the recast of the EPBD, and Build Europe shared its concerns regarding housing affordability and called for more financing instruments to support the construction of new housing. The exchange of views was an important part of formulating the EPP position on the directive, and

Build Europe used the opportunity to share with the MEP its proposed amendments to the EPBD recast.

More information can be found [here](#).

## **Green Deal: New proposals to make sustainable products the norm and boost Europe's resource independence**

The Commission presented a package of European Green Deal proposals to make sustainable products the norm in the EU, boost circular business models and empower consumers for the green transition. As announced in the Circular Economy Action Plan, the Commission is proposing new rules to make almost all physical goods on the EU market more friendly to the environment, circular, and energy efficient throughout their whole lifecycle from the design phase through to daily use, repurposing and end-of-life. A proposal aims to boost the internal market for construction products and ensure that the regulatory framework in place is fit for making the built environment deliver on our sustainability and climate objectives.

More information can be found [here](#).

## **Smart Readiness Indicator test phases in EU countries**

The SRI is currently being officially tested in 4 EU countries: Austria, Czech Republic, Denmark and France. Other Member States are encouraged to join the move and test the SRI on their territories. In each of the 4 front-running countries, the national administration is supported by one or several local technical partners and by the SRI Support Team.

More information can be found [here](#).

## **Build Europe at the EOTA Technical Board meeting**

Build Europe attended the EOTA Technical Board meeting. The ongoing business for EOTA is implementing the Construction Product Regulations through the development of assessment methods for construction products that is not covered by a harmonised European Standard (hEN). This work is done in close cooperation with the European Commission Services, since the assessment methods laid down in the developed European Assessment Documents (EAD) will be part of the European legal system.

# **NEWS FROM BUILD EUROPE COUNTRIES**

## **Spain: Meeting between Build Europe and the Associació de Promotors de Catalunya (APCE)**

On 25 March, President Marc Pigeon and a delegation of Build Europe met with the Catalan Homebuilders Association (Associació de Promotors de Catalunya) in Barcelona. The meeting was a great opportunity to exchange best-practices and discuss possible future cooperation between the Associations. The Catalan housing market sees 500 active developers, who are also entitled to own, manage, and rent social housing, and it is of great interest for many Build Europe's members.

## **Spain: Measures proposed by APCEspaña to tackle the crisis caused by high energy prices**

In March 2022, the Spanish Association of Construction Developers (APCEspaña) has published a list of suggested measures for the Spanish national government designed to mitigate the excessive

rise in energy costs (that have led to price increases in materials and raw materials) and by the problems in the supply chains (which could lead to generalised haltings both of works in progress and planned but not started).

More information can be found [here](#) and [here](#).

### **Luxembourg: Measures decided by the Tripartite Coordination Committee with regard to housing**

In order to alleviate the pressure of rising prices on the purchasing power of the most vulnerable households, the agreement signed between the government, the Union des entreprises luxembourgeoises (UEL) and the trade unions CGFP and LCGB provides for three measures supporting both tenants and owners.

More information can be found [here](#).

### **UK: household incomes facing biggest decline since mid-70s**

UK household incomes are on course to collapse by the most since the mid-1970s after Russia's invasion of Ukraine sent energy prices soaring to new highs. The Resolution Foundation said the dramatic increase in global oil and gas prices was forecast to push UK inflation above 8% this spring, causing average incomes across Britain to fall by 4% in the coming financial year – a hit worth £1,000 per household, the biggest annual decline since 1975.

More information can be found [here](#).

### **Norway: OECD says that improving housing affordability will help maintain high living standards**

The latest OECD Economic Survey of Norway says that improving public spending efficiency, raising employment and productivity levels, and ensuring affordable housing will be all key for a strong and sustainable economic recovery.

More information can be found [here](#).

#### **Build Europe activities**

- 6 April: 2nd High Level Construction Forum
- 14 April: Build Europe's press conference in Poznań (Poland)
- 29 June - 1 July 2022: Build Europe Congress