

**2<sup>ND</sup> NATIONAL ROUND TABLE ON  
FINANCING ENERGY EFFICIENCY AND DECARBONISATION IN THE  
BUILDING SECTOR IN AUSTRIA  
THURSDAY 30 MARCH 2023, VIENNA  
(Presential event)**

**VENUE:** Intercontinental Vienna, Johannesgasse 28, 1030 Vienna

**DATE:** Thursday 30 March 2023, 09:00 – 15:30

**An event organised by the European Commission in cooperation with the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK)**

**Format:** Introductory plenary, parallel thematic workshops, summary of workshop results. The event will be held in German and individual international contributions will be presented in English.

**Participants:** Around 40 personally invited stakeholders from the financial & real estate sector, academia, representatives of the European Commission and national administrations

**Background:** As part of the Sustainable Energy Investment Forum (SEIF), the European Commission is organising a national round table in Austria to improve cooperation between public and private actors in Austria and to promote large-scale energy efficiency investment and financing schemes. The SEI Forum has organised over 45 events in 23 Member States over the last five years; Information on past and upcoming events can be found [on the SEI Forum](#) website.

The second national round table aims to:

- encourage dialogue between key stakeholders in the field of financing sustainable energy projects;
- to give new impetus to the Austrian discussion on housing law, where these are needed through energy efficiency measures;
- Identify and discuss ways to decarbonise the building stock by 2040 and the role of the EU Taxonomy;

## 2. National Round Table on “Financing energy efficiency and decarbonisation in the buildings sector” in Austria

- link and exchange national and international experiences;
- Consolidate and further develop the results of the first workshop;
- Develop ideas and solutions to feed into legislation; and
- step up the transition towards renewable energy supply in the building sector.

The Round Table provides a lot of time for discussion in parallel workshops and exchanges between participants to discuss in depth the selected topics and to provide recommendations for specific measures to accelerate investment in energy efficiency in the buildings sector in Austria.

## AGENDA

<b>From 8:30</b>	<b>Registration &amp; Coffee</b>
<b>09:00</b>	<b>Opening of plenary session</b>
	<p>Welcome</p> <p>Simon Ellmauer-Klambauer, BMK and Daniela Bachner, CINEA</p> <p>Moderator: Monika Auer, ÖGUT</p>
<b>09:20</b>	<b>Plenary session: European context and review of Seif 2022</b>
	<p>Renovation Wave, revision of the EPBD</p> <p>Thibault Roy, Policy Officer, DG ENER B.3, European Commission</p>
<b>09:45</b>	<p>Introduction to the 2 thematic workshops</p> <p>ÖGUT</p>
<b>10:00</b>	<b>Coffee break</b>
<b>10:30</b>	<b>Block A: Breakout Sessions</b>
	<p><b>Thematic workshop 1A: The warm rent model – an inspiration for Austria?</b></p> <p>Keynote speeches: Swedish warm rent model – Margareta Björkvald, Swedish Tenants’ Association (SE)</p>
	<p><b>Thematic workshop 2A: Decarbonise the building stock by 2040: Challenges and requirements for companies with large real estate holdings</b></p> <p>Keynote speeches:</p> <ul style="list-style-type: none"> <li>- Michael Cerveny, UIV, Climate-active buildings: Decarbonising the building stock</li> <li>- Franziska Trebut, ÖGUT, Climate-active buildings: Portfolio analysis and recovery roadmap</li> </ul> <p>Impulse statements by companies with large real estate holdings:</p> <ul style="list-style-type: none"> <li>- Georg Ortner, ÖBB-Infrastruktur AG</li> <li>- Fabian Wolfbeißer, Austrian Hail Insurance</li> </ul>
<b>12:30</b>	<b>Lunch break</b>
<b>13:30</b>	<b>Discussion block B: Breakout Sessions</b>
	<p><b>Thematic workshop 1B: Royal pathways for a socially balanced and politically feasible adaptation of the Tenancy Act. How can and should energy efficiency in the housing stock be financed and the costs shared fairly?</b></p> <p>Impulse statements:</p> <ul style="list-style-type: none"> <li>- Walter Rosifka, Residential Rights Expert, Chamber of Labour</li> </ul>

	- Hans Jörg Ulreich, developer spokesperson, Economic Chamber
	<p><b>Thematic workshop 2B: Decarbonise the building stock by 2040: Challenges and requirements for large real estate companies – solutions &amp; role of taxonomy</b></p> <p>Keynote speeches:</p> <ul style="list-style-type: none"> <li>- Dr Patrick Wörner, d-fine; The EU Taxonomy: Examples of implementation/applications with a focus on existing buildings</li> <li>- Robert Lechner, pulswerk, climate-active buildings: The EU taxonomy requirements for existing buildings from the perspective of climate-active buildings</li> </ul>
<b>15:00</b>	<b>Plenary session</b>
	<p>Workshop results and outlook</p> <p>Heidelinde Adensam and Stefan Sengelin, BMK</p>
<b>15:30</b>	<b>End of event</b>

## Background paper

For the 2 different thematic workshops, participants have already been assigned in their personal invitation and the group size is limited to a maximum of 20-30 people.

The discussions will be held in German (for international participants: an English interpretation service is available). For each thematic workshop there is a moderator and a rapporteur to report on the results & conclusions.

The background to the two **thematic blocks** is summarised here:

- 1.) **Thematic workshop 1A:** The warm rent model – an inspiration for Austria  
**Thematic workshop 1B:** Royal pathways for a socially balanced and politically feasible adaptation of the Tenancy Act. How can and should energy efficiency in the housing stock be financed and the costs shared fairly?
- 2.) **Thematic workshop 2A:** Decarbonise the building stock by 2040: Challenges and requirements for companies with large real estate holdings  
**Thematic workshop 2B:** Decarbonise the building stock by 2040: Solutions & Role of the EU Taxonomy

## **Thematic workshop 1A: The warm rent model – an inspiration for Austria?**

*This session presents the Swedish warm rent model and explores how it can or may not inspire Austria.*

### **Key questions**

The purpose of the session is to learn from the existing Swedish example of warm rent and to check the transferability to the Austrian system.

The following questions arise:

1. To what extent can the Swedish warm rent model provide an inspiration for Austrian rental legislation?
2. What could the Austrian variant of a warm rent model look like?
3. What is in favour of a warm rent model and what does it suggest?

### **State of play**

In Austria, the owners of rented houses subject to the Tenancy Act (MRG) bear investments in energy efficiency measures in the building and investments in the heating system. On-going operating costs, such as energy costs, service and maintenance, are borne by the tenants. In Sweden, on the other hand, apartments are rented ‘warm’ – landlords are obliged to guarantee a room temperature of 21 degrees Celsius.

In Austria, maximum rent levels are provided for only in the full scope of the Tenancy Act (= essentially for old buildings). There is no legal limit for dwellings built after 1953. In Sweden, the system of “use-value rent” has been in place since 1968, which allocates the average rent adjustment to individual dwelling rents. The regular negotiations between the Swedish Tenants’ Association and the municipal housing companies play a key role in this adjustment. The results of these negotiations will then also serve as a guideline for the private rental sector.

In Austria, the rental market is divided into at least four segments: Price-based private ‘indicative rent market’, non-priced private market, non-profit housing market and municipal housing market – there are only two major segments in Sweden: private and municipal rental housing market, the latter being difficult to compare with the Austrian understanding of social housing. There are no restrictions on access to municipal housing in Sweden (the term ‘social housing’ is also used) and there is no state aid for housing construction. Almost all of the financing of municipal housing is provided through the capital market.

With regard to the warm rent model, it is of particular interest, firstly, how this model has so far had an impact on the energy efficiency of the Swedish housing stock. If landlords are obliged to guarantee a certain level of space heating, are they also “automatically” willing to invest more in the energy efficiency of their homes? On the other hand, the question arises as to how robust the warm rent system is in light of increased energy costs. In Sweden, landlords tend to see themselves as the main victims of increased energy costs, while in Austria this is clearly the tenants.

The central question of this session will not least be whether there can be a “better from both worlds” that Austrian stakeholders can agree on as a target.

## **Thematic workshop 1B: Royal pathways for a socially balanced and politically feasible adaptation of the Rental Law Act. How can and should energy efficiency in the housing stock be financed and the costs shared fairly?**

*In this second workshop, representatives of the Austrian social partnership set out ways to further develop tenancy act in an environmental and social way, focusing on common intersections and interests of tenants:*

### **Key questions**

In the public debate – in line with the political media logic – the contrasts in the positions of, for example, the Chamber of Labour and the Economic Chamber, the tenants’ association and the Federation of Households and Land Owners dominate. In this context, more emphasis should be placed on possible trade-offs, with a view to a realistic development of tenancy law.

Hence, we ask the following questions:

1. What are the cornerstones of a compromise on social and environmental rent reform?
2. What is the lowest common factor of tenants and landlords in terms of passing on costs arising from renovation and decarbonisation?
3. From the point of view of tenants, which energy efficiency and decarbonisation measures could already be considered as a conservation measure in the near future?

### **State of play**

Last year 2022 also brought very high inflation in housing costs (rents and operating and energy costs). For example, Statistik Austria calculated that the increase in rent between the second and third quarters of 2022 was 3.1 %, the highest quarterly rent increase since the start of the statistical series in 2004. In the third quarter of 2021 and 2022, rent, including operating costs, increased by an average of 7 % across Austria<sup>1</sup>. As a result, the number of households that are no longer able to keep their homes adequately warm<sup>2</sup> and for which housing costs as a whole are becoming increasingly unsustainable.

According to the law currently in force, the benchmark rents will have to be increased by a further 8.6 % in April; the law provides for an adjustment of the benchmark values every two years in line with the inflation rates of the previous two years. In the current situation, tenants in particular are called upon not to make this increase, but to collect an overall rent cap, which allows rents to be increased by a maximum of 2 per cent, for example.

However, representatives of the real estate sector are very critical of capping. As owners responsible for preserving the value of the houses and dwellings, they face substantial investment in renovating and decarbonising the building stock. On the one hand, there is a need to improve the energy performance of buildings, on the other hand, e.g. by 2040, all gas heating systems should be replaced by a renewable heating system<sup>3</sup>. Measures to reduce inflation are also rejected because

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<sup>1</sup> Statistik Austria, press release:

<https://www.statistik.at/fileadmin/announcement/2022/12/20221207WohnenQ32022.pdf>, Vienna, 7 December 2022

<sup>2</sup>Sandra Matzinger, Anna Pixner: Price increases and energy poverty in Vienna: A look back at 2022 <https://awblog.at/preissteigerungen-und-energiearmut-in-wien/>, Vienna, 24 January 2023

<sup>3</sup> There are still about one million gas heating systems across Austria. In Vienna, the share of gas heating is almost 50 %.

## 2. National Round Table on “Financing energy efficiency and decarbonisation in the buildings sector” in Austria

the construction cost index has moved up significantly more than the consumer price index.

It should be noted that both tenants and landlords are currently facing major (financial) challenges. However, they also need each other to deal with them.

- Landlords need tenants: those who are regularly able to pay the rent.
- Tenants need landlords to ensure that they do not ‘heat off in the window’.
- Landlords and tenants have to work together to decarbonise. The replacement of gas heating by more environmentally friendly should not be driven by the resistance of individual tenants: the switch to a renewable heating system should not be pushed to an expensive long bank by default of owners.

Tenants and landlords: In a variety of ways, tenants need public support and support to address the challenge of socially fair transformation of the building stock towards climate neutrality in 2040.

The key question of this session will be whether and how both sides find a common strategy that combines the three issues of affordability, preservation of the value of buildings and climate protection.

## **Thematic workshop 2 (AB): Decarbonise the building stock by 2040: Challenges and requirements for companies with large real estate holdings**

*This workshop addresses the challenges faced by companies with large property portfolios to decarbonise their building stock by 2040.*

*The first part of the thematic workshop aims to discuss the challenges and outline solutions with those responsible. At the same time, large companies or participants in the financial market are subject to the CSRD’s future reporting obligations, including KPIs of the business activities. The eligibility or taxonomy-alignment of buildings (new construction, renovation, acquisition & ownership) must also be disclosed here. The treatment of taxonomy requirements and reporting obligations will be discussed and discussed in the second part of the thematic workshop.*

### **Key questions**

- What are the main challenges (and resulting solutions) in planning, organising and implementing large-scale renovation projects in the overall portfolio?
- In the case of a portfolio analysis, including ranking of building, which tools are useful and necessary for the overall stock with an assessment and prioritisation of the renovation needs in the pool?
- To what extent do the EU Taxonomy requirements for existing buildings support the transformation of the building stock?
- What are the reporting requirements for the new CSRD or EU Taxonomy Regulation for the companies concerned?

### **State of play**

Those responsible for large property portfolios face the challenge of decarbonising and thermally renovate large parts of their entire building stock in the short timeframe until 2040. In Austria, around 1.5 million fossil-fired households need to be switched to climate-friendly energy sources within 18 years. About half of these are located in condominium buildings (residential) in urban environments. In this market segment in particular, there is a tremendous demand and therefore also a considerable need for advice for sustainable renovation of buildings and in the decarbonisation of the heating system.

Especially owners and managers of large real estate portfolios are challenged by the transformation towards a climate-neutral building stock: They need to develop scalable solutions for a large number of buildings and integrate them in their daily business. A key focus is the planning, organisation and implementation of large-scale renovation projects in the overall portfolio.

Portfolio analysis as an approach: Especially for owners (and managers) affected by the EWG (phase-out of gas) and the EU Taxonomy, a targeted portfolio analysis respectively analysis of the need for action in the short, medium and long term with regard to the climate fitness of the building stock results in an imperative need for scalable, economically and logistically efficient procedures. Portfolio analysis in the frame of ‘klimaaktiv’ buildings essentially analyses the total stock on the basis of simple and comprehensible quality criteria and divides them into appropriate groups for further development of implementation measures (simple logic: Initial classification according to fossil-fueled system Yes/No; renovated Yes/No; etc.). On the basis of such portfolio ratings, individual segments of the building stock are grouped together. For these segments, more in-depth action strands or renovation roadmaps are then developed, consisting of scalable individual measures applicable to several objects. Spatial planning (often costly and lengthy) is made more efficient by anticipating standardised planning targets (for each stock segment).

## 2. National Round Table on “Financing energy efficiency and decarbonisation in the buildings sector” in Austria

On the other hand, the EU Taxonomy Regulation<sup>4</sup> has been adopted at EU level to achieve climate neutrality (by 2050). It is a classification system to identify environmentally sustainable economic activities and channel investments. As a major source of greenhouse gas emissions, the real estate sector is also affected. Technical screening criteria<sup>5</sup> (Section 7. Construction sector and real estate activities) exist, among others for the following categories: Construction of new buildings, renovation of existing buildings, acquisition and ownership of buildings and certain individual measures. This concerns, for example, the installation, maintenance and repair of energy-efficient appliances or renewable energy technologies.

This workshop focuses on existing buildings. For one company, the “renovation of existing buildings” would mean that this economic activity is potentially Taxonomy-eligible. Taxonomy-alignment is met if this renovation is in line with the technical screening criteria and thus contributes substantially to one of the environmental objectives listed in the Taxonomy Regulation (e.g. climate change mitigation, adaptation), while not negatively affecting any of the other environmental objectives and fulfilling minimum social criteria. Sustainability reporting obligations are closely linked to the identification of Taxonomy-eligible or compliant economic activities. This concerns undertakings already covered by the reporting obligation of the NaDivEG<sup>6</sup> or the extended users under the CSRD<sup>7</sup>. This shall include the disclosure of the shares of environmentally sustainable economic activities with the following KPIs: Turnover (turnover), capital expenditure (CapEx) and operating expenditure (OpEx).

The workshop will focus on supporting those responsible on the way to the serial implementation of renovation projects, taking into account the Taxonomy Regulation and the related reporting requirements.

The event is aimed at the owners, but also at decision-making bodies such as building managers, portfolio managers or financiers, and their interest groups, who are involved in the financing of the transformation tasks.

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<sup>4</sup> EUR Lex (2020): [Taxonomy REGULATION \(EU\) 2020/852](#)

<sup>5</sup> EUR lex (2021): Technical screening criteria for economic activities – climate change mitigation & adaptation, [\(EU\) 2021/2139 Delegated Regulation](#)

<sup>6</sup> RIS (2017): [Sustainability and Diversity Improvement Act \(NaDiVeG\)](#)

<sup>7</sup> EUR lex (2022): CSRD, [DIRECTIVE \(EU\) 2022/2464](#)