



## **UEPC QUARTERLY**

**(Newsletter of the European Union of Developers and House Builders)**

**(EDITION – JANUARY 2009)**



**INTERNATIONAL FORUM FOR REAL ESTATE IN BRUSSELS,  
THE HEART AND HOST OF EUROPE**

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## ECONOMIC SITUATION

### ECONOMIC SITUATION IN THE EUROPEAN CONSTRUCTION SECTOR: RECESSION IS HERE

Following Euroconstruct figures, growth in the construction sector declined in 2008 by 2.5% and lost another 4.5% in 2009, before slowly recovering in 2010 (+0.4%) and 2011 (+2.2%).

There are, however, important differences between old and new Member States. On average Eastern European countries still record a growth rate of +4.8% in 2009, with Poland leading at +8%.

The old Member States are in full recession (-4.8%), with a more or less grim situation depending on the country.

Spain and Ireland are hit with the full blow of the economic and financial crisis with a growth rate in the construction sector plummeting to -20% in 2008 and the same in 2009. Norway, Finland, United Kingdom, Italy and France have also entered recession.

Germany, Austria, Belgium, Portugal and Sweden are however in a more stable position, close to 0%. (Source: Bulletin Européen du Moniteur n°889)

#### Construction sector: economic forecasts in Europe for 2008 and 2009:

##### Construction sector: economic forecasts in Europe for 2008 and 2009

Country	Sector's total			Building works			Civil engineering works			
	Turnover (Million €)	2008	% in 2008	% in 2009	Turnover 2008	% in 2008	% in 2009	Turnover 2008	% in 2008	% in 2009
Germany	263 925		3,1	-0,5	214 569	2,8	-0,8	49 355	4,2	0,5
UK	213 229		-1,1	-3,2	186 801	-2,4	-4,5	26 428	9,3	5,8
France	205 167		-2,2	-1,9	158 444	-2,3	-2,3	46 723	-1,8	-0,6
Italy	191 090		-3,8	-5	149 148	-4,6	-5,2	41 942	-0,8	-4,7
Spain	188 066		-13,4	-16,4	132 642	-17	-20,8	55 424	-3,3	-5,8
Netherlands	75 182		2,4	-4,2	58 363	2,3	-5	16 819	2,6	-1,8
Poland	39 498		12,4	8	26 581	11,4	1,5	12 917	14,3	21,4
Belgium	33 890		0,5	-0,8	28 221	0,4	-1	5 670	0,7	0,3
Norway	33 066		-2,5	-7,9	26152	-3,2	-11,3	6 915	0,5	5
Austria	32 663		2	0	23 945	0,8	-0,6	8 719	5,5	1,8
Switzerland	32 638		0,7	0,8	25 164	-1,3	0,9	7 474	7,9	0,6
Ireland	30 536		-20,6	-16,3	24 253	-25,8	-21,7	6 282	9	4,3
Denmark	29 964		-2,6	-4,6	23 623	-3,5	-7,2	6 341	1	4,9
Finland	28 291		1	-9,8	23 121	0,5	-11,4	5 170	3,2	-2,7
Portugal	26 219		0	0,4	19 087	-1	-0,6	7 132	2,7	3,1
Sweden	24 169		0,7	0,2	16 125	-4,1	-5,1	8 044	11,9	10,6
Czech Republic	20 340		2,2	3,6	12 462	0,6	2,4	7 878	4,9	5,5
Hungary	9 831		-6,5	-3,8	7 186	-2,2	-3,8	2 645	-16,5	-3,8
Slovakia	5 592		6	2,2	4 191	10,7	-1,9	1 401	-6,1	14,5
<b>Total</b>	<b>1 483 356</b>		<b>-2,5</b>	<b>-4,3</b>	<b>1 160 077</b>	<b>-3,6</b>	<b>-5,6</b>	<b>323 278</b>	<b>1,8</b>	<b>0,4</b>

Source: Euroconstruct 2008 in BEM

**EUROPEAN RECOVERY PLAN**

The European Council, on 11 and 12 December 2008, approved a European recovery plan, representing about 1.5% of the EU GDP (about EUR 22 billion).

As regards European Union activities the Council supported in particular:

- an increase in intervention by the European Investment Bank of EUR 30 billion in 2009/2010, especially for small and medium-sized enterprises, for renewable energy and for clean transport, in particular for the benefit of the automotive industry, as well as the creation of the 2020 European Fund for Energy, Climate Change and Infrastructure ("Marguerite Fund") in partnership with national institutional investors;
- simplification of procedures and faster implementation of programmes financed by the Cohesion Fund, Structural Funds and the European Agricultural Fund for Rural Development with a view to strengthening investment in infrastructure and in energy efficiency;
- on the basis of a list of specific projects which will be presented by the Commission, taking into account a suitable geographical balance, the mobilisation of the possibilities, in the context of the Community budget, for strengthening investment in these sectors and, through regulatory incentives, developing broadband internet, including in areas that are poorly served;
- rapid additional action by the European Social Fund to support employment, especially for the benefit of the most vulnerable groups in the population, paying particular attention to the smallest undertakings by reducing non-wage labour costs;
- mobilisation to promote employment in key sectors of the European economy, in particular by the European Globalisation Adjustment Fund, including through the improvement and speeding up of its procedures;
- the possibility, for the Member States that so wish, of applying reduced VAT rates in certain sectors: the European Council requests the ECOFIN Council to settle this issue by March 2009;
- a temporary exemption of two years beyond the de minimis threshold for State aid in respect of an amount of up to EUR 500 000 and the adaptation of the framework, as required to increase support for enterprises, especially SMEs, and full implementation of the action plan for a Small Business Act adopted by the Council on 1 December 2008;
- the use for 2009 and 2010 of the accelerated procedures in the public procurement directives, which is justified by the exceptional nature of the current economic situation, in order to reduce from 87 to 30 days the length of the tendering process for the most commonly-used procedures for major public projects;
- a continued general and significant reduction in administrative burdens on business.

**EU BUDGET 2009: GEARING UP FOR ECONOMIC RECOVERY**

In 2009, the biggest share of the EU budget – 45% or €60 billion - will go to research, innovation, employment and regional development programmes, combining short and longer-term measures to help Europe respond to the current economic crisis as quickly and effectively as possible. An 11% increase in research and a 22% increase in the EU's innovation programme will help boost competitiveness in difficult times as well as EU efforts to move to a low-carbon economy. Funds for agriculture remain stable, taking over 40% of EU cash, while spending on the environment and rural development will rise by 2.9%.

For more information click [here](#) ( [French](#) – [German](#) )

**STATE AID: COMMISSION ADOPTS TEMPORARY FRAMEWORK FOR MEMBER STATES TO TACKLE EFFECTS OF CREDIT SQUEEZE ON REAL ECONOMY**

The European Commission has adopted, under EC Treaty state aid rules, a temporary framework providing Member States with additional possibilities to tackle the effects of the credit squeeze on the real economy. The Framework forms part of the measures announced by the Commission in its 26th November European Economic Recovery Plan and was approved in record time following consultation with Member States. Due to the drying up of the lending market, even healthy companies may not be able to get the finance they need. This may seriously endanger their business.

The new framework therefore introduces a number of temporary measures to allow Member States to address the exceptional difficulties of companies to obtain finance. In particular, Member States will be able to grant without notification of individual cases subsidised loans, loan guarantees at a reduced premium, and risk capital for SMEs and direct aids of up to €500,000. All measures are limited until the end of 2010 and subject to conditions. Based on Member States' reports, the Commission will evaluate whether the measures should be maintained beyond 2010, depending on whether the crisis continues.

For more information click [here](#) ( [French](#) – [German](#) )

Also see :

- (1) [An overview of national rescue measures and guarantee schemes](#) (only in English)
- (2) [Conference: "The new approach to State aids – recent reforms under the State Aid Action Plan and next steps" – November 21st 2008](#) (only in English)

On the 21st of November 2008, Commissioner Commissioner Neelie Kroes hosted a conference to take stock of the implementation of the State Aid Action plan and discuss further plans.

**THE LEAD MARKET INITIATIVE**

The Lead Market Initiative for Europe will foster the emergence of lead markets high economic and societal value. On the basis of intense stakeholder consultations, six markets have been identified against a set of objective criteria: eHealth, protective textiles, sustainable construction, recycling, bio-based products and renewable energies. These markets are highly innovative, respond to customers' needs, have a strong technological and industrial base in Europe and depend more than other markets on the creation of favourable framework conditions through public policy measures. For each market, a plan of actions for the next 3-5 years has been formulated. The European citizens will

benefit both from the positive impact on growth and employment (the identified areas could represent three million jobs and 300 billion EUR by 2020) and from the access to enhanced goods and services of high societal value.

### **Lead Market Initiative: Sustainable Construction**

In the Framework of the Lead Market Initiative published by the European Commission on 21 December 2007, the Commission is organising a number of steering groups for each of the lead sectors named in the communication, including sustainable construction.

Furthermore in the context of the current economic situation and as a direct result of the European Recovery Plan adopted by the European Commission on 26 November 2008, DG Enterprise and Industry has called for the planned steering group meeting on sustainable construction to produce in the shortest possible time a report providing an assessment of existing national and regional initiatives and their effectiveness to boost demand in the sector. Indeed, a number of financial resources and tools are available and many more are currently being announced to support the construction sector and especially its most competitive component, the sustainable building strategies.

In direct relation with other European policies aiming at reducing the environmental impact of buildings and emissions and the energy efficiency targets announced by European institutions and national governments, the way towards a competitive construction sector is perceived via the path of sustainable construction. The work will focus on three dimensions: Low-income housing, renovation of existing buildings and local authorities as pull factor for demand in the sector. The European Commission hopes that by the second quarter of 2009 the group is able to produce a listing of existing initiatives aiming at boosting the construction sector whilst supporting the idea of sustainability, including a critical evaluation and comparison of the initiatives' effectiveness in the present economic context. In doing so the group is expected to identify best practices that may be used by other institutions and/or Member States to address the economic and environmental challenges facing the EU.

The focus of the group should be primarily on short term financing solutions that are becoming available in the different MS. This is also the reason why the group needs to propose its conclusions within such a short time span.

The first meeting of the group, held on 16 December 2008, gathered a number of representatives from Member States and European associations representing product manufacturers, designers, developers, etc. UEPC was also present and stressed that all houses have a social function and possible state aids or financial incentives should not be limited to social housing only.

### **Lead Market Initiative: Study on liability and insurance regimes in the construction sector**

In follow-up to the Commission Communication COM(2007) 860 on "A Lead Market Initiative for Europe" and further to the request of the European Parliament to facilitate access to insurance by building contractors, the Commission has contracted a pilot project to provide the basis for developing an EU wide framework for the promotion of insurance schemes which could stimulate the uptake of innovative and sustainable solutions in construction projects as well as the adoption of responsible management in construction enterprises, in particular in craft and small firms.

The contract to carry out the study has been awarded to a consortium formed by Centre d'Etudes d'Assurances (CEA - France) and Centre Scientifique et Technique du Bâtiment (CSTB - France). In particular the consortium will need to address the following points:

1. To critically review the national systems in the EU-27 related to the requirements to insure the liability of market actors in construction projects (clients, architects, consulting engineers, contractors, technical auditors, etc.) with a view towards the achievement of an EU Internal Market for services.

2. To assess the impact of the insurance regimes on consumer protection, the competitiveness and the sustainability of the construction sector, and the economics of the insurance market, including the issue of administrative cost and burden for the market actors concerned and an analysis of related cost -benefit for them.
3. To identify insurance schemes and good practices that could help especially craft and small construction enterprises to exploit innovative solutions for sustainable construction and to adopt responsible management.
4. To make concrete recommendations about the extent to which the European Commission should support the formation and the promotion of such insurance schemes in the Member States, including legal, administrative, financial and management aspects.

UEPC is invited to participate in the Project Steering Committee that will deal with the work of the contractor.

The first meeting of Project Steering Committee was held on 18 December 2008. A special website has been created for follow-up: <http://www.elios-ec.eu/>

### COMMISSION LAUNCHES PUBLIC CONSULTATION ON HEDGE FUNDS

The European Commission has launched a wide-ranging public consultation on policy issues arising from the activities of the hedge fund industry, in view of developing appropriate regulatory initiative. A significant part of global hedge fund assets are managed and administered in Europe. This consultation will make an important contribution to European and international reflections on whether the approach to the regulation and supervision of hedge funds should be reassessed in light of the financial crisis. The results of the consultation will be discussed at a high-level conference in Brussels in late February 2009, and will serve as the basis for European input into the parallel reflections on hedge funds at international level by the G20.

The deadline for responses to this consultation paper is January 31<sup>st</sup> 2009. Responses should be addressed to:

[markt-consult-hedge-funds@ec.europa.eu](mailto:markt-consult-hedge-funds@ec.europa.eu)

For more information click [here](#) ([French](#) – [German](#))

### EUROPEAN COMMISSION PROPOSED REGULATION ON CREDIT RATING AGENCIES

On the 12th of November, the Commission published a Proposal for a Regulation on Credit rating Agencies (CRAs). The Proposal will now go forward to both the European Parliament and European Council, and if approved, is expected to be in application by 2010. The main aims of the Proposal are to set up a binding legal framework for regulating the CRAs, based on the IOSCO Code of Conduct, though going beyond this in several areas, as well as ensuring CRAs avoid conflicts of interest and to improve the quality of both ratings and the methodologies used.

For more information click [here](#) ([French](#) – [German](#))

### ACCOUNTING STANDARDS: COMMISSION ADOPTS CONSOLIDATED TEXT OF IFRS APPLICABLE IN THE EU

The European Commission has adopted on Monday 3 November the consolidated text of all International Financial Reporting Standards (IFRS) in force in the European Union (EU). The consolidated version puts together all IFRS endorsed to date, including the latest amendments endorsed on 15.10.2008. It will enable stakeholders to refer to only

one single legal document. This is an important element of the Commission simplification programme aimed at reducing the administrative burden on EU businesses.

UEPC monitored this issue and through the IFRS Workgroup. Despite the efforts of the UEPC and house builders themselves, IFRIC D21 has been ratified by the IASB. This means that all those IFRS developers using percentage completion accounting will now have to use legal hand over accounting from 1 Jan 2009, whilst restating their 2008 results for comparative purposes. The only exception is the French VEFA contract which operates in a special legal environment in France and will be able to continue using percentage completion. UEPC is not aware of any other combination of jurisdiction and special contract which would allow the continued use of percentage completion accounting.

For more information click [here](#) (French – German)

## ACCOUNTING SYSTEMS FOR SMALL ENTERPRISES - RECOMMENDATIONS AND GOOD PRACTICES

**The importance of internal and external accounting as a source of information for owners and managers of small enterprises and their different stakeholders is steadily growing. It is of crucial importance that the accounting systems applied by small enterprises meet their actual needs, providing necessary information yet avoiding unjustified administrative burden.**

It is recognised that appropriate accounting information is important for a successful management of a business whether it is large or small. At EU level, accounting legislation is in place for listed companies, i.e. the International Accounting Standards/International Financial Reporting Standards and for non-listed limited liability companies, the Fourth and the Seventh Company Law Directives i.e. the Accounting Directives. However, at EU level there is no accounting legislation applicable to those enterprises which are not listed or are not limited liability companies; in most cases we would be referring to small enterprises. Because of the importance of appropriate accounting information for owners and managers of small enterprises and their different stakeholders, it is considered important to analyse the various accounting systems applied in Member States in the case of non-regulation at EU level.

### The project

A group of experts of national administrations from Member States and business organisations analysed various accounting systems applied by sole proprietorships/traders and partnerships with unlimited liability to identify how these accounting systems meet the actual needs of these small enterprises.

The objective of this project was to come forward with views on how to improve the accounting systems of small enterprises so that they can provide the owners, managers and other stakeholders with appropriate financial information. This was achieved through the identification and exchange of views in the area of accounting systems of small enterprises in Member States. The purpose was in no way to add regulation or administrative burdens at EU or national level, which would be contrary to the aim of simplifying the business environment for small enterprises and reducing administrative burdens; therefore proposals to change the accounting legislation at EU level were beyond the scope of this project.

On the basis of collected data from Member States on applied accounting systems in small enterprises, the experts suggested a number of good practices for the accounting systems which may be considered appropriate for small enterprises according to their particular circumstances and needs.

To download the Report click on the link hereafter : ► [FINAL REPORT "Accounting Systems for Small Enterprises.."](#) 

**THE COMMISSION IS SOON TO PUBLISH A RECOMMENDATION IN THE AREA OF MORTGAGE CREDIT**

The Commission published a White Paper on 'Integration of EU Mortgage Credit Markets' in December 2007. This proposed an extensive programme of work for 2008-10.

The Commission is currently working on a recommendation on property valuation, foreclosure procedures and land registration in the area of EU mortgage credit markets, and aims to adopt it by the beginning of 2009.

For further information click [here](#) ([French](#) – [German](#))

**MORTGAGE MARKETS: COMMISSION STUDY SHOWS VARYING NATIONAL APPROACH TO REGULATION OF 'NON-CREDIT' INSTITUTIONS**

The European Commission has published a study on the activities, regulation and supervision of mortgage lenders that are not registered as 'credit institutions' under domestic law. It shows that in the majority of Member States, lenders operating outside the EU legal framework for credit institutions are regulated and supervised by national authorities, and that their national market share is small compared with that of fully-fledged credit institutions. The study will contribute to the Commission's assessment of whether further action in this area is needed at EU level. It is a follow-up to the December 2007 White Paper on the Integration of EU Mortgage Credit Markets (IP/07/1955). Stakeholders are invited to comment on the study by 28 February 2009.

For further information click [here](#) ([French](#) – [German](#))

**TAX MATTERS**

On December 1<sup>st</sup> 2008, the European Commission adopted a Communication presenting a short term action plan with a list of future legislative measures to enhance the capacity of tax administrations to prevent or detect VAT fraud (in particular "missing trader fraud") and to recover taxes.

Moreover, it has adopted two measures to amend the VAT Directive. The first aims to prevent the existing abuse by fraudsters of the VAT exemption at importation and the second to give Member States the possibility to make the supplier of goods liable for the VAT loss created by his missing customer in another Member State, when he did not report his supply to his VAT authority.

UEPC sent comments to the European Council of Ministers before their meeting at the beginning of December 2008.

For further information click [here](#) ([French](#) – [German](#))

**SINGLE MARKET****REVISION OF THE CONSTRUCTION PRODUCT DIRECTIVE CLOSE TO 400 AMENDMENTS TABLED AT THE EP**

On the 15<sup>th</sup> of December in Strasburg, the Parliament's Committee for the Internal Market and Consumer Protection (IMCO) debated amendments to the proposal Construction Products Regulation.

Some amendments try to limit the scope of the simplified procedures for obtaining CE marking proposed by the Commission (Articles 26, 27 and 28).

Other amendments are intended to install non mandatory CE marking for products manufactured and installed by the same company. As there is no marketing of the products by themselves they should not be required to carry the CE mark.

On the same subject of mandatory CE marking, the Parliament's amendments toughen the Commission's proposal and request that CE marking should be mandatory when a product is covered by a European harmonised standard.

Calendar:           • Vote in IMCO Committee around 20 January.  
                      • Vote in plenary in March 2009.

For more information click [here \(French\)](#)

UEPC voiced comments in this regard and sent them to the European authorities at the beginning of November 2008.

**THE SINGLE MARKET: OUR MOST VALUABLE ASSET**

Single Market policy has played a vital role over the course of the last year in the European Commission's response to the financial crisis and the deepening recession, according to a Commission report published today.

"The Single Market Review: one year on", a Commission Staff Working Document, outlines a series of measures that have already been taken or are in the pipeline, that will help create the conditions to re-launch the European economy.

Stronger contractual rights, the removal of unjustified obstacles to cross-border buying, the introduction of effective redress when things go wrong and the availability of clearer and better information for citizens about their single market rights are among the initiatives which are underway. Safer financial products - bank accounts, savings, investment products and payments – were also prioritised in 2008.

For companies, and particularly small and medium-sized enterprises (SMEs), single market policy has prioritised lower costs and administrative burdens, simpler company rules and better access to markets in other Member States. The Commission has also tabled a proposal for a simple, single company statute. SMEs will soon be able to obtain payments from their debtors more promptly, use electronic procedures instead of paperwork and deal with administrative formalities through one contact point.

The report announces the presentation of a Commission Recommendation on Partnership in June 2009 on joint management of the single market with the Member States. To achieve optimal implementation of single market rules at national level, Member States are urged to set up a national single market coordinator function. This system has seen real added value in a number of Member States already.

For more information click [here](#) ([French](#) – [German](#)).

## REGIONAL POLICY

### COMMISSIONER HÜBNER PRESENTS 'VULNERABILITY INDEX' REPORT ON CHALLENGES FACING REGIONS IN 2020

On December 9th Danuta Hübner, European Commissioner for regional policy, presented the findings of the "Regions 2020" report, which provides a first prospective analysis of the likely regional impact of four of the biggest challenges facing Europe: globalisation, demographic trends, climate change and energy use and supply. The findings of the report, produced by the Commission's Directorate-General for Regional Policy, will feed into the reflection process on the future European Cohesion Policy.

For more information click [here](#) ([French](#) – [German](#))

### EUROSTAT REGIONAL YEARBOOK AVAILABLE

**The 2008 edition of the Eurostat regional yearbook from the Statistical Office of the European Communities is now available. The publication provides an overview of the latest economic, social and demographic developments in the 271 regions of the 27 Member States of the European Union and also in the regions of the three candidate countries (Croatia, The Former Yugoslav Republic of Macedonia, and Turkey) and four EFTA countries (Iceland, Liechtenstein, Norway and Switzerland).**

The yearbook includes chapters on populations, urban statistics, GDP, household accounts, business structure statistics, the labour market, transport, tourism, science, technology and innovation, health and agriculture. Two new topics have also been introduced: labour costs and sectoral productivity.

For more information click [here](#) ([French](#) – [German](#))

[http://ec.europa.eu/internal\\_market/bank/docs/regcapital/feedback\\_en.pdf](http://ec.europa.eu/internal_market/bank/docs/regcapital/feedback_en.pdf)

## URBANISM – TERRITORIAL COOPERATION

### EUROPEAN COMMISSION ADOPTS GREEN PAPER ON TERRITORIAL COHESION

On October 6th 2008 the European Commission adopted the Green Paper on Territorial Cohesion, signaling the start of a major consultation with regional and local authorities, associations, NGOs, civil society and other organisations, aimed at achieving a better and shared understanding of territorial cohesion and its implications for the future of the EU's regional policy.

All citizens and organisations are welcome to contribute to this consultation. Contributions are sought particularly from stakeholders in departments of national government, local and regional authorities, EU institutions, economic and social partners, civil society organisations, academics and citizens.

**Period of consultation:** From 06.10.2008 to 28.02.2009

For more information click [here](#) ([French](#) – [German](#)).

### URBAN DEVELOPMENT MINISTERS PROPOSED A REFERENCE FRAMEWORK FOR SUSTAINABLE CITIES

At an informal meeting in Marseilles (France) on the 25-26<sup>th</sup> of November 2008, the EU-27 Ministers in charge of urban development agreed to take more concrete steps to implement the integrated approach in the field of urban development. One of these steps will be the use of a common reference framework.

Ministers agreed mainly on two points:

- ▶ They propose, working with local and regional authorities, to **implement integrated urban development policies** in order to ensure greater coherence between urban functions (housing, social and economic activities, education and training, culture and leisure),
- ▶ They decide to build **an open methodological reference framework for sustainable cities**. This framework could take the form of a questioning and analytical tool that could serve as a medium for debate and a joint search for converging pathways to progress. The preparation of this reference framework will require broad participation of all stakeholders and will be supported by a thesaurus of questions, a thesaurus of good practice and a thesaurus of indicators.

Two working groups will be set up (one at the EU level, one at a city level) to prepare this framework that should be operational by the end of 2010.

For more information click [here](#) ([French](#)- [German](#)).

UEPC in April 2008 published its Charter for Sustainability.

## HOUSING

### HOUSING MINISTERS AGREED TO STRENGTHEN COOPERATION AND EU ACTIONS ON HOUSING ISSUES

The 17th meeting of European Union ministers with responsibility for housing took place in Marseilles on Monday 24 November 2008 as part of the informal Regional Policy Council. Ministers agreed on the need for regular meetings to be able to exchange information and best practice in the area of housing. The next meeting of housing ministers will take place in the first quarter of 2010 and will be organised by Spain.

In their final conclusions, ministers say that, given what is at stake, the impact of European Union policies on national housing policies must be a point on the agenda of all future meetings of EU housing ministers. To improve follow-up and develop themes, they propose that working groups be set up on the initiative of a member state and in which the European Commission could take part. These working groups would bring together representatives of member states wishing to participate to discuss access to housing, energy efficiency and the impact of Community policies on national housing policies. On 24-25 June 2009, the Czech Presidency will host a meeting on the focal points, and Austria would like to host a similar meeting in the second half of 2009.

Ministers recommended (a) **that the European Commission** (1) conduct a study on the cost of housing to household budgets, and a second study on the cost of poor housing and lack of housing, (2) promote the spread within the housing sector of new technologies and building materials which use less energy, (3) strengthen research programmes to increase energy efficiency, including in existing housing, (4) provide effective follow-up to pilot projects in the social housing sector as part of the SAVE programme in order to highlight and select those projects which lead the way in energy efficiency; (b) **that the Social Protection Committee** develop indicators for homelessness and unfit housing, inter alia through transnational research and studies funded by the EU. This could include a series of quality indicators which define, for example, "adequate", "decent" and "accessible" housing bearing in mind national, regional and cultural differences.

In general terms, ministers recommended that: - particular attention be paid to the situation of those who have no access to social housing and who have to live in extremely poor housing conditions: - housing be included in the reflection on towns and the sustainable development of the regions; - care be taken to ensure that people's specific needs, in particular access to quality services, are taken into account in the refurbishment and construction of housing; - energy savings, energy efficiency and the use of renewable energy be taken into account in urban construction and renovation; - possible additional costs resulting from seeking savings when housing is being refurbished do not cause any increases in housing costs for the most vulnerable.

Ministers also called for housing issues, and in particular exclusion as a result of housing and homelessness to be taken into account as part of the European Year 2010 for Combating Poverty and Social Exclusion. After 2010, appropriate action in the areas of exclusion resulting from housing must also be developed as part of the EU social protection and inclusion strategy, so that significant progress can be made on these issues. An EU consensus conference on homelessness is to be held to try to come to a shared understanding and joint assessment of the situation.

Read the full conclusions of the meeting [here \(French\)](#)

**THE COMMISSION HAS ADOPTED A PROPOSAL WHICH WILL ALLOW ALL THE MEMBER STATES TO INVEST IN INITIATIVES FAVOURING ENERGY EFFICIENCY AND RENEWABLE ENERGY IN HOMES**

This proposal, which would amend the current Regulation on the European Regional Development Fund (ERDF), is part of the European Economic Recovery Plan, and targets low-income households, as defined in the legislation of each Member State.

To download the proposal click [here](#) ([French](#) – [German](#)):

**What does this proposal mean in practice?**

In concrete terms, Structural Funds (European Regional Development Fund) could co-finance, for example, national, regional or local schemes for insulation of walls, roofing and windows (double-glazing), solar panels, and replacement of old boilers for more energy-efficient ones.

**Does this proposal apply to all Member States?**

Yes, this is the big novelty. Today's proposal would allow the whole EU-27 to benefit from ERDF support for energy efficiency and renewable energy investment in all types of buildings. However, interventions can target only low-income households (as defined by national rules).

**Does it mean an increase of EU funding in general?**

No, this proposal is mostly about shifting priorities within the same budget and this does not mean more money from the European Union. Nevertheless the European Commission is also proposing to increase pre-financing and intermediate payments. That might be an incentive for organizations to start projects.

**What does current legislation allow?**

Current legislation on the EU Structural Funds gives "New" Member States only a limited right to use support from the European Regional Development Fund (ERDF) for housing. It can only be used for common parts of a building change of Use of existing buildings owned by public authorities or nonprofit operators in deprived urban areas.

**So will the proposal change something for the "New" Member States?**

Yes and no. Indeed, on the one hand, new Member States will still be allowed to use Structural Funds for housing (renovation of common parts or change of use of existing buildings owned by public authorities or non-profit operators) in urban deprived areas. But on the other hand, with the new proposal, they will be able to invest in energy efficiency in housing in any kind of areas.

**When does this proposal come into effect?**

This proposal has now to be approved by the Council of Ministers (the Member States). Discussion will be mainly about the wording of the proposal to make sure that Member States have enough margins to decide how this opportunity will be used. It has also to be approved by the European Parliament (under the co-decision procedure). This is quite a long procedure. We expect the decision to come into effect in March or April 2009.

**And then will Member States have to change their operational programmes?**

It is basically up to the Member States to use this opportunity or not. If they decide to do it, in some cases they will have to change their operational programmes (if those programmes are too precised) but in other cases they will be able to work with the same operational programmes but this time allowing projects for energy efficiency and renewable energy in housing. Therefore some projects that had been rejected in the past could now be accepted under the future regulation.

**SECOND EUROPEAN DEMOGRAPHY FORUM: BETTER SOCIETIES FOR FAMILIES AND OLDER PEOPLE**

The Second European Demography Forum provided policy makers and stakeholders with the opportunity to discuss recent developments and good practices in the fields of active ageing and family policies within the European Union. During the two days, six workshops were organised around these themes. Furthermore, the Forum reviewed where Members States stand in responding to the challenges of demographic change. The 2008 Demography Report was discussed.

For more information click [here](#) ([French](#) – [German](#))

UEPC published a published a study on Housing for Senior Citizens in May 2008.

## ENERGY

### EU ENERGY AND CLIMATE PACKAGE

In an historic vote on 17 December in the European Parliament on the climate and energy package, the EU finalised a deal that will help Europe transform into a low-carbon economy and increase energy security. Fully in line with the Commission's proposals in January 2008, agreement has been reached on legally binding targets, by 2020, to cut greenhouse gas emissions by 20%, to establish a 20% share for renewable energy, and to improve energy efficiency by 20%. Deals were hammered out on revisions to the emissions trading system, the distribution of the reduction effort outside of the emissions trading system, a legal framework for environmentally safe carbon capture and storage (CCS) as well as on the related proposals on CO<sub>2</sub> emissions from cars and on fuel quality. As the first region in the world to commit to such far-reaching and legally binding emission reductions, Europe is leading the fight against climate change. The vote is an important contribution towards an ambitious international climate agreement to be reached in Copenhagen by the end of 2009.

For the press release click [here](#) (only in English)

### THE COMMISSION PROPOSES MEASURES TO BOOST ENERGY EFFICIENCY AND RENEWABLE ENERGY IN LOW-INCOME HOUSEHOLDS

Following the announcement on the 26th of November of the **Economic Recovery Plan**, the European Commission adopted on the 3rd of December a **proposal which will, for the first time, enable all Member States to invest in energy-efficiency and renewable energy measures in housing with the support of the Structural Funds.**

The measure, foreseen in the European Economic Recovery Plan presented last week, will be targeted at low-income households. In practice, this means the EU will be able to co-finance national, regional or local authority schemes to install double-glazing, wall insulation and solar panels in housing.

For more information click [here](#) ([French](#) – [German](#))

### RECAST OF THE ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE: PROPOSAL PUBLISHED

The EPBD has just been released after a recasting process, in which UEPC had contributed with a position paper. Mrs. Koskimaki, Head of Unit in charge of the directive at the European Commission, recently presented the recast directive proposal.

Among the most important measures is the deletion of the 1,000 m<sup>2</sup> thresholds existing buildings to meet the minimum energy performance requirements, set by the MS. The directive, though, gives MS the possibility not to apply the minimum energy performance requirements to some categories of buildings, such as officially protected buildings, stand-alone buildings of less than 50 m<sup>2</sup> and residential housing occupied for less than four months a year.

Another major effort is put into the mainstreaming of the energy performance certificates, which should be publicized and provided as elements of any real estate transaction, so the tenant/buyer may directly compare the energy performances of the property.

These certificates, delivered only by qualified and accredited experts, will include recommendations on possible improvements targeting both major renovations of the building envelope or individual parts, independent of a major renovation. The role of the public sector as an example is strengthened with the reduction of the area threshold from

1,000 m<sup>2</sup> to 250 m<sup>2</sup> to be applied to public buildings where it is obligatory to show the energy performance certificate in a prominent place.

UEPC plans to have a meeting with the European Commission officials of Ms Koskimäki's service in the second half of January 2009 as well as with the rapporteur in the EP Committee for Industry and Energy Ms Țicău Silvia-Adriana.

To download the text of the proposal click [here](#) (only in English at present).

At present UEPC is preparing a position paper in this regard to be sent to the relevant EU key persons.

### **RICS LAUNCHES THE SECOND IMPLEMENTATION REPORT ON EPBD**

RICS has launched its 2nd implementation report on the Energy Performance of Buildings Directive, providing an overview of the implementation status in the 27 Member States.

The first implementation report, published in December 2007, showed that implementation of the Directive was proving a considerable practical challenge for most Member States. One message was that the amount as well as the level of qualification for energy inspectors should be upgraded. Almost a year on from when the team first looked into the practical workings of the Directive, the general trend is looking much more promising, but some of the new Member States are still facing substantial problems largely due to their past which has left them with a legacy of a highly inefficient prefabricated building stock. Most of these countries are making use of an additional three year derogation period and are not going to fully implement before 4 January 2009.

The report "Towards an Energy Efficient European Building Stock" is available for download on [RICS website](#).

### **AGREEMENT ON RENEWABLES DIRECTIVE**

After a month of intensive negotiations, the Commission, European Parliament and Council Presidency, at their sixth triologue meeting on Tuesday 9 December, reached an agreement on a draft renewable directive.

The compromise was formally approved by the European Energy Council, a [compromise text published by the European Council on 12/12/2008](#) together with the [Report by Claude Turmes](#) have been voted in first reading in the European Parliament on the 17<sup>th</sup> of December 2008 in Strasbourg.

As you will have noticed UEPC resent [comments](#) to the Ministers in charge as well as the members of the most relevant EP committees involved in this file.

For more information click [here \(French\)](#).

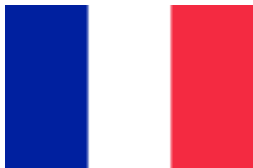
UEPC sent its position paper to the relevant EU Ministers before their meeting at the beginning of December 2008.

**NATIONAL REPORTS****TURKEY****EU and Turkish civil society organisations call for new momentum in EU-Turkey relations**

On 18-19 November 2008 in Paris the EU-Turkey Joint Consultative Committee (JCC), which represents civil society organisations in Turkey and civil society representatives in the European Economic and Social Committee (EESC), held its 25<sup>th</sup> meeting.

The meeting was hosted by the Paris Chamber of Commerce and Industry (CCIP); participants were welcomed by Mr Simon, President of the CCIP. The Turkish Deputy Prime Minister, Mr Ekren, also delivered a speech *“thanking the JCC for its sustained efforts in favour of Turkish accession to the EU”*.

For more information click [here](#) ([French](#) – [German](#))

**FRANCE**

On the 4th of December French President Nicolas Sarkozy announced a set of measures to re-launch French economy, many of which directly concern housing.

The plan includes:

- ▶ **Development of social rental housing** through the construction of 70 000 dwellings over the next two years, of which half will be “social” and half “intermediate” housing.
- ▶ Support to **social access to home ownership** by doubling loans at zero rate available for buying a new dwelling.
- ▶ Implementation of the Grenelle de l'Environnement through the **financing of housing refurbishment**, with a budget of about 200 million Euros
- ▶ Financing of the National Urban Renewal Programme through the allocation of an extra 600 million Euros, out of which 200 million from the state

**EVENTS****26-29 JANUARY 2009, ZURICH, URBAN FUTURES, THE CHALLENGE OF SUSTAINABILITY - ALLIANCE GLOBAL SUSTAINABILITY (AGS) ANNUAL MEETING**

For more information click [here](#).

**9th and 13th of February 2009 - EU Sustainable Energy Week 2009**

Registration is open now for the EU Sustainable Energy Week 2009, the key meeting place for anyone interested in sustainable energy in Europe. The Sustainable Energy Week is being organised by the European Commission's Directorate-General for Energy and Transport and is supported by other European institutions and major stakeholders. It will take place in **Brussels, Belgium**, and in other cities across Europe between the **9th and 13th of February 2009**.

For more information click [here](#).

**3-5<sup>TH</sup> MARCH 2009 - ECOBUILD**

Ecobuild is the world's biggest event dedicated to sustainable design, construction and the built environment. Now in its fifth year, and with 800 exhibitors, Ecobuild presents the biggest and best showcase of sustainable construction products anywhere, plus dozens of inspiring attractions and more than 100 free conference and seminar sessions. It will take place in **London, UK**, between the **3rd and 5th of March 2009**.

For more information click [here](#).

**10-13<sup>TH</sup> MARCH 2009 - MIPIM-CANNES**

For more information click [here](#).

**22 - 25 APRIL 2009 - REAL CORP 2009 - 14TH INTERNATIONAL CONFERENCE ON URBAN PLANNING, REGIONAL DEVELOPMENT AND INFORMATION SOCIETY IN SITGES (SPAIN / CATALONIA)**

For more information click [here](#).

**REALTY 2009, 5 TO 7 MAY 2009 AT TOUR & TAXIS**

For more information click [here](#).

**6-14<sup>TH</sup> MAY 2009 - 1<sup>ST</sup> EUROPEAN SME-WEEK**

To support the SBA implementation, the European Commission has launched a campaign to promote entrepreneurship across Europe and to inform entrepreneurs about support available for them at the European, national and local level. The first European French Presidency Conference on Territorial Cohesion SME week with events organized by business groups, support providers, regional and local authorities, and stakeholders in participating countries will take place from 6 to 14 May 2009.

For more information click [here](#).

**14- 16 MAY 2009 – VIENNA- UEPC-CONGRES****9-12 MAY 2010- ANTALYA- WORLD CONGRESS - SUSTAINABLE ENERGY USE IN BUILDINGS**

The theme of the Clima 2010 congress is "Sustainable Energy Use in Buildings". The conference will cover all aspects of HVAC technology with information on the latest research and technical innovations. The conference will take place in **Antalya**, Turkey, on the **9th and 12th of May 2010**.

For more information click [here](#).

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**Information sources**

The editors wish to thank the sources of information for this edition which are i.a. the [EU Press Room](#), FOCOPE (Forum for Construction in the European Parliament), the [EPBD Buildings Platform](#), the [URBACT Newsletter](#), the [EU Observer website](#), the [Euractiv website](#), Bulletin Européen du Moniteur and Bulletin Quotidien Europe, as well as the European Construction Forum and the European Housing Forum.