

7.5.2025

The European Commission

Ref. Ref. Ares(2025)2899026 - 09/04/2025 and Ref. Ares(2025)2899026 - 09/04/2025

CONSULTATION RESPONSE – DRAFT DELEGATED REGULATION UNDER ARTICLE 6 OF DIRECTIVE (EU) 2024/1275 (EPBD)

The Finnish Real Estate Federation (FREF) thanks the European Commission for the opportunity to provide feedback.

Finnish Real Estate Federation

The Finnish Real Estate Federation (FREF, Kiinteistöliitto) is the central association of property owners and landlords in Finland. Currently, there are over 33,000 member properties. FREF has 24 member associations: 23 local and one nationwide. The nationwide association represents private landlords, while the local associations predominantly represent housing companies. Approximately 2 million people live in homes owned by our members.

Feedback

The Finnish Real Estate Federation welcomes the European Commission's efforts to harmonize and update the methodology for determining cost-optimal levels of minimum energy performance requirements in accordance with the revised EPBD. However, we have some concerns regarding the proposed delegated act. It is very important that Member States' diversity in energy systems and regulatory frameworks, as well as the subsidiarity and proportionality principles, are respected.

We consider it important that the delegated regulation allows Member States to choose whether the national benchmark used as the result of cost-optimal calculations is assessed from a macroeconomic perspective or purely from a financial perspective.

The inclusion of environmental and health externalities marks an important shift in the cost-optimality methodology. In this context, we welcome the decision to require Member States to account for emissions of PM2.5 and NOx and only invite Member States to include additional potential benefits. Indeed, expanding the methodology to include a wider range of multiple benefits—such as productivity gains or reduced healthcare costs—would require detailed, high-quality national data that many Member States currently lack or cannot collect in a harmonized way. Keeping the scope limited helps avoid the risk of undermining the methodological consistency, comparability, and practical feasibility of implementing the EPBD cost-optimality framework across the EU. It is also entirely justified that the environmental and health externalities of energy use are included solely in the macroeconomic assessment.

7.5.2025

In the opinion of the Finnish Real Estate Federation, the draft delegated regulation and its annexes emphasize the concept of total primary energy excessively. In the delegated regulation and its annexes, the terms 'primary energy', 'primary energy factors', 'weighting factors', and reference to Directive (EU) 2024/1275 and its Annex I for the calculation of primary energy would suffice. The delegated regulation and its annex should not attempt to expand the requirements of the Energy Performance of Buildings Directive (EPBD). Member States should implement the calculation of energy efficiency and primary energy in accordance with the requirements of the EPBD and its Annex I.

The drafted delegated act and its Annex II refer to the assessment of future energy price developments, the costs of externalities of energy use on the environment and health, and the price developments of EU emission allowances. We believe that for all the mentioned data in Annex II of the delegated regulation, Member States should additionally be given the possibility to use their own defined development paths with justifications. Furthermore, Member States should have the possibility to use their own defined values for technology prices. Otherwise, there will be a risk that the cost-optimality framework undermines Member States' ability to reflect national market trends, technologies, and conditions.

Regarding the macroeconomic assessment, we want to ensure that the price of EU emission allowances is not considered twice in the assessments. In principle, in energy use within the emissions trading sector, such as electricity and district heating, the price development of emission allowances should be assessed as part of the energy price, and the costs of emission allowances should not be separately considered in the calculations.

Sincerely yours,

The Finnish Real Estate Federation

Petri Pylsy
Leading Specialist (Energy and Climate)