

## SUSTAINABILITY IN REAL ESTATE

### Introduction

The United Nations climate change conference in Paris, in 2015, concluded with an agreement to limit global temperature increases to less than 2° C by 2030, preferably 1.5° C compared with 1900.

Switzerland, with a popular vote in March 2017, subsequently announced that it wanted to achieve **climate neutrality** by 2050 (net zero balance), through a package of measures aimed at increasing energy efficiency, reducing CO<sub>2</sub> emissions, and promoting renewable energy.

### SBA Directive

The banks of the Swiss financial centre, through their trade association SBA (Swiss Bankers Association), have adopted a self-regulatory approach as regards sustainability in the real estate sector in order to reduce the CO<sub>2</sub> emissions of Switzerland's real estate stock.

In particular, they provide that, both through more eco-sustainable choices by property owners and in the context of consultancy for property financing, mortgage providers should address with the customer the issue of maintaining its **long-term value** and therefore also the issue of the energy efficiency of the property in question.

Personal and digital consultancy is intended for **natural persons** [i.e., not legal entities], specifically for owners of **single-family and holiday homes for their own use**. Clients will be informed about the incentive measures available for the renovation of properties and, in the presence of a concrete need, they will be directed to independent experts and specialized centres.

### Buildings programme

The *Buildings Programme* of the Confederation and the Cantons [i.e., the central and local authorities] is an important pillar of Swiss energy and climate policy.

In Switzerland, buildings are responsible for 40% of energy consumption and approximately one third of CO<sub>2</sub> emissions. There are over one million houses that are poorly insulated, or not insulated at all, and therefore require renovation in terms of energy. Furthermore, two-thirds of buildings are still heated with direct electricity or fossil fuel systems.

Energy recovery has numerous effects: better insulation can reduce dispersion by around 80% and the energy needs of a building by more than half, while switching to renewable energy allows the reduction of CO<sub>2</sub> emissions almost to zero. (*Source: Buildings Programme*)

Investments in energy efficiency pay off in several ways: they are beneficial for the climate, reduce energy costs, contribute to maintaining the value of the building, and increase living comfort. (*Source: Buildings Programme*)

A renovation, even in stages, is the ideal opportunity to reduce the building's energy consumption and replace fossil energy carriers with renewable ones. In this way, operating costs are reduced and, at the same time, owners make a contribution to protecting the environment.

## INFORMATION NOTE

Possible remediation measures	
Roof	New roofing, insulation and strengthening, solar system integration
Cellar	Wall and ceiling insulation
External walls	Insulation, triple glazed windows, door renovation, balcony renovation/extension
Utility systems	Use of renewable energy for heating and water heating (coordinated with the new insulation of the outer envelope), installation of a ventilation system
Interior work	Interior renovation, bathroom, toilet, kitchen renovation, energy efficient appliances and lighting

(Source: *svizzeraenergia.ch* – Example of possible recovery measures)

However, it is good practice to adopt eco-sustainable daily behaviours, for example by regulating the internal temperature of the house. In frequently used rooms, such as the living room, bathroom or home office, the optimal temperature varies between 20 and 22° C. In the bedroom or hobby room, however, 17° C is usually sufficient. Generally speaking, by reducing the internal temperature by one degree, energy consumption decreases by 6%-10%. (Source: *svizzeraenergia.ch*)

### Tax incentives/ deductions

Energy interventions can be costly. To encourage property owners to intervene on the existing building stock, consequently encouraging energy saving and conversion to renewable energy sources, **direct incentives** are available at federal, cantonal, and municipal level.

These incentives are granted for interventions relating to thermal insulation, technical systems, systemic recovery, new buildings, central heat supply, direct interventions (projects, consultancy, information, training and improvement).

In general, federal incentives are granted for the construction of plants for the production of electricity (for example, photovoltaic plants), while cantonal incentives are granted for interventions relating to thermal insulation, technical and heating systems (for example heat pump).

Incentives are never calculated as a percentage, but are fixed contributions.

Before starting the works, it is necessary to wait for confirmation from the competent body regarding the granting of the relevant incentives.

Moreover, it is possible to benefit from tax deductions (which can also be spread over several years of taxation).

### Certifications

Certifications make the energy and climate aspects of buildings measurable and comparable and contribute to the achievement of the objectives of energy and climate policy.

These tools help to plan, construct, manage or renovate buildings in an energy-efficient and climate-friendly manner.

## INFORMATION NOTE

A certified building offers a high level of comfort, saves on energy costs, ensures quality construction standards, and increases the value of your property.

**CECE:** CECE evaluates the quality of the building envelope, overall energy efficiency and direct CO2 emissions in seven classes (A to G). CECE Plus also includes a consultancy report with renovation variants.

**MINERGIE:** Certification for a building that offers comfort, efficiency, and climate protection. Minergie-P/ Minergie-A with higher requirements. The ECO complement means greater health and ecology.

**SNBS:** Certification for a building designed and built in a completely sustainable way according to the SNBS Building standard. A building can obtain Silver, Gold and Platinum certification.

### Links for information

**Swiss Energy:** [https://www.energieschweiz.ch/?pk\\_vid=6c1207488692c5c017028973113d1eca](https://www.energieschweiz.ch/?pk_vid=6c1207488692c5c017028973113d1eca)

**Buildings Programme:** <https://www.ilprogrammaedifici.ch/de/>

**Renewable heat programme:** <https://erneuerbarheizen.ch/>

**Associazione Ticino Energia:** [www.ticinoenergia.ch](http://www.ticinoenergia.ch)

**Bussola Energia:** [www.bussolaenergia.ch](http://www.bussolaenergia.ch)

**Digital consultancy on Energy:** <https://perlas.ch/de/>

**SBA Directive:** <https://www.swissbanking.ch/en/news-and-positions/press-releases/sba-introduces-self-regulation-in-the-area-of-sustainable-finance>

### Links for certificates

**Certificato Energetico Cantonale degli Edifici:** <https://www.geak.ch/>

**Minergie:** <https://www.minergie.ch/de/>

**Sustainable building standard:** <https://www.snbs-hochbau.ch/>

### Links for incentives

**Swiss incentive programmes for energy and mobility:** <https://www.energiefranken.ch/de>

**Cantonal incentive programmes:** <https://www.dasgebaeudeprogramm.ch/de/das-gebaeudeprogramm/forderung/>

Information Note prepared by the ABT Sustainable Loans Group

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