COVID-19 response:
GlobalABC is encouraging a massive Renovation Wave

The Covid19 crisis has highlighted the importance that indoor spaces and particularly homes play in our lives. Health and well-being become main concerns when families are locked down due to confinement measures. Homes become places where we live, work, play, exercise, and spend time together, in our respective climate zones and throughout changes of seasons. As we need to build back our economies and societies better and apply the lessons learnt from the crisis, and notwithstanding the importance of going net zero for new buildings, thermal performance of existing buildings emerges as a key issue for health, comfort and sustainable development.

Socially, renovation can help improve comfort in living and working places, and the health of families. Especially in periods of extreme cold or heat waves. Confinement drew attention to the importance of healthy living conditions but also to existing inequalities that contributed to greater vulnerability to the virus not least due to humidity and energy precariousness.

Economically, in most developed countries, the renovation sector is a heavy weight. Mostly composed of SMEs, the sector is a massive provider of local jobs, but also of integration jobs. In the wake of the 2008 Financial Crisis, we have seen that 19 new jobs are created
for every 1 million EUR invested in green renovation \(^1\) which is more than in many other sectors. This comes with training needs to promote renovation, from traditional low carbon building techniques to innovative climate compliant solutions.

From an environmental perspective, renovation needs to contribute to the fight against climate change and towards the Paris Agreement goal. The Buildings and Construction sector accounts for 39% of energy and process related carbon dioxide, with 11% from manufacturing of materials (steel, concrete, aluminium) and for 36% of final energy use. Green renovation measures are widely recognised to be amongst of the most cost-effective options to achieve emission reductions.

**There will be no well below 2°C limit on the increase in the average temperature of the planet without massive renovation of existing buildings.**

However, the pace of renovation in all the countries concerned is insufficient, staying well behind potential. Indeed, annual renovation rates globally should reach 4% by 2050 and 3% by 2030. The renovation rates need to rise in industrialised countries to an average of 2% of existing stock per year by 2025, and to 3% by 2040. Renovation rates in developing countries should reach at least 1.5% by 2025 and 2% by 2040.

Next to the pace, the depth of renovation needs to pick up with deep energy renovations that reduce energy consumption of existing buildings by 50% or more in developed economies and 30% or more in developing economies (GlobalABC/IEA/UNEP 2020\(^2\) and UNEP/IEA 2019)\(^3\), and achieve the highest energy efficiency potential to prevent lock-in. If a single deep retrofit is not financially viable, a step-by-step retrofitting should be mapped out.

The Covid-19 pandemic is drastically reducing global construction and retrofit activity in the buildings sector. Investment in building construction may decline by 20% to 30% in major advanced economies in 2020, while also falling in China and India (IEA, 2020d). About 250 million people are employed in construction across the world: Estimates suggest that over 10% of jobs have been or will be lost in 2020, and up to 80% of workers have been furloughed in some countries. Investment in energy efficiency in buildings is expected to fall by nearly 15% in 2020 from around $150 billion in 2019. IEA estimates that 9-30 jobs would be created for every million dollars invested in energy efficiency measures in the buildings sector.

- In countries subject to confinement, work has ceased on a massive scale and will be technically difficult to restart.

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\(^3\) [https://globalabc.org/sites/default/files/2020-03/GSR2019.pdf](https://globalabc.org/sites/default/files/2020-03/GSR2019.pdf)
• The SMEs concerned are often fragile and risk serious cash flow problems.
• Households as well as public and private decision-makers will tend to opt for prudent investment choices that they see as immediately essential.
• The cost of energy, without appropriate carbon pricing, will remain low and will not provide a sufficient financial incentive to improve energy efficiency.

There is a great threat of losing jobs and know-how, and ending up doing more poorly than the current efforts at a renovation rate per year of around 1%.

Successful renovation initiatives have demonstrable impact on the social, environmental, and economic issues that matter most to people. But years of research, investment and action to tackle aging building stocks have shown that there is no one-size-fits-all approach.

That is why we aim to raise attention to including building renovation and modernization in COVID-19 recovery plans in form of a massive renovation wave, spurred by tailored support mechanisms, designed with national and local stakeholders, for energy-efficient existing buildings everywhere, including:

• financial or tax incentives, especially for vulnerable households and those living in low-cost and inadequate housing conditions;
• technical assistance and capacity support measures for households, local authorities and businesses;
• national and local platforms\(^4\) that bring together the whole renovation value chain
• consistent impact reporting\(^5\) to identify best practices that drive scale.
• communication and information campaigns;
• incentives for research and innovation;
• community investment plans for their public buildings (schools, hospitals, universities, administrative buildings);
• a combination of voluntary commitments and appropriate regulatory measures\(^6\).

Members of the Global Alliance for Buildings and Construction invite partners involved in the chain of planning, financing and use of buildings as well as the construction and renovation of buildings to join in a massive Renovation Wave and demonstrate their actions at the Climate COP26 in 2021.

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\(^4\) See case studies in Starting a renovation wave: Putting real impact first (WorldGBC, 2020)
\(^5\) For example, the EU-funded BUILD UPON2 project is developing a renovation impact framework for cities
\(^6\) Examples of complimentary voluntary and regulatory drivers can be found in Starting a renovation wave: Putting real impact first (WorldGBC, 2020)