Key Messages:

Global Status Report for Buildings and Construction 2025-2026

Key Message 1: A cornerstone of the global economy - and a major climate driver

- The buildings and construction sector represents **11–13% of global GDP**[1]
- It employs roughly **9% of the global workforce**[2], spanning construction, renovation, demolition, and civil engineering.
- Its environmental footprint is equally significant. The sector is responsible for around **37% of global CO_2 emissions and nearly 50% of global material extraction**—the largest of any sector.
- In 2024, global building floor area reached **273 billion square metres, growing by 1.7% in a single year.**
- **Residential buildings account for 77% of total floor area and around 70% of buildings' energy demand**, placing housing at the heart of both economic growth and climate action.

Key message 2: Building fast. Falling short.

The housing and construction surge

- Millions lack affordable, decent housing, while energy costs for heating, cooling, and cooking are soaring due to volatile fossil fuel dependence.
- To meet growing demand, the global building stock continues to expand. In 2024 alone, global floor area grew by 1.7%, adding space equivalent to five Nairobis or two Delhis.The sector has the largest material footprint of any sector, driving nearly half of global raw material extraction.

Building more, emitting less

- We're building more floor area without a proportional rise in emissions, thanks to improved energy efficiency.
- Floor space grew 20% over the past decade, while energy demand rose just 11%—without energy efficiency gains, it would have increased twice as fast.
- Cleaner energy and better efficiency slowed emissions growth: energy use rose 11%, but building emissions increased only 6.5%.
- The uptake of green building certifications has also nearly tripled worldwide since 2015.

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[1] UNEP circularity platform, Built environment

[2] httpsUK Government, centres of expertise. Construction sector employment in low-income countries: Size of the sectorugree

- Investment is increasing, with USD 2.3 trillion already invested in building energy efficiency and a steady rise in the share of renewable energy.

Falling short of Paris goals

- A decade of tracking through the Global Buildings Climate Tracker **shows the gap to meet the Paris Agreement goals is widening**, not shrinking.
- As of January 2026, **no country's NDC 3.0 included an extensive buildings and construction strategy**. Yet progress is possible: by 2024, 20 countries had already included extensive building-sector strategies in their NDC 2.0 plans.
- Decarbonisation has stalled due to three main factors:
    - **Construction is outpacing decarbonisation:** New floor space is being added faster than energy systems are being cleaned up, cancelling out efficiency gains.
    - **Renovation is too slow:** Millions of existing buildings remain inefficient and carbon-intensive due to low retrofit rates.
    - **Fossil fuel dependence persists:** Heating and cooking still rely heavily on fossil fuels, reflecting weak phase-out policies and low priority given to buildings in national climate strategies.

Key message 3: Affordable housing and climate action go hand in hand

- **Designing housing and climate action together:** Energy-efficient, low-carbon homes cut emissions and protect households from high and volatile energy bills - making homes cheaper to run for decades. This is central to the UNEP GlobalABC-led Belém Call for Action, which places housing at the heart of climate, affordability, and resilience goals.
- **Closing the housing–climate gap** means prioritising:
    - Climate-safe housing for low-income families, where investments deliver the greatest social and climate returns.
    - **Better urban and neighbourhood planning** to boost resilience, reduce energy risks, and protect communities.
    - **Smarter use of materials and nature-based solutions**, including circular construction and reuse of existing buildings, to reduce cost and supply-chain exposure.
    - **Passive design and proven technologies** that lock in affordability over a building's full lifetime.

Key message 4: Building policies and codes: clear rules to unlock action

The need for clear policy frameworks

- Clear policy frameworks are essential to shift buildings and construction toward a zero-emission, efficient, and climate-resilient future.
- Policy certainty enables industry to invest and innovate, aligning affordability, climate, and resilience goals.
- National roadmaps turn ambition into action, linking building policies with housing plans and breaking down government silos.
    - GlobalABC's Climate Action Roadmaps align housing, climate, and finance to cut carbon and boost resilience and well-being.
- To stay on track for net zero by 2050, all G20 countries—and at least half of all others—must adopt zero-emission building (ZEB)-aligned energy codes by 2030, backed by measures on energy supply, efficiency, and finance.

Building energy codes: a proven but underused tool

- The report identifies Building Codes as an effective tool for addressing operational and embodied CO_2 emissions.
- They are also critical for climate adaptation, reducing risks from floods, heat, storms, and other climate hazards.
- Progress and enforcement remain extremely limited: only Canada and the United States have ZEB-aligned codes, implementation is voluntary at sub-national level, and weak enforcement means many buildings do not comply even where codes exist.

Global examples of policy in practice

- **Singapore:** In 2025, Singapore introduced mandatory improvement requirements for existing energy-intensive buildings.
- **European Union:** The revised EPBD introduces whole-life carbon assessments from 2028 and mandates zero-emission new buildings by 2030 (2028 for public buildings).
- **France:** RE2020 tightens limits on operational and embodied emissions, caps heating emissions at 4 kg CO_2/m^2/year, and bans fossil fuel boilers in new buildings.
- **Kenya:** The 2024 National Building Code mandates passive cooling and stronger safety and sustainability standards, setting a regional benchmark.
- **The Bahamas:** Building codes embed climate resilience, using nature-based solutions and hurricane-ready design across new developments.
- **California (USA):** The 2025 Energy Code requires cool roofs on new buildings to cut heat stress and reduce urban heat impacts.

Key message 5: Delivering Net-Zero buildings through materials, finance, and design

Accelerating low-carbon materials

- Buildings account for **nearly half of global material extraction**, making embodied carbon a critical—and still under addressed—climate challenge.

- With construction booming in Asia and Africa, **shifting now to low-carbon materials is essential to avoid locking in high emissions for decades**. Rapid growth in countries like India shows why early action is critical to manage resource pressures sustainably.
- **Policy action is beginning to emerge:**
    - **Denmark** has tightened embodied-carbon limits for new buildings, with thresholds set to fall over time.
    - **European Union** rules now require disclosure of life-cycle climate impacts for new buildings, driving transparency and cleaner material choices.
    - **France** has lowered both operational and embodied-carbon limits under **RE2020**.
    - **China** is extending climate policy to materials, including plans to bring steel, cement, and aluminium into emissions trading.
    - Bangladesh is developing a national green building certification scheme and is updating its national building code incorporating low-carbon materials and passive cooling design.
    - **State of Tamil Nadu (India)** is updating its local public procurement policy to incorporate low-carbon building materials.

Strategic Financing and Investment

- Transforming the buildings sector requires **strong public finance signals and private capital mobilisation**.
- Countries are acting:
    - **Switzerland** combines a CO_2 tax with reinvestment in retrofit and clean heating programmes, delivering measurable reductions in household energy use.
    - **Canada** links emissions-reduction targets with green taxonomies to lower investment risk for low-carbon construction.
    - **United Kingdom** and **New Zealand** use low-interest loans, subsidies, and green certification to accelerate efficiency upgrades and unlock sustainable finance at scale.

Scaling Renewables and Local Power

- Renewables are a key reason building emissions are rising more slowly than energy demand—but uptake remains far too low.
- To align with a **net zero pathway by 2050,** the share of renewables in buildings' final energy demand must rise **from around 17% in 2024 to 46% by 2030**.
- **On-site and local generation**, especially rooftop solar, is critical for both decarbonisation and energy affordability—yet its share has stagnated.
- Momentum is possible:
    - **India** rapidly expanded rooftop solar through targeted incentives.
    - **Pakistan** doubled net-metered solar capacity in just one year.
    - **Germany** scaled small, low-cost "balcony solar" systems, showing how

simple solutions can move fast.

Cost-Saving Cooling Solutions

- Cooling demand is the **fastest-growing source of building energy use**, driven by heat and urbanisation. Yet many solutions are already mature, affordable, and scalable.
- Key actions include:
  - **Passive cooling** (natural ventilation, shading, reflective surfaces) to reduce mechanical cooling needs.
  - **High-efficiency systems** to cut electricity demand and costs.
  - **Phasing out high-GWP refrigerants** in favour of climate-safe alternatives.
- Countries are acting:
  - **Kenya** mandates comprehensive passive cooling in its 2024 building code.
  - **The Bahamas** targets efficient air-conditioning to avoid future emissions.
  - **Colombia** integrates district cooling into urban planning.
  - **California** requires “cool roofs,” while **Pakistan** prioritises low-cost passive design in national codes.