

# European homeowners decide with their wallets when it comes to energy-efficient renovation

The building sector is crucial for the green transition, accounting for about a third of Europe's energy-related emissions in 2022. Our survey in six European countries found that while many homeowners have taken steps to improve energy efficiency, financial concerns are the main barrier to further renovation



## Building sector needs to play big role in green transition

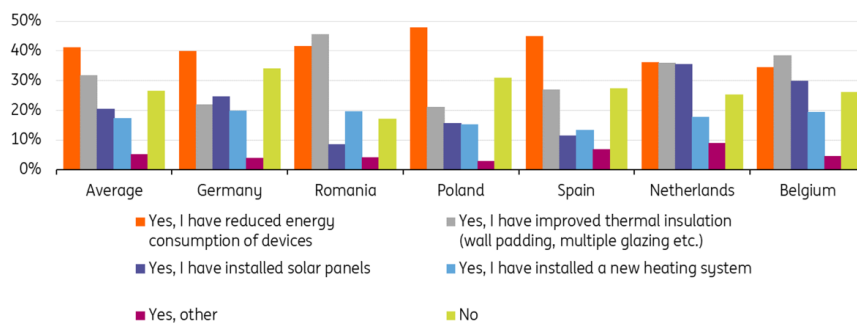
When thinking about the green transition, electric cars and wind turbines often come to mind as replacements for combustion engines and coal plants. But the role of bricks and mortar is just as important as batteries and mills. According to the European Environment Agency, the building sector represented roughly a third of Europe's energy-related greenhouse gas emissions in 2022. So without including the building sector, the green transition is bound to fail. And even though the European Commission has dropped the requirement that every residential property in the EU should be upgraded to at least an energy label of D by 2033, the revised Energy Performance of Buildings Directive stipulates a reduction in overall energy consumption that would have a similar

effect.

Our latest survey asked consumers in six European countries for their views on topics like energy efficiency measures and renovation costs. We've already taken a deep dive into the data for Germany and found that [a carrot-and-stick approach](#) will probably be needed to really get going, as many German homeowners lack motivation to renovate. But how does this finding compare to other European countries?

## Improving energy efficiency of devices is most popular measure among homeowners

Have you taken measures to improve your home's energy efficiency during the past three years?



Asked of homeowners. Source: ING Consumer Research

Overall, more than 70% of homeowners have taken some sort of measure during the past three years to improve their homes' energy efficiency. But the most popular of those measures relates to the energy consumption of devices and not necessarily the building itself. On average across our survey's six countries, close to a third of homeowners have improved thermal insulation, e.g. through wall padding or multiple-layer windows. But the percentage varies widely, from 21% in Poland to 46% in Romania.

The same holds true for solar panels, which have been installed by more than a third of Dutch homeowners but less than 9% in Romania. The average across surveyed countries is slightly more than 20%. From a sustainability point of view, modernising the heating system, which around 17% of homeowners have done, can have a twofold effect, as it can improve energy efficiency in a narrower sense by reducing consumption, but can also help shift that energy consumption away from the use of fossil fuels – depending on the type of system installed.

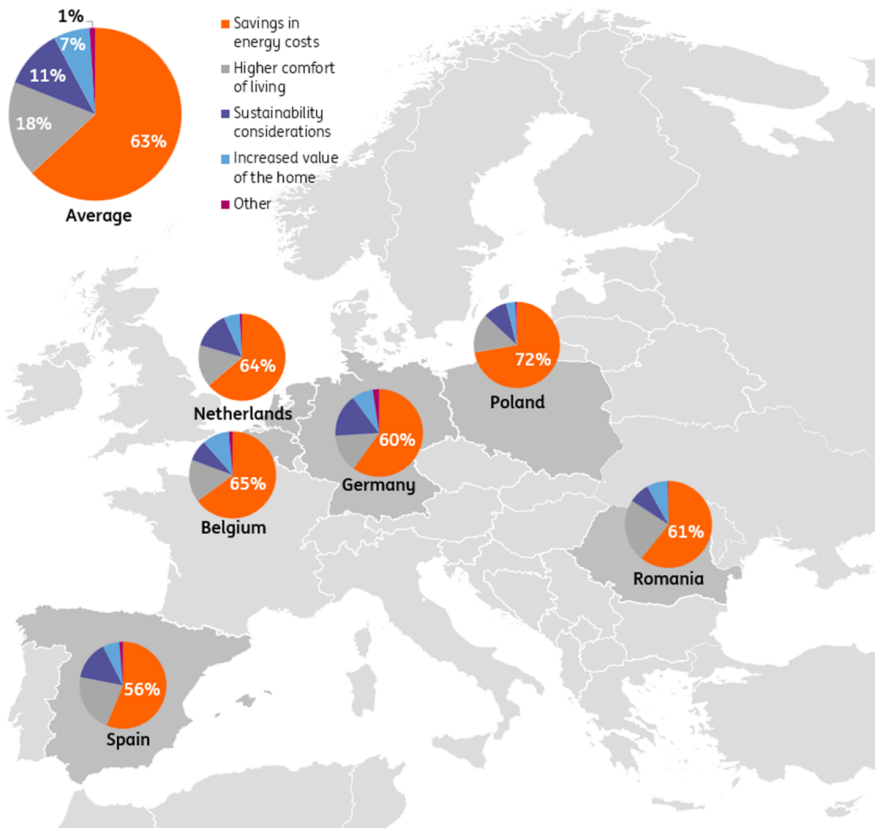
## Homeowners decide with their wallets on whether to renovate

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But sustainability considerations do not appear to have been the main motivation for those homeowners who have undertaken steps to improve energy efficiency. Close to two thirds were instead focused on savings in energy costs. In Germany, sustainability scored slightly higher than an improvement in the comfort of living, but in all other places, it comes in third at best.

## Sustainability isn't high on homeowners' list of priorities

What was your main motivation to do so?



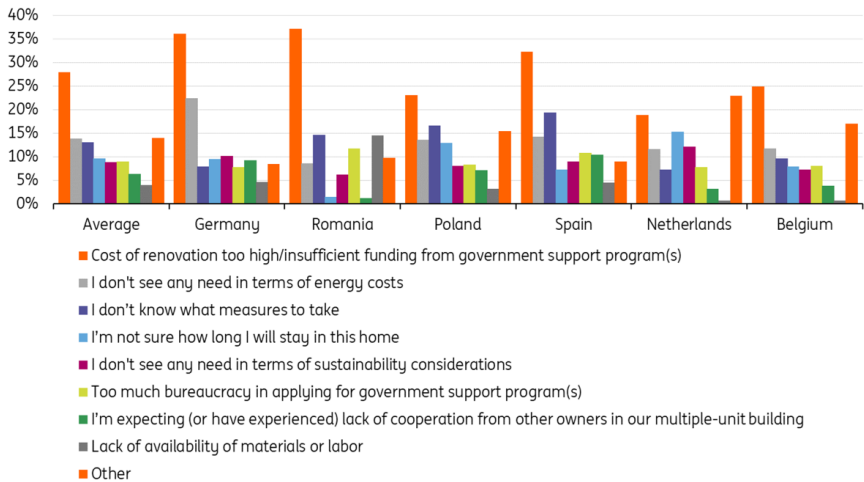
Asked of homeowners who had taken measures to improve energy efficiency during past three years. Source: ING Consumer Research

### ... or whether not to renovate

On the other hand, financial considerations are also the most often cited reason not to renovate. Homeowners who have not implemented energy efficiency measures in the past three years, and do not attribute this to having taken such measures previously, cite the cost of renovation or insufficient financial support from government programmes as reasons more than twice as often as a lack of urgency regarding energy costs, which is also a financial concern.

## Cost of renovation scares homeowners away

What has kept you from doing so?



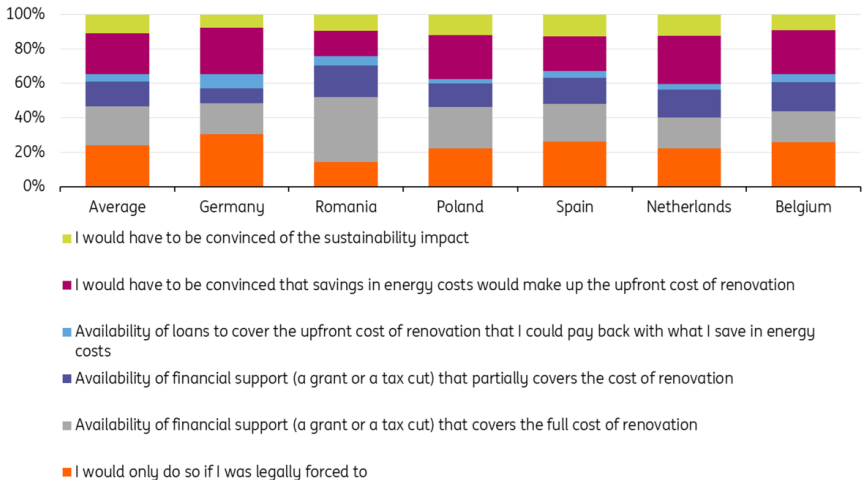
Asked of homeowners who had not taken measures to improve energy efficiency during past three years. Does not include answer “I had already taken measures with that purpose before”. Source: ING Consumer Research

## If the business case is there, most homeowners would consider renovations

Given this importance of financial considerations, it came as a bit of a surprise to find that 30% of German homeowners who so far had not improved their homes’ energy efficiency couldn’t even be motivated to do so by a convincing business case, but only through coercion. Intense debate around a law that would have mandated the modernisation of heating systems under certain circumstances seems to have left many Germans disillusioned with the topic. In most other countries, homeowners are taking a more pragmatic approach.

## Pragmatism rules – in most places

Would you consider taking measures under certain circumstances? Please choose your minimum requirement for doing so.



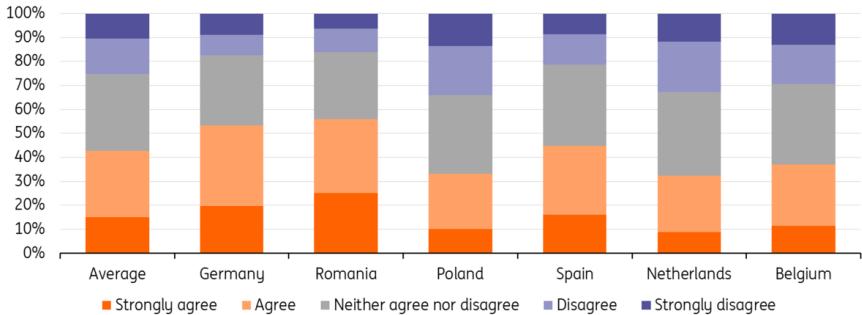
Asked of homeowners who had not taken any measures to improve energy efficiency during past three years. Source: ING Consumer Research

## Majority in favour of regulation

But even in Germany, a majority supports government regulation in order to get renovation activity going. On average, that is the case across our survey. But that majority isn't exactly overwhelming – so even though there is support for the stick, governments across Europe shouldn't forget to bring the carrot if they want homeowners to buy into the necessary modernisation of the building stock.

## Many agree that renovations should be legally mandated

To what extent do you agree or disagree with the following statement? Government should mandate home renovations for energy efficiency



Source: ING Consumer Research

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