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1. European Semester Spring Package

On May 23 the European Commission published the European Semester Spring Package which includes country-specific recommendations setting out its economic policy guidance for Member States for the next twelve to eighteen months. The European Semester is an annual process that provides a framework for the coordination of economic policies across the European Union. Economic growth in the next two years is expected to slow slightly, but remain robust. The recommendations are based on the analysis provided in the country reports published in the earlier Spring Economic Forecast and national reform programmes. In particular the Commission calls on Member States to pursue structural reforms that improve the business environment and conditions for investment, including service market reforms.

There remain macroeconomic imbalances to be corrected. In a growing number of Member States challenges linked to strong house price increases require close monitoring. Preventing booms and busts in the housing market increases the resilience of economies to potential shocks. Ireland, the United Kingdom, the Netherlands and Sweden are recommended to reduce bottlenecks to housing supply. The recommendations also include recommendations on regulatory reform, notably in services, addressed to Austria, Belgium, Croatia, Germany, Italy, France, Hungary, Luxembourg and Slovenia.

The level of detail in the recommendations addressed to a country depends on its specific economic situation. Some of the most relevant recommendations for the real estate sector include:

- Belgium: Reduce the regulatory and administrative burden to incentivize entrepreneurship and increase competition in services, particularly retail, construction and professional services. Tackle the growing mobility challenges, in particular through investment in new or existing transport infrastructure and reinforcing incentives to use collective and low emission transport.
- Germany: Strengthen competition in business services and regulated professions.
- Italy: Address restrictions to competition, including in services, also through a new annual competition law.
- Luxembourg: Further reduce regulatory restrictions in the business services sector.
- Hungary: Strengthen competition, regulatory stability and transparency in the services sector, notably in retail.
- The Netherlands: Take measures to reduce the debt bias for households and the remaining distortions in the housing market, in particular by supporting the development of the private rental sector.
- Austria: Support productivity growth by stimulating digitalization of business and company growth and by reducing regulatory barriers in the service sector.
- United Kingdom: Boost housing supply, particularly in areas of highest demand, including through additional reforms to the planning system.

The next step will be for EU ministers to discuss the country-specific recommendations before EU heads of state and governments are asked to endorse them. Member States will then be expected to implement the recommendations in their national economic and budgetary policies in 2018-2019.

2. Proportionality Test for New National Regulations for Professions

The European Parliament approved the proposal for a Directive on a proportionality test before adoption of new regulation of professions on 14 June 2018. Some professions, including doctors, nurses and architects, are regulated at EU level by harmonised rules on professional services. Others, including real estate professionals, are not and the regulation of their professional services remains a competence of the Member States. The Member States are free to set their own requirements provided that the principles of proportionality and non-discrimination are respected.

According to the Professional Qualifications Directive, Member States are already required to assess the proportionality of their requirements restricting access to, or exercise of, regulated professions, and inform the Commission of the results. However, concern about uneven application of the rules and lack of transparency led to the proposal from the Commission, as part of the Services Package, for a directive creating a legal framework for conducting proportionality assessments for new, or revised, legislation on the regulated professions. The main aim is to facilitate free movement of professionals and to avoid the introduction of unjustified and disproportionate rules hindering access to professions.

A number of amendments were made to the Commission proposal by both the European Parliament and the Council of the EU, with the Parliament wanting to address issues including unnecessary national requirements and the Council wanting to enhance the competence of Member States to regulate professions. On 20 March 2018 agreement was reached on a compromise text which was endorsed in the Council on 11 April and then put to the Parliament for a final vote.

Addressing a plenary session of the Parliament in a debate preceding the vote rapporteur Andreas Schwab (DE, EPP) said: "50 million people in the EU work in regulated professions. That is the equivalent of 22% of the European labour force. The new directive will make sure that they are no longer hindered from exercising their profession in another Member State because of unproportionate professional regulation". Commissioner for the Internal Market Elżbieta Bieńkowska also stressed that the goal is to improve the quality of regulation of professional services. She also promised that the Commission will continue to look into the implementation of the rules.

The Directive was approved by 519 votes to 112, with eight abstentions. Once approved by the Council and published in the EU Official Journal, Member States will have two years to transpose the Directive into national law.

3. Agreement on Renewable Energy Directive

A political agreement was reached on 14 June on a second proposal in the Clean Energy Package, the Renewable Energy Directive. The first proposal to be agreed was the Energy Performance of Buildings Directive, which was adopted on 14 May by the Council of the EU.

The revised text of the Renewable Energy Directive:

- Sets a new, binding, renewable energy target for the EU for 2030 of 32%, including a review clause by 2023 for an upward revision of the EU level target.
- Improves the design and stability of support schemes for renewables.
- Delivers real streamlining and reduction of administrative procedures.
- Establishes a clear and stable regulatory framework on self-consumption.
- Increases the level of ambition for the transport and heating/cooling sectors.
- Improves the sustainability of the use of bioenergy.

There are also new rights for communities, cooperatives and individuals to produce, consume, store and sell their own renewable energy, without facing excessive charges or administrative barriers. Some countries (for example Denmark and Greece) have already put in place favourable policies for energy communities and self-sufficiency.

The text of the Directive still needs to be formally approved by the European Parliament and the Council of the EU. Negotiations continue on other proposals contained in the Clean Energy Package, including the revision of the Energy Efficiency Directive.

4. Individual Building Renovation Roadmaps

The EU-funded project iBRoad aims to eliminate barriers to deep renovation (realising the full energy efficiency potential of improvements) by developing an Individual Building Renovation Roadmap for single-family houses. The tool provides a customised renovation plan over a long-term period (10-20 years), which considers the occupants' needs and specific situations (e.g. age, financial situation, composition and expected evolution of the household, etc.) and avoids the risk of 'locking-out' future renovation solutions due to a lack of foresight.

The concept will be tested in three countries; Bulgaria, Poland and Portugal. A survey has been carried out of the markets for such a roadmap in those countries, and a report “Understanding Potential User Needs” published. A total of 1502 individuals from Bulgaria, Poland and Portugal took part in the survey and 86% – 94% of respondents describe energy efficiency as an important aspect when buying a house. Comfort and energy reduction are described as important reasons to renovate. Only 17-18% of the respondents in Bulgaria and Poland would use the Energy Performance Certificate (EPC) for advice on renovation measures, as compared to Portugal, where the figure increases to 47%.

The conclusion of the report is that, despite energy efficiency being considered an important aspect when buying or renovating a house, reliable and easy-to-use resources for information and guidance are still missing. The project will look further into the development of user-friendly and reliable tools to advise on the right steps to follow when performing energy renovations, in the form of building renovation roadmaps.

Useful links

www.cepi.eu

European Semester Spring Package

http://europa.eu/rapid/press-release_IP-18-3845_en.htm

Directive on a proportionality test for new national regulations for professions (text approved by the European Parliament)

<http://www.europarl.europa.eu/sides/getDoc.do?type=AMD&format=PDF&reference=A8-0395/2017&secondRef=044-044&language=EN>

Agreement on the Renewable Energy Directive

http://europa.eu/rapid/press-release_STATEMENT-18-4155_en.htm

Understanding Potential User Needs

<https://ibroad-project.eu/results/reports/>