FACTSHEET SLOVENIA

Renovation strategy – addressing the barriers to deep renovation

The second renovation strategy for Slovenia, due in April 2017, is an opportunity to overcome barriers and to boost deep renovation of the existing building stock. Involving local and regional authorities is vital to ensure that the barriers to renovation are well addressed. Without this, barriers will remain and investments in building renovation will not be sufficient to stimulate deep renovation and reap its multiple benefits: reducing greenhouse gases, cutting energy bills, creating jobs, addressing energy poverty, enhancing the quality of dwellings and increasing the comfort for occupants.

This factsheet draws on research and interviews with national experts to assess the barriers that must be addressed by the forthcoming strategy.

Context

Slovenia has two million inhabitants and about 863,870 dwellings. Residential buildings represent 81.7% of the total floor area of buildings. The Slovenian building stock is very old, with nearly 70% built before 1979.

Figure 1: Residential buildings according to construction date (2014)
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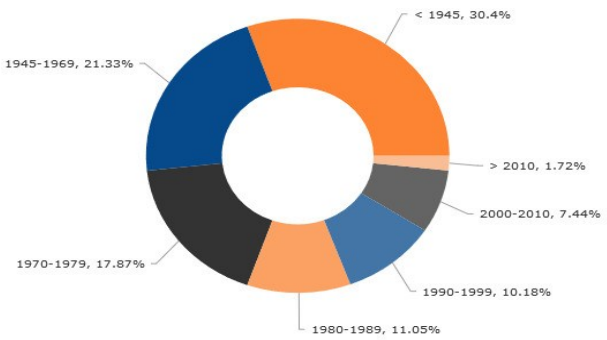

According to the European Commission's Joint Research Centre's assessment, Slovenia's first renovation strategy provided a detailed description of the building stock and analysis of the barriers to investment in energy efficiency improvements, with a description of a package of supporting measures. More packages of measures should be clearly reported and a scenario analysis up to 2050 should be provided in the second strategy. [1]

Barriers to deep renovation

The most relevant barriers to deep renovation are:

Short-term perspective: Priority is given to quick rates of return, thus favouring partial rather than complete deep renovation projects. The short-sighted perspective hampers long-term investments and underlines the need for an effective long-term renovation strategy that guides the market through a forward-looking perspective.

Complex financial schemes: Favouring large investments and do not encourage investments in smaller public buildings.

Rigid legal rules: Such as public accounting rules, hinder innovative financing tools, such as Energy Performance Contracting and ESCOs, to effectively enter the market.

Administrative processes: The processes to renovate buildings in Slovenia is - according to stakeholders - too complex and time-consuming, discouraging investments in deep energy renovation of buildings.

Lock-in effects: Public authorities generally only have available funds for smaller investments, which often are necessary. However, partial renovations lower the potential for future deep renovation. By implementing such investment, the financial potential for deep renovation diminishes.

[1] European Commission's Joint Research Centre (2016) Synthesis Report on the assessment of Member States' building renovation strategies

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KSSENA

http://www.kssena.si

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Breakdown of barriers and potential measures to overcome specific barriers

Type of barrier	Importance
Access to finance	
Payback expectation	
Split incentives	
Complexity and hassle	
Price signals	
Information	
Institutional and legal framework	
Skills in the supply chain	
High transaction cost	

Ranking of barriers by importance, based on EmBuild questionnaire findings

	BARRIERS	Potential MEASURES
COMMUNICATION	**Lack of competent advice:** on measures and steps to renovation. **Lack of awareness:** among customers/ investors of the wide range of benefits deep renovation entails. **No pilot sites:** There are no visible examples of proven deep energy renovation projects.	**Communication campaign:** to shed light on the benefits of deep renovation, led by the central Government and supported at local level. **One-stop-shops:** for effective advice on the renovation process. **Promote demonstration projects:** to exemplify the benefits and viability of highly performing buildings.
QUALITY	**Quality of data:** Lack of information and of reliable sources of data to estimate savings. **Lack of skills in the supply chain:** lowering quality and increasing skepticism.	**Provide tailored advice:** to building owners and investors on deep renovation (for example through building renovation passports).
LEGISLATIVE/ REGULATORY	**Uncertainty:** on what the regulatory framework will look like in a couple of years. **Ownership structures:** in multi-family buildings imply that all occupants must agree to implement measures. **Legislation:** such as public accounting rules, hinder Energy Performance Contracting and other innovative financial instruments.	**Introduce energy performance requirements/targets:** for the renovation of public buildings. **Revise the legislation:** saying that all tenants must agree on renovation measures. **Ensure a transparent renovation process:** with guarantees for the tenants. **Phase-out:** the worst energy performing buildings.
FINANCIAL	**Limited borrowing capacity:** available for the public sector. **Public procurement:** processes are in general too complex and time-consuming. **Lack of access to financing:** in both public and private sector. **Priority given to quick rates of return:** thus, favouring partial rather than complete deep renovation projects. **Complex financial schemes:** favouring large investments and not supporting smaller public buildings.	**Stimulation of the market for Energy Performance Contracting:** and ESCOs – such as providing guidance documents, sample procurement and contract documents, and encouraging the public sector to lead by example. **Public procurement processes:** that focus on additional variables rather than the lowest price. **Pilots projects:** for specific building types (for example, courts and buildings with cultural heritage). **Use EU structural and cohesion funds:** to leverage public and private investments in deep renovation.

EmBuild supports public authorities in Southeast European countries to prepare a long-term strategy for mobilising investment in the energy efficient renovation of the building stock. A more detailed report on the barriers to deep renovation will be published later in 2017 at ***http://www.embuild.eu/***