



Ministry of the Interior and  
Kingdom Relations

IMPROVE  
SUSTAINABLE  
INSULATION  
CLIMATE  
**SUSTAINABILITY  
MEASURES  
IN THE BUILT  
ENVIRONMENT  
ACCELERATION  
PROGRAMME**  
INSULATION  
IMPROVE  
ENERGY  
SAVING

Housing and Spatial Planning



# Contents

<b>1</b>	<b>Introduction</b>	<b>5</b>
<b>2</b>	<b>Analysis</b>	<b>13</b>
<b>3</b>	<b>Objectives</b>	<b>19</b>
<b>4</b>	<b>What will we do?</b>	<b>23</b>
<b>5</b>	<b>Control</b>	<b>51</b>
<b>6</b>	<b>Monitoring: policy theory and target range</b>	<b>53</b>
<b>7</b>	<b>Finances</b>	<b>54</b>
<b>8</b>	<b>Legislative agenda</b>	<b>55</b>
	<b>Annex: facts and figures</b>	<b>59</b>







# 1 Introduction

## 1.1 Sustainable living will become the new standard

By 2030, our homes, schools, shops and offices will be far better insulated, central heating boilers will no longer be the standard means of heating our homes and electric cooking will have replaced gas stoves almost everywhere. Solar panels will allow us to generate more energy ourselves and sustainable sources such as green gas, geothermal and aquathermal energy will be widely used to meet our remaining energy and heating needs. Industrialized, circular construction in which biodiversity is integrated will be the norm. Our living environment will be cleaner, our houses will be more comfortable, our energy consumption will be lower and our geopolitical dependence on fossil energy will be greatly reduced.

### **Accelerating the pace of sustainability measures in the built environment is urgently needed**

To achieve this we will significantly accelerate the pace of sustainability measures in the built environment. That is essential, particularly in the light of the IPCC's latest reports, which show that it is becoming increasingly difficult to limit global warming to 1.5°C above pre-industrial levels, and that even holding warming to 1.5°C will have major consequences for future generations.<sup>1</sup> It is equally urgent for Western Europe to rapidly reduce its dependence on natural gas, both to significantly reduce our geopolitical dependence and to provide protection against rising fossil fuel prices. Currently, more than 90% of homes in the built environment are heated with natural gas or some other type of fossil energy. We therefore need to consume far less energy and replace fossil energy sources with sustainable alternatives.

### **We will employ a mix of instruments and make optimum use of natural points in time**

This programme sets out how we intend to accelerate the pace of sustainability measures. At its core lies a commitment by us to a mix of measures in relation to standardization, pricing, financing, subsidies and support aimed at bringing a sustainable home within reach of everyone. We will actively encourage making optimum use of natural points in time to increase sustainability, such as when it comes to replacing a central heating boiler, undertaking major home renovation and buying a new home. At the same time, collective measures will be undertaken, under the direction and supervision of local authorities, to make neighbourhoods more sustainable. This can be achieved through a step-by-step approach with insulation and hybrid heat pumps, through residents' associations, but also with a collective switch to an alternative energy supply, such as a district heating grid. In that way, sustainable living will become the new standard.

### **Sustainability measures require investment, but it is an investment that pays off**

Making a building more sustainable requires investment, but it is an investment that pays off, from both a social and an individual perspective. The current high energy prices mean that many investments will be recouped well within the lifetime of the investment. And in many cases, the monthly savings on energy bills will exceed the monthly financing costs of the investment. As that is not always the case at this moment, however, we also need to accelerate the pace of sustainability measures. For that reason we are supporting individual homeowners, owners' associations, social housing and private-sector landlords and owners of non-residential buildings with greater investment opportunities and by providing attractive financing and subsidies.

---

<sup>1</sup> IPCC Working Group III report. Climate Change 2022: Mitigation of climate change. <https://www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/>

### **We will ensure that everyone can do their part**

Despite the large number of sustainability measures that are taken each year, not everyone has the opportunity yet to do their part. This applies especially to lower and middle income groups. We will therefore further improve the conditions for them to do their part, by lowering the threshold for financing, for example by introducing a zero interest rate. We will also make subsidies more accessible and we will ramp up our commitment to making life easier for people in terms of choosing and implementing measures. In addition, we will take steps to ensure the benefits and burdens are shared fairly amongst each other. People who are able to invest and finance using their own resources will be expected to make a larger contribution than people with hardly any or no funds and financing capacity of their own.

Special attention will be given to the latter group by providing access to financing through the National Heating Fund on the basis of their financial capacity and without any residual debt risk.

### **We will develop customized support, available to everyone**

For most building owners sustainability is a complex and unfamiliar topic. The entire process remains littered with obstacles: lack of information on which sustainability measures make sense from a technical point of view, lack of clarity regarding the expected savings on energy bills, occasionally conflicting advice and quotations that are so disparate they cannot be compared, the search to find a reliable supplier, etc. We will therefore take steps to improve the quality and provision of information further, so that everyone can use [verbeterjehuis.nl](https://verbeterjehuis.nl) to make their own sustainability plan in just a few steps and also easily find financing, subsidies and suppliers through the platform. The municipal or regional energy information shop can also use the platform to provide information and support with regard to sustainability measures, including for people with low digital proficiency. We will also encourage the development of a high-quality and nationwide customized, complete service package market offering. Each package will take care of the entire process, from initial orientation to the actual implementation of sustainability measures. Local authorities and landlords will be encouraged to team up with market parties with the know-how and capacity to do this as part of the National Insulation Programme. The aim is to ensure that a complete service package of this nature will be available to anyone wanting it.

### **We will accelerate the pace of sustainability measures in partnership with a broad coalition**

We will partner with local and regional authorities, associations, grid operators, energy companies, the financial sector, the design, construction and engineering sector and numerous other businesses, institutions and civil society organizations, each on the basis of individual areas of responsibility, in helping people to make their homes or buildings more sustainable. We will do so together, in a national programme aimed at supporting municipalities in the local heating transition, in the National Insulation Programme aimed at phasing out the least energy-efficient energy labels, in the hybrid heat pumps acceleration programme aimed at replacing central heating boilers with sustainable alternatives, in the portfolio approach for the non-residential building sector and as part of a broad coalition focused on energy savings and implementing energy-saving measures. Together we will make the transition. And, at the Climate Top on the Built Environment, together we will keep track of how things are progressing and make any necessary adjustments.

### **Target of cutting CO<sub>2</sub> emissions by 55% will require a sharp reduction in gas consumption**

Stringent environmental requirements for new buildings and measures to make existing buildings more sustainable have resulted in a reduction of CO<sub>2</sub> emissions in the built environment, from 29.1 Mt in 1990 to 22.6 Mt in 2021. This is despite a sharp increase in the number of homes in recent decades. That equals a reduction of approximately 22%. The coalition agreement sets out a goal across all sectors of a reduction in carbon emissions of at least 55% compared to 1990 levels and an agreement to focus policy on a reduction in carbon emissions amounting to approximately 60%. The pace of sustainability measures in the built environment therefore needs to be accelerated in the coming decade.

That this is possible is shown in the sustainability plans that municipalities have for more than 1.5 million homes and other buildings. Furthermore, landlords have the funds available for investment in acceleration projects thanks to the scrapping of the landlord levy, and market parties are ready to ramp up plans for insulation and the installation of hybrid water pumps. Overall, the effect will be a significant reduction in gas consumption in the built environment.



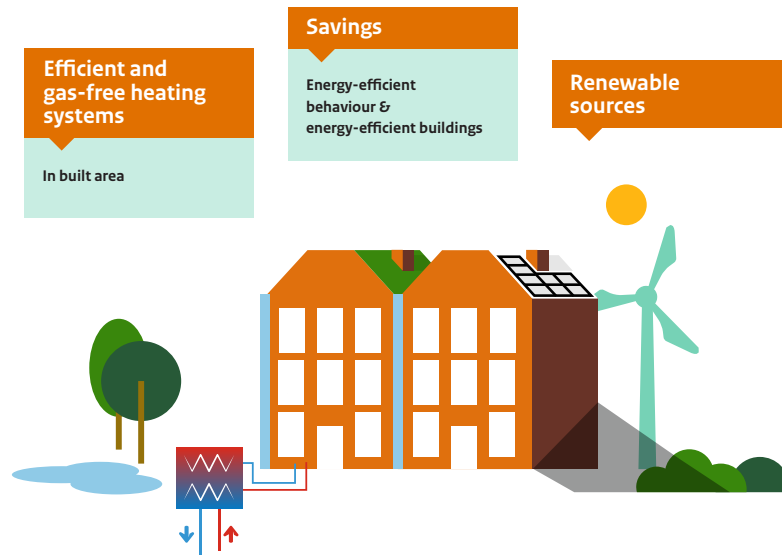
## 1.2 Approach focuses priority on energy savings

Priority is placed on saving energy, since there is no need to generate, transport or pay for energy that is saved. The latter has now gained additional importance due to high gas prices. Awareness of energy consumption, changes in behaviour and the application of simple energy-saving measures are therefore a key component of the approach, since they enable substantial gas savings to be achieved in the short term. The broad coalition for energy savings and energy-saving measures will assist in that regard.

Achieving the goals for 2030 will require a combination of behavioural change, insulation measures and more efficient installations and systems. Together, these measures will achieve a structural reduction in energy consumption and CO<sub>2</sub> emissions and provide people with more comfortable homes and lower energy bills. We will ensure that sustainable energy sources are available to meet our remaining energy needs. We will also develop technologies that will not achieve a reduction effect until after 2030, so that we are also ready for the next phase of the transition. We aim to limit as far as possible the environmental impact of the sustainability activities themselves. For that reason, we are actively promoting the use of natural and other materials with low environmental impact, the use of zero-emission vehicles and machines, the digitalization of work processes and the industrialization of sustainability concepts.



Figure 1: Sustainability components in the built environment



### A programme-based approach to facilitate acceleration and scaling up

Transitioning from individual measures to a more collective approach, which will also see us take steps to improve sustainability street by street and neighbourhood by neighbourhood, is not an easy undertaking. It requires the development of a range of provisions that excite people, it relies on municipalities having the necessary implementation capacity, and it calls for knowledge and capabilities to be available among market parties. We are entering a new phase in terms of enhancing the sustainability of the built environment. The lessons from recent years, including those gained in the Natural Gas-free Districts Programme (Programma Aardgasvrije Wijken, 'PAW'), teach us how to develop and scale up a collective approach. We will build on this in the coming years in a national programme aimed at supporting municipalities in the local heating transition. This new phase also calls for a new, programme-based approach.

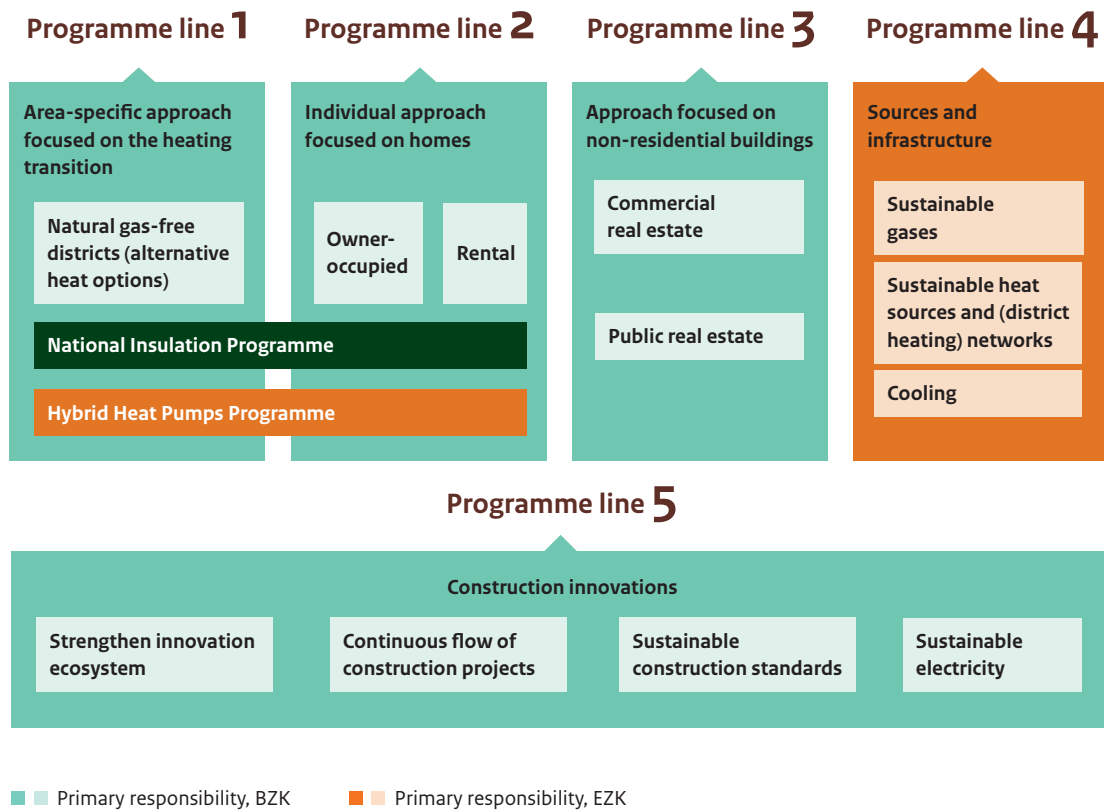
We will work for a sustainable built environment along five programme lines:

1. Area-specific approach focused on the heating transition
2. Individual approach focused on homes
3. Approach focused on non-residential buildings
4. Sources and infrastructure
5. Construction innovations

The National Insulation Programme and encouraging the use of hybrid heat pumps are part of the area-specific approach as well as the individual approach focused on homes.



Figure 2: Sustainability measures in the built environment acceleration programme



### National Housing and Building Agenda and Climate and Energy policy programme

This policy programme is the fourth to be issued in the context of the National Housing and Building Agenda. The National Housing and Building Agenda includes information on the overlapping themes and intersecting topics of the programmes explained.<sup>2</sup> Making the built environment more sustainable can only succeed if a sustainable home is within reach of everyone. For that reason, there is a close relationship between this programme and the affordable housing and housing construction programmes.<sup>3</sup> This programme is also part of the Climate and Energy policy programme, which was submitted at the same time as this programme to the House of Representatives. The sustainability measures in the built environment acceleration policy programme is being developed against the background of the European context: the Green Deal and the *Fit for 55* package.

<sup>2</sup> Parliamentary Papers II 2021/22, 32 847, No. 878.

<sup>3</sup> Parliamentary Papers II 2021/22, 32 847, Nos. 906 and 878.

**BOX: European context | Green Deal and the 'Fit for 55' package**

The climate crisis is a global challenge requiring a joint effort. The war in Ukraine has underscored once again the international nature of the energy market. Reducing our dependence on fossil fuels for heating and cooling is therefore a challenge that, in addition to national policy, also calls for an EU-wide approach.

The EU's climate ambitions are laid down in the EU Climate Law: a net reduction of 55% in greenhouse gas emissions by 2030, setting Europe on a path to becoming climate neutral by 2050. Since summer 2021, the European Commission has sought to realise these ambitions through a set of proposals which together make up the Fit for 55 package. Several of the proposed measures in the package are therefore focused on achieving a reduction of emissions in the built environment. This concerns in particular the following proposals:

- **Introduction of an emission trading system for the built environment**

The European Commission proposes establishing an EU-wide Emission Trading System for Buildings and Road Transport, 'ETS-BRT', along the lines of the existing ETS. Under this system, from 2026 energy suppliers will be required to buy rights, or permits, for CO<sub>2</sub> emissions in these sectors. This introduces an additional price incentive to make buildings more sustainable, as the energy suppliers will pass on the carbon price to energy consumers. To mitigate various effects, the Commission also proposes establishing several funds, including the Social Climate Fund, to provide support for low-income households in implementing sustainability measures in these two sectors, the built environment and road transport. The Commission recommends using the revenues of this system to encourage sustainability measures and tackle energy poverty. The government has yet to make a decision in this regard.

- **Setting more ambitious targets for energy efficiency and renewable energy**

The European Commission proposes creating new obligations on public bodies to set a good example. An example is an order obliging member states to ensure 3% renovations for public buildings annually in accordance with the nZEB performance standard. A further example is the mandatory exemplary role that public bodies must fulfil with regard to the use of renewable energy. This obligation can be met by making roofs of public buildings available to third parties for renewable energy production, for example.

- **Accelerate renovation rates and phase-out of least energy-efficient energy labels**

The revision of the Energy Performance of Buildings Directive (EPBD) aims to accelerate building renovation rates and reduce greenhouse gas emissions in the built environment. The EPBD proposal gives member states scope to phase out fossil fuel boilers and installations in buildings through standardization. The Commission proposes an obligation on member states to use their best endeavours to phase out fossil fuels entirely for heating and cooling buildings by 2040. For existing buildings, the Commission proposes minimum energy performance requirements and a harmonization of energy labelling rules. With regard to non-residential and public buildings, it is proposed that it be made mandatory to implement sustainability measures in the 15% worst performing buildings by 2027 and that steps be taken to improve the sustainability of a further part of the building stock with the lowest energy performance standards by 2030. In the case of homes, steps must be taken to ensure that sustainability improvements are made to the 15% worst performing homes by 2030, followed by a further part of the housing stock by 2033. The Commission proposes that all new buildings must be zero-emission as of 2030, including requirements for ventilation, fire safety, accessibility and circular material use.



- **Revision of Energy Taxation Directive (ETD)**

Finally, the Fit for 55 package includes a proposal to adapt energy taxation (ETD), which sets out the framework for the revision of Dutch energy taxation. Among its provisions are a proposal that the taxation on electricity may not be higher than the taxation on natural gas. Adjusting the balance of taxation between different energy types can prove an incentive in switching from gas to electricity.

The negotiations on the Fit for 55 package are ongoing. The European Parliament and the European Council are expected to make a final decision on the various parts of the package in the course of 2023. It is possible that certain elements will be scrapped or redefined. At the same time, it is clear that the package overall must still amount to a net reduction of 55% in greenhouse gas emissions by 2030. As a result, it is not possible to reject any proposals without putting forward a realistic alternative in their place. For that reason, the main elements of the package have been taken as a guide for establishing sustainability measures in the built environment acceleration programme. Once a final decision has been made on the measures in the Fit for 55 package, the EU directives that are adopted will be implemented in national laws and regulations and a review will be undertaken of national climate policy on the basis of the anticipated impact on CO<sub>2</sub> emissions and affordability for households. This may give rise to an adjustment of the programme.







## 2 Analysis

### 2.1 A significant and complex challenge

The transition task in the built environment presents a significant challenge, both in terms of the numbers of homes and buildings and in the required approach. The combination of a building and its users is unique in every situation. That is reflected not only in the size of the challenge, but also in its extreme complexity.

There are approximately 4.4 million owner-occupied homes in the Netherlands, accounting for roughly 60% of the total housing stock. Approximately 750,000 of them are apartments occupied by members of an Owners' Association (Vereniging van Eigenaren, 'VvE'). Almost 90% of owner-occupied homes now have double glazing, 80% have wall and roof insulation, and 70% have floor insulation. Substantial measures to improve sustainability have therefore already been taken; in spite of this, roughly 900,000 owner-occupied homes have a low energy rating of E, F or G. Rental properties account for the remaining 40% of the housing stock. The majority of them are housing association homes (2.3 million), with the remainder being homes let by private-sector landlords (1.1 million properties). Approximately 580,000 rented properties currently have a low energy rating of E, F or G.

The approximately 1 million non-residential buildings use roughly one third of the energy in the built environment. Industrial and commercial premises, offices, shops and educational institutions form the largest categories. The energy-savings obligation requires many businesses and institutions to implement all the energy-saving measures with a payback period of five years or less. The measures concerned include building-related measures, such as cavity wall insulation, energy-efficient installations and systems and daylight control systems. A quarter of the floor area (more than 100 million square metres) of non-residential buildings is public real estate: central government and local and regional authority buildings, educational facilities, sports facilities, care facilities and listed/historic buildings.

Figure 3: Owner-occupied and rented homes | In the Netherlands, there are approximately 1.5 million homes with an energy rating of E, F or G.

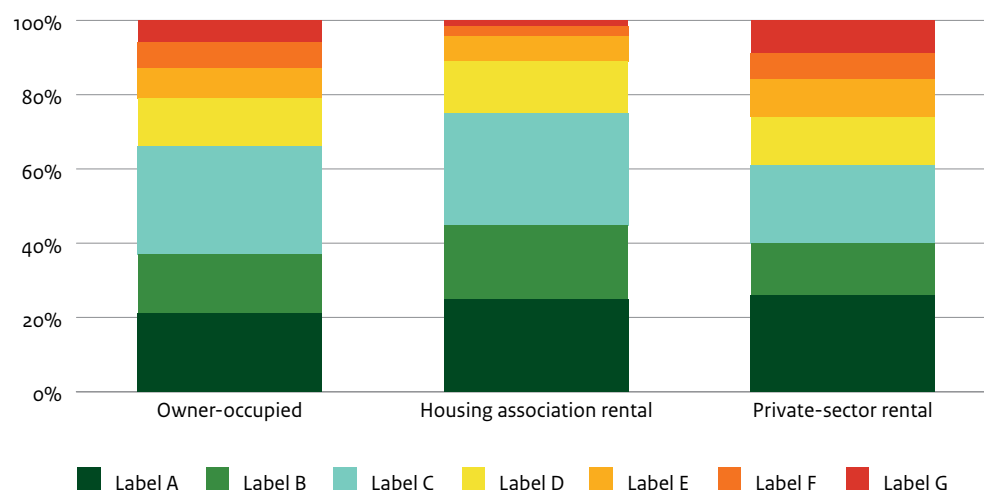
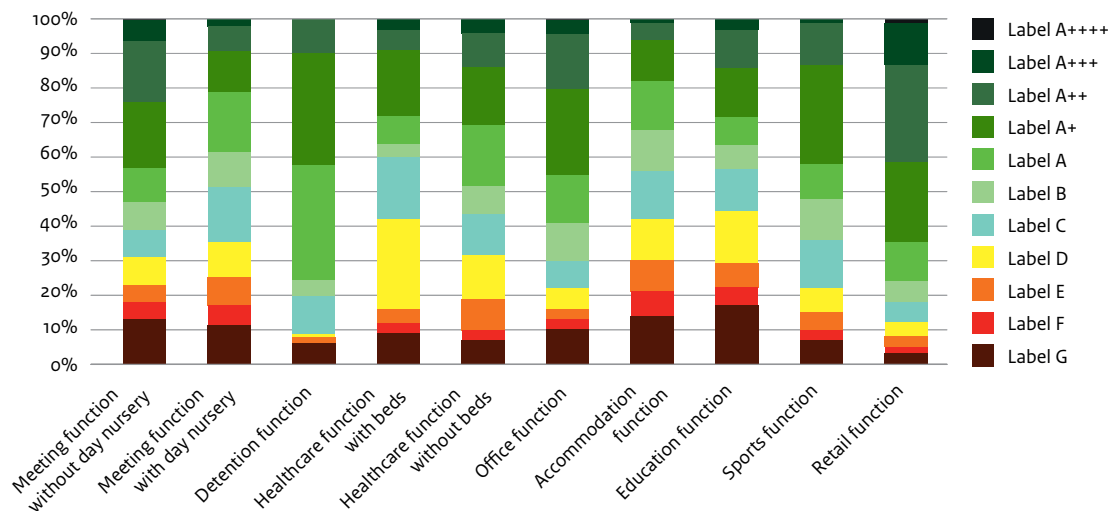


Figure 4: Estimated energy rating distribution across floor space in non-residential buildings, including public real estate

Note: Of the 1 million non-residential buildings, 18% have an energy rating, of which 16% is a rating of E, F or G.



## 2.2 Causes of the low pace of sustainability measures

*There remains a lack of clarity regarding the perspective for action*

Residents, users, civil-society organizations and businesses need clarity. The current lack of clarity among many residents and building owners gives rise to uncertainty about what targets need to be met, and when, which steps need to be taken, what they are being asked to do and what they can base their investment decisions on. Uncertainty also about what action should be taken, the alternatives to natural gas, about affordability and whether government plans will actually be carried out.<sup>4</sup> It is important to remove those uncertainties as far as possible by providing clear information about what people can do, including the frameworks and standards. That clarity also forms the basis for a continuous and predictable flow of construction projects on which builders can base their investment decisions.

### Existing properties: gaps remain in knowledge about residents and provisions to unburden them

This task calls for targeted measures that take account of the different social environments and experiences of the users of the built environment. When are people able and willing to act? Firstly, this requires more knowledge about the households themselves, specifically in relation to each sustainability phase and each target group. Secondly, it is important that people know where they stand and are properly informed. That requires clear, validated and accessible information. While much of this information is already available, sustained commitment is needed to make it accessible and to actively draw attention to it. Many homeowners evidently often find the practical steps to implement sustainability measures too extensive and complex, sometimes even to the extent that homeowners simply give up half way through the process of making their homes more sustainable.<sup>5</sup> Finally, full-service provisions are needed to unburden homeowners and remove barriers to execution. These are offered by 'one-stop-shop' providers, for example, who make a plan to improve the sustainability of the property, arrange

<sup>4</sup> Research by Motivaction on behalf of Milieu Centraal, February 2022 [Half of all homeowners do not know what a hybrid heat pump is](#) | Milieu Centraal.

<sup>5</sup> See, for example, the report titled 'Vergróten van investeringsbereidheid van particulieren in aardgasvrij(ready)' (Increasing the willingness of individuals to invest in gas-free (or gas-free-ready)), prepared on behalf of the Ministry of the Interior and Kingdom Relations, the Association of Netherlands Municipalities (VNG) and 20 first-generation test beds, September 2021.

financing and subsidies and coordinate the execution of the sustainability measures with the contractors, and in consultation with the residents.

- *We address these matters in programme lines 1 and 2, on the area-specific approach and individual approach, respectively.*

Owners of commercial and public real estate also need clarity in terms of the long-term objectives, so that they can make suitable preparations in that regard also in their operations, renovation and maintenance plans. In this context, special attention should be given to smaller businesses in the SME sector and owners of public real estate. Often, they are insufficiently aware of the possibilities that are available. They also lack sufficient capacity to actively implement sustainability measures, they have insufficient understanding of the benefits to be gained and they do not know whether and how to arrange financing.

- *We address these matters in programme line 3, on non-residential buildings.*

### **New buildings: uncertainty about future requirements among clients and contractors**

Future new building standards are largely drawn up at the EU level. Clients and contractors still have insufficient insight into what these new standards will be and what requirements that will place on them.<sup>6</sup> In the medium term, the EU is targeting 'zero-emission' buildings, in the use phase, by means of the Fit for 55 proposals, starting with new public buildings as of 1 January 2027, to be followed by all new buildings constructed within the EU from 1 January 2030. In the case of new buildings, the CO<sub>2</sub> emissions linked to the construction process and use of materials are also becoming increasingly important. The related data will be established by means of a mandatory Whole Life Carbon CO<sub>2</sub> calculation, so that requirements can be derived from the accompanying analysis.

### **Local authority plans: what will be the alternative method for heating in the neighbourhood?**

Local authorities provide clarity in the first instance through the transition visions for heat established in the Climate Agreement. Not all these plans are currently specified in consistent detail. Local authorities will translate the plans into concrete implementation plans and environment plans in the coming period. This certainty, in terms of concrete detail, is needed for home and building owners. Depending on what type of heat supply is chosen for their neighbourhood, and what steps will be taken in the years ahead, they can decide which sustainability measures it is wise for them to take. At present, local authorities face a lack of clarity regarding their statutory powers. No specific powers exist at present allowing them to designate a particular area where gas can no longer be supplied.

- *These matters are addressed in programme line 1, the area-specific approach focused on the heating transition.*

### **An affordable range of options is not yet available to everyone**

#### **Homeowners: not everyone is able as yet to do their part**

Many homeowners are already able to pay for or finance the necessary sustainability measures. A survey by DNB shows that 80-85% have the financial means to make their home gas-free.<sup>7</sup> That is positive news. The downside is that 15-20% of households are unable as yet to do their part, and they demand our attention. A relatively large proportion of this group of homeowners falls in the low income category, whether or not combined with a home with a low energy-efficient energy label.

---

<sup>6</sup> The current standards have applied since early 2021 and are tightened at regular intervals. The results of a cost optimization study to be carried out at the end of this year will provide a basis for a decision on whether the new building requirements need to be tightened.

<sup>7</sup> This survey does not yet include possibilities provided by the Heating Fund and consumer credit. If they are included, then a larger proportion (roughly 90%) have – or can access – the necessary financial means.

Financing possibilities for this group within the area-specific approach already exist through the National Heating Fund. That is not the case however for individual homeowners in this group who also wish to adopt sustainability measures.

> *This matter is addressed in programme line 2, Individual approach focused on homes*

### **Owners' Association: complex financing and decision-making**

Another group demanding attention are owners of homes managed by an Owners' Association (Vereniging van Eigenaren, 'VvE'). Approximately 1.2 million homes are part of an Owners' Association, where it is not the individual owner, but the Owners' Association that organises and bears the costs of measures to enhance the sustainability of the entire building by majority vote. The Owners' Association's core task is to provide for the maintenance of the building. Increasingly, major maintenance is combined with sustainability measures (e.g. under a sustainable long-term maintenance plan). In practice, however, many Owners' Associations are evidently not yet prepared or equipped for this task. In many cases, for example, insufficient funds have been saved in the Owners' Association to make the alterations, even though the individual residents may have the funds needed. In addition, Owners' Associations often have difficulty getting the various owners to all agree on a supported sustainability plan. There are limited standard financing possibilities in the market for Owners' Associations. This fact prompted the National Heating Fund to start providing financing for Owners' Associations in 2015, although further expansion of the possibilities is needed.

> *This matter also is addressed in programme line 2, Individual approach focused on homes*

### **Rental sector: 'split incentive' inhibits moves to combat energy poverty**

Most people on low incomes live in rented accommodation. The majority of people experiencing energy poverty – 87% – also live in rented accommodation (in 75% of cases in social rented housing).<sup>8</sup> Rising energy prices have made the issue of energy poverty all the more urgent. Making these homes more sustainable helps to reduce energy poverty and as a measure therefore has a dual-use effect.

Affordability in the rental sector comes with a major challenge: landlords make the investments and the benefits are enjoyed by the tenants. As a result, it is not always attractive or possible for landlords to invest in sustainability measures, as in many cases the related costs cannot be recovered from tenants through increased rents (what is known as the 'split incentive'). Investments in public real estate are also not always possible to pass on in the cost price or in rents.

> *This topic is addressed in programme line 2, Individual approach focused on homes, under rent, and in programme line 3, Approach focused on non-residential buildings.*

### **Heating infrastructure and sustainable sources: pace is being slowed by excess project costs**

Collective heating supplied through district heating grids with a sustainable source is an essential part of this policy programme. Simply delivering that is not sufficient to meet the objectives, however. Furthermore, the development of district heating grids is a complex and time-consuming undertaking. Additional factors to be taken into consideration are the absence of a clear regulatory framework as well as excess project costs in many cases due to the high investment costs for district heating grids combined with financial uncertainties around operational aspects and uncertainty regarding the availability of renewable sources<sup>9</sup>. To resolve these obstacles, work is underway on a new Heating Supply Act (Warmtewet) and a new funding instrument that should partly eliminate excess project costs, and the SDE++ subsidy scheme will be reviewed. Innovative heating technologies for the built environment, such as geothermal and aquathermal energy, are relatively expensive and are therefore insufficiently addressed in the SDE++ scheme at this moment. This also applies to the production of green gas, causing the upscaling of production to be inhibited for this technology as well. In addition, facilitating policy is

<sup>8</sup> TNO 2021: De feiten over energiearmoede (The facts about energy poverty).

<sup>9</sup> In particular the connection risk and loading risk and tariff developments.



needed for sustainable heat sources to achieve further upscaling and cost reductions. Measures of this kind contribute to realising the vision of the heating system, its development and the heat source strategy.

> *These obstacles are addressed in programme line 4, sources and infrastructure.*

### *Inadequate implementation capacity is an ongoing issue for municipalities and the market*

#### **Construction and engineering: shortage of workers**

It will be a major test to ensure that the plans, including in relation to the significant housing construction and infrastructural challenges, are implemented. At present, there is a shortage of approximately 46,000 workers in the professions relevant for the energy transition in the built environment. The shortage is particularly acute in the installation sector and poses a risk to meeting the major sustainability challenges that face us. The transition challenges also include improving the sustainability, in a broad sense, of the construction sector itself. The sector is currently responsible for large quantities of emissions, including through use of materials and transport movements in the construction process. Many buildings are still being constructed and made more sustainable in a manner that is neither circular nor climate resilient and makes no provision for biodiversity integration.

Strong productivity growth is needed in the construction sector if the accelerated housing construction and sustainability targets are to be met in an affordable manner. The market structure and culture of the construction sector are among the underlying causes for lagging innovation or its weak implementation. Construction represents a volatile economic sector, with a large number of SMEs and self-employed contractors. A construction project also requires many different disciplines and links in the production chain. There is little structural cooperation across the chain and companies often compete on cost rather than environmental quality and other quality indicators. The market for making homes more sustainable is furthermore diverse and fragmented: a homeowner wishing to undertake major sustainability improvements in the home will need help from an array of specialists, including building and insulation contractors, installation contractors and solar panel contractors. Although there is an increasing number of intermediaries and 'one-stop-shop' providers, the market for far-reaching, integrated sustainability is still small.

There is therefore a parallel innovation and sustainability challenge, which is marked by complexity. At the same time, the transition to an industrialized, circular and more digitalized construction process offers opportunities for redesigning products and sub-processes. This should result in increased quality, including environmental quality, as well as lower costs, and hence a more sustainable business model. This justifies a strong commitment to an integrated approach focused on innovative and sustainable construction.

> *These matters are addressed in programme line 5, Construction innovations.*

#### **Municipalities: municipalities are unable to adequately exercise their leading role**

Municipalities have the leading role in the area-specific approach, since this requires close cooperation and coordination between various parties at the local level. For municipalities to fulfil this role they require sufficient implementation capacity. Several large municipalities have plenty of in-house knowledge at their disposal. For other municipalities, however, it remains a challenge to gain sufficient knowledge and expertise to enable them to fully fulfil their leading role and support vulnerable households. In addition, the analysis of implementation costs<sup>10</sup> carried out by the Council for Public Administration (Raad voor het Openbaar Bestuur, 'ROB') showed that municipalities have inadequate funds to fully cover the costs of performing the tasks assigned to municipalities relating to implementation of the Climate Agreement.

> *This matter is addressed in programme line 1, the area-specific approach focused on the heating transition.*

---

<sup>10</sup> AEF-onderzoeksrapport *Uitvoeringskosten Klimaatakkoord* (research report on the costs of implementing the Climate Agreement).





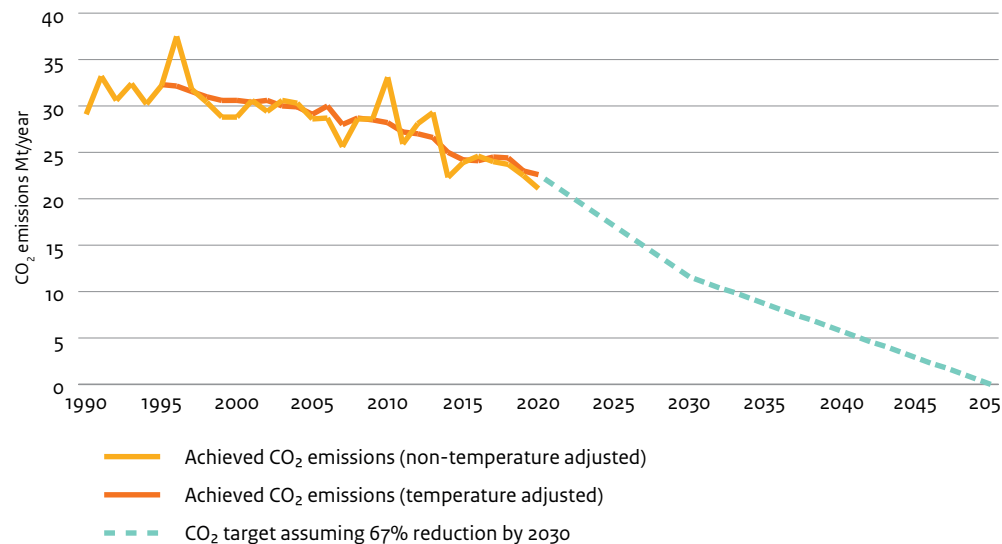


## 3 Objectives

### 3.1 CO<sub>2</sub> reduction target

The built environment must be zero-emission by 2050. The coalition agreement sets out a goal across all sectors of a reduction in carbon emissions of at least 55% by 2030 compared to 1990 levels and an agreement to focus policy on a reduction in carbon emissions amounting to approximately 60%. For the built environment, an *indicative* goal has been set to achieve residual emissions equal to 10 Mt of CO<sub>2</sub> emissions by 2030, representing a reduction of almost 67% compared to 1990 emission levels. The Netherlands Environmental Assessment Agency (Planbureau voor de Leefomgeving, 'PBL') will include a calculation of the measures and instruments under this programme as well as the plans of the other climate sectors in the annual Climate and Energy Outlook after the summer. After this, the precise objective for 2030 will be determined. We will in any event drastically reduce gas consumption (and hence CO<sub>2</sub> emissions) in the period until 2030.

Figure 5: Carbon emissions in the built environment – fulfilment and objective



#### The CO<sub>2</sub> reduction objective in relation to reduced gas consumption

For the built environment, the CO<sub>2</sub> reduction objective equates to a reduction in the consumption of natural gas. This is set out in the Climate Agreement in relation to the distribution across sectors: only the CO<sub>2</sub> emitted during natural gas combustion in buildings is taken into account in the built environment. Energy consumption by heating companies and for electricity generation is taken into account for the industrial and electricity sectors. Electricity generation (by solar panels, for instance) is also taken into account for the electricity sector. For the built environment, a reduction of 12.6 Mt of carbon emissions therefore corresponds to a reduction in gas consumption equivalent to 7 billion m<sup>3</sup>. That is more than half the current consumption level of approximately 12.5 billion m<sup>3</sup> of natural gas (temperature adjusted: 12.6 million m<sup>3</sup> in 2020). In addition to reduced gas consumption, it is also necessary to limit the use of other energy sources, such as heat and electricity. Measures which result in reduced energy demand, such as LED lighting or improved energy efficiency of electrical appliances and devices, including heat pumps, are therefore important.

### 3.2 Objectives for the number of buildings to be made more sustainable and measures to be taken

We have translated the necessary reduction in CO<sub>2</sub> emissions into concrete sub-objectives which we aim to achieve by 2030:

- Insulate 2.5 million homes, with an emphasis on phasing out the least energy-efficient energy labels (E, F, and G):
  - 1.5 million owner-occupied homes
  - 1 million rented homes will be insulated in accordance with the Standard for Home Insulation.
- Phase-out of least energy-efficient energy labels in non-residential buildings<sup>11</sup>:
  - By 2027, implement sustainability measures in the 15% worst performing buildings, energy rating G in accordance with the new energy rating classification system to at least energy label C (60,000 buildings).
  - By 2030, implement sustainability measures in buildings with energy rating F in accordance with the new energy rating classification system<sup>12</sup> to at least energy rating C (60,000 buildings).<sup>13</sup>
- Switch to sustainable systems/installations or a district heating grid:
  - 1 million hybrid heat pumps installed in existing buildings.
  - Provide 500,000 new connections to a district heating grid in existing buildings (in housing equivalents).
- Increased use of sustainable sources: Blend in 1.6 BCM of green gas; this equates to a 2.9 Mt reduction in CO<sub>2</sub> emissions by 2030.

We will make adjustments depending on the progress made in relation to the various measures.

Figure 6: policy objectives

	Owner-occupied	Rental	Non-residential
<b>Insulation</b>	1,500,000 Homes, including 750,000 through local approach	1,000,000 Homes, including approx. 675,000 social rented and 325,000 private-sector rented	120,000 Buildings made more sustainable
<b>Hybride</b>	1,000,000 homes		
<b>District heating networks</b>	500,000 housing equivalents		
<b>Green gas</b>	Blend 1.5 BCM		

<sup>11</sup> The standards will be elaborated in line with the Energy Efficiency Directive (EED) and the Energy Performance of Buildings Directive (EPBD) proposals made by the European Commission in the context of the Fit For 55 initiative.

<sup>12</sup> In the new energy rating classification system proposed by the European Commission, energy rating A corresponds to net-zero emission level and energy rating G corresponds to the 15% worst performing buildings among the buildings in a member state; ratings F to B are classified using equal bandwidths for primary fossil energy consumption.

<sup>13</sup> In accordance with the current energy rating classification system, this corresponds once again to approximately 15% of the floor area.

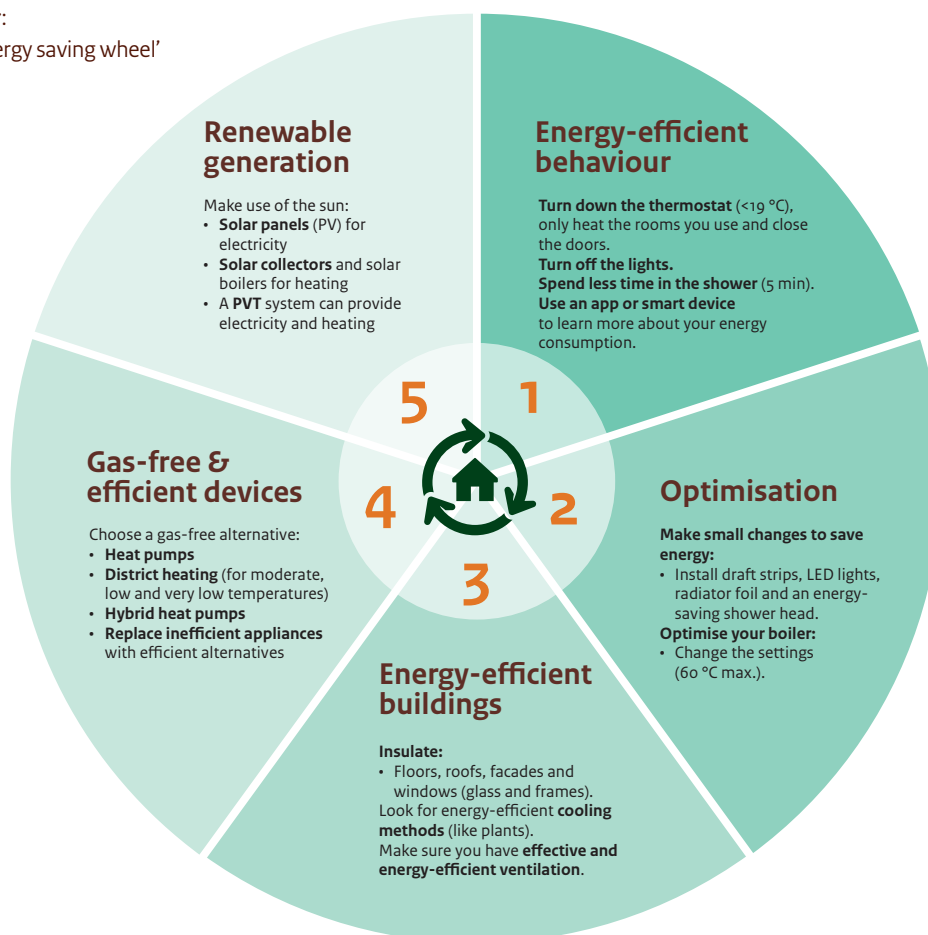


### 3.3 Residents and building owners know what they can do

- Each resident's living situation is unique. Nonetheless, everyone must ultimately take steps to make their home more sustainable. Wishes, possibilities and motives vary and play a role in determining which actions are undertaken. We will make sure to help all these different groups, who are at different stages in their sustainability efforts, so that it is clear what they can and should do. The various possibilities and options for building owners and residents are shown in the 'energy saving wheel' below. People can take the actions which are relevant in their situation:
- Adopt simple measures such as turning down the thermostat, heating fewer rooms or taking shorter showers.
- Save energy by optimizing existing installations or systems, such as controlling the water flowing through the heating system;
- Insulate your home to the standard for home installation; subsidies and financing are available to everyone. For more information, go to [www.verbeterjehuis.nl](http://www.verbeterjehuis.nl);
- Switch to gas-free and/or energy efficient appliances, such as a hybrid or other kind of heat pump and electric cooking, which will enable you to reduce your gas consumption by up to 80%; ask your municipality what plans they have for your district to facilitate this;
- Generate your own renewable energy using solar panels or rooftop wind turbines.

The energy saving coalition, which has more than 50 affiliated parties, under the direction of the Foundation for Nature Conservation and Environmental Protection (Stichting Natuur en Milieu), Milieu Centraal and the Netherlands Association for Sustainable Energy (Nederlandse Vereniging voor Duurzame Energie, 'NVDE'), and with central government support, will help to speed up these efforts.

Figure 7:  
the 'energy saving wheel'









# 4 What will we do?

## 4.1 Dual tracks: area-specific and individual

Sustainability measures in buildings will be undertaken, roughly speaking, along two interacting tracks. We plan to strengthen the area-specific track. This involves implementing sustainability measures locally, according to a plan and under the direction of the municipality, until neighbourhoods eventually become gas-free. Municipalities will be given the means, the instruments as well as the support they need. At the same time, we will intensify the individual track that is focused on individual buildings and building owners. We will make optimum use of natural points in time, such as sale and purchase transactions, renovations and replacement of appliances. For home and building owners, this means that they will undertake neighbourhood-oriented sustainability measures, including connection to a district heating network or adoption of an all-electric solution, for example, under the direction of their municipality. Or they may improve sustainability at a natural point in time for them, by fitting home insulation, for example, or purchasing a hybrid heat pump.

### Emphasis on reducing energy demand and removing obstacles

In both tracks, the policy for the built environment is focused on reducing energy demand. We will do this through a National Insulation Programme, which aims to see 2.5 million homes insulated before the end of 2030.<sup>14</sup> A further initiative, the hybrid heat pumps programme, is focused on installing 1 million hybrid heat pumps in existing buildings. We will also improve the sustainability of energy sources with sustainable energy to meet the remaining demand. The measures we will undertake to achieve this include promoting geothermal and aquathermal energy through the SDE++ scheme and introducing a blending target for green gas equal to a reduction of 2.9 Mt in carbon emissions by 2030, which corresponds to 1,6 BCM of green gas.<sup>15</sup>

### We will provide people with more clarity on what they can do

Standards will be introduced for existing buildings as well as installations and systems, to make sustainability and energy performance an integral part of investment and financing decisions. The aim of these new standards is to achieve a staged phase-out of poor insulation in homes, poor energy performance in non-residential buildings and non-hybrid gas-fired central heating boilers. This will provide clarity on the future requirements that buildings and systems/installations must meet as well as what steps are possible and also advisable now in advance of the new standards. Communication and information to residents as well as support for and provisions to unburden residents will be further improved. This will be facilitated, among other things, through a national digital platform as well as the local approach under the National Insulation Programme.

---

<sup>14</sup> This involves one or more steps toward the standard for home insulation.

<sup>15</sup> For the moment, the government is planning a blending target which will oblige suppliers to buy and redeem green gas certificates, resulting in a reduction of 2.9 Mt in carbon emissions from the built environment by 2030. The 2.9 Mt reduction target will be spread proportionally between the energy suppliers. The target is expected to become effective in 2024-2025. From this date, suppliers face an incremental obligation until the target referred to above is achieved by 2030. Further refinement of this date and the gradual entry path depend on ongoing analyses, including of the estimated time needed to make changes in the law and the planning time needed by enforcement and supervisory authorities as well as the market parties who will have to produce or supply the green gas. In the approach to summer, the House of Representatives will be informed of the result of a study carried out by CE Delft into the feasibility, cost impacts and various dimensional scenarios, the need for further analysis, further elaboration of the detailing of the mandatory blending target and the further process in relation to the target.

### **We will ensure an affordable range of options is in place for everyone**

The transition requires substantial investments by public authorities, institutions, businesses and people. Everyone, including low-income households, must be able to do their part and access the benefits of this transition. The costs of the transition must be fairly spread to facilitate an affordable range of options for everyone. We will achieve this through a combination of pricing, financing and subsidies.

The measures we will introduce include a zero interest rate for low incomes and an energy efficiency mortgage with financing according to ability to pay (income-related) and without any residual debt risk for those with insufficient borrowing capacity. The Ministry of the Interior and Kingdom Relations, the Ministry of Social Affairs and Employment and the Ministry of Economic Affairs and Climate Policy will jointly analyse which additional measures are possible, on top of the action already being taken by the government to promote insulation and tackle energy poverty. Cooperation with local and regional authorities (municipalities and provinces) as well as other parties including civil society organizations, energy companies and housing associations will be essential in that regard.

### **We will boost the implementation capacity of municipalities and the market**

Support will be made available to municipalities to help cover the costs of implementation. We will also introduce a national programme to support the local heating transition. There will also be a focus on the implementation capacity in the market. The steps will include a radical transformation of the construction industry: through industrialization, digitalization and improved cooperation in the chain and by adopting more circular, zero-emission working practices with provision for biodiversity integration. An affordable energy transition will rely on lower costs and increased productivity, making sustainability measures more efficient and with less hassle.

## **4.2 Programme-based approach**

The programme includes five programme lines, focused on the various elements and target groups.

The five programme lines are:

1. Area-specific approach focused on the heating transition
2. Individual approach focused on homes
3. Approach focused on non-residential buildings
4. Sources and infrastructure
5. Construction innovations

These programme lines will be described in further detail below.

#### **BOX: An affordable and fair transition | Everyone must be able to do their part**

The transition requires substantial investments by public authorities, businesses and people. Everyone, including low-income households, must be able to do their part and access the benefits of this transition. The costs of the transition must be fairly spread to facilitate an affordable range of options for everyone. To that end we are working with a mix of pricing, financing and subsidies. In this mix, the aim continues to be that the investments in sustainability measures should result in housing costs (energy, maintenance and, where applicable, mortgage costs) that are lower than or the same as the housing costs as they would have been without the sustainability measures that are taken. Furthermore, an energy efficient house has a higher property value and is more comfortable.

We aim to make as many households, institutions and businesses as possible a proposition that has zero or positive net effect in terms of housing costs. That is not an individual guarantee, however, since the differences between households, usage and financial capacity are simply too great and a strict application will result in unfair distributional effects. Given the great importance of net zero effect in terms of housing costs to the lowest income households, performance



agreements in that regard are being made with housing associations on behalf of tenants. The housing association will bear the costs of the sustainability measures, and will have the financial means to do so through the scrapping of the landlord levy. Landlords in the private sector will be encouraged and obliged to make their properties more sustainable.

The market price of gas has soared, partly due to the war in Ukraine. While future gas price predictions are uncertain, it is anticipated that gas prices will remain higher in the coming years than before their surge. We will make investments to improve sustainability more attractive through pricing measures. Energy taxation will be adapted in stages to make consumption of electricity in terms of energy content more attractive compared to natural gas consumption. In addition to these national pricing measures, the introduction of ETS for the built environment in the EU will improve incentives to implement sustainability measures.

Homeowners must have the opportunity to finance sustainability measures on attractive terms. Many households can make the funds available for investment from savings or by leveraging their mortgage. Everyone, however, including households that have difficulty or are unable to access credit and Owners' Associations, can take advantage of the National Heating Fund. It is the intention also to offer financing to homeowners without borrowing ability outside the scope of neighbourhood-specific programmes, with responsible financing options that eliminate any residual debt risk and allow repayments according to the borrower's ability to pay. The intention is to offer low-income homeowners the financing at zero interest.

To comply with the set standards and to bring a sustainable home within reach of everyone, subsidies for insulation, hybrid heat pumps, district heating networks and other sustainable alternatives are being expanded and intensified. In this context, specific attention is being paid to homeowners, owners of public real estate and SMEs. The investment grants for insulation and hybrid and other heat pumps were increased from 1 January 2022 from 20 to 30 per cent, provided that two or more measures are implemented. A set of 'affordability guidelines' is being developed for municipalities.



## Programme line 1

### Area-specific approach focused on the heating transition

- National Programme to support the Local Heating Transition
- Powers and resources for municipalities

### National Insulation Programme

- Local approach in cooperation with municipalities
- Individual approach focused on rented housing
- Individual approach focused on owner-occupied housing
- Promote energy saving

### Hybrid Heat Pumps Programme

- Standards for heating systems and installations
- Hybrid heat pumps action plan

## Programme line 1 | Area-specific approach focused on the heating transition

### Municipalities play a central role

Municipalities play a central role in the heating transition in the built environment. The area-specific approach sees them develop a neighbourhood by neighbourhood action plan for sustainability measures. The Climate Agreement includes a commitment by each municipality to develop a transition vision for heat by the end of 2021. In this vision, they set out which neighbourhoods will be properly insulated and/or natural gas free by 2030. Nearly all municipalities have now drawn up a transition vision for heat; the next step is for them to join with residents and local parties in developing implementation and environment plans. The municipality teams up with residents and stakeholders in following a careful process, which includes safeguards to ensure consultation and transparency toward the residents during the process. To ensure the success of the transition, it is important that everyone is made aware of the nature and size of the task, that they are able to play an active part in its achievement and that the plans are aligned with other social and quality of life objectives that people consider truly important. The heating transition is also above all a social transition. While there is in principle support for the transition and this does not in essence form an obstacle, a careful process geared toward residents is crucial. It is important for residents and building owners to have an understanding of the consequences for their personal situation and the safeguards they have in this transition. Central government and municipalities will therefore elaborate the concepts of 'affordability' and 'zero net effect in terms of housing costs' in a set of guidelines detailing affordability. Municipalities can use these guidelines in the neighbourhoods that will be the initial focus of their action plans in the coming years. The aim is to leverage a mix of pricing, subsidies, financing, standards and innovation to bring a transition with zero net effect in terms of housing costs within reach of as many residents as possible who must switch to an alternative for natural gas in the coming years under the neighbourhood-specific approach. The aim of attaining zero net effect in terms of housing costs for the vast majority of residents is a key basic principle in this regard, although not an individual guarantee. If it becomes evident during practical implementation by the municipality of the sustainability plans that affordability is insufficiently ensured and this proves a hindrance to the heating transition, they will make agreements at the administrative consultation level on additional measures that provide a solution to this issue. Ultimately, the success of the transition hinges entirely on the decisions made by people themselves. It is important that we realise that there may also be other challenges than improving sustainability in the neighbourhoods and that different approaches may be needed in different neighbourhoods. In the Quality of Life and Safety programme, we are working with municipalities and various other ministries on improving the living situation and perspective of residents in the most vulnerable areas.

### Street by street, neighbourhood by neighbourhood

The area-specific approach aims to ensure that residents and Owners' Associations know what will shortly happen in their neighbourhood, what action they can take themselves to improve their homes and also that they are presented with solutions in that regard which unburden them as far as possible. While the work may be undertaken street by street and neighbourhood by neighbourhood, other forms, focused on similar types of home or based on an individual housing complex, are also conceivable as part of the local approach by municipalities. This local approach could see municipalities offer residents a discount, voucher or token, for example, on top of the subsidies that are available nationally. In addition, an attractive range of options will also be offered to owner-occupiers and Owners' Associations to take action themselves, whether or not as part of a residents' initiative, to achieve further sustainability improvements and energy savings. An example would be a 30% subsidy for insulation measures, such as floor, roof, cavity wall and external wall insulation and for replacing single glazing with double glazing (or HR++ (high efficiency) glazing) or triple glazing. This creates an attractive range of options for many people to insulate and further improve the sustainability of their home.



We will put in place the enabling conditions for a successful area-specific approach, drawing also on the lessons learned from the test beds.

With this programme we ensure:

**1 Sufficient support for municipalities**

Sufficient resources will be provided for municipalities to implement their plans. A widely supported national programme for the local heating transition is also being introduced.

**2 A clear legislative framework**

In addition to the new Heating Supply Act (Collective Heating Supply Act (Wet Collectieve Warmtevoorziening)), we are working on the Heating Transition (Municipal Instruments) Act (Wet gemeentelijke instrumenten warmtetransitie);

**3 Elimination of excess project costs for district heating networks and sustainable energy**

A subsidy scheme to eliminate some of the excess project costs for district heating networks will be introduced as well as an improved SDE++ subsidy scheme. This will accelerate use of sustainable sources such as aquathermal and geothermal energy;

**4 Attractive financing and subsidy options**

Additional resources will be provided to finance an affordable range of options for building owners, including by raising the Sustainable Energy Investment Subsidy (ISDE), an additional contribution through the National Insulation Programme, widening the Heating Fund and scrapping the landlord levy.

A number of these enabling conditions are explained further below.

**A national programme to support the local heating transition will be introduced**

The focus in the years ahead will be on implementation. Municipalities will receive support from a National Programme to support the Local Heating Transition (Nationaal Programma Lokale Warmtetransitie, 'NPLW'). The NPLW supports municipalities in the local heating transition with two types of activities.

Firstly, the NPLW supports municipalities by acquiring knowledge about what works in practice, developing knowledge products and guidelines and exchanging knowledge and experience in learning groups and networking meetings. A key part of this is the systematic raising of policy issues that occur at the local level in relation to the energy transition in the built environment, placing them on the agenda and where possible contributing to their resolution. The programme plays an important role in that regard in the link between local practice and national policy. The NPLW works with knowledge and learning programmes of partners including housing associations, grid operators and residents' initiatives in this context and ensures good alignment, as well as coordination, with other government programmes for the heating and energy transition. Finally, a helpdesk is available for specific questions that municipalities may have. Secondly, the NPLW monitors the implementation of the transition visions for heat and execution plans by providing annual insight into the current status on the basis of data and surveys. These insights are enriched with in-depth discussions and interviews aimed at identifying where constraints and problems arise in implementation.

Additionally, there is a regional support structure aimed at supporting collaboration between municipalities, ensuring that expertise is made available and providing project capacity for directly relevant regional issues (e.g. a heat coordinator). The regions themselves decide what shape this support will take, for example by setting up a pool of experts or by jointly addressing region-specific obstacles or constraints.

The NPLW is an inter-administrative programme run by central government, the Association of Netherlands Municipalities (VNG) and the Association of Provincial Authorities (IPO), similar to the National Programme for the Regional Energy Strategies (NP RES). The learning and development activities of the Natural Gas-free Districts Programme and from the Heating Expertise Centre are integrated into the new programme, which is focused on all municipalities. In recent years, the Natural Gas-free Districts Programme has seen the selection of a group of test beds, with the aim of learning how natural gas-free districts and neighbourhoods can be designed and scaled up. They are the pioneering frontrunners and therefore remain important partners for the NPLW in terms of gaining learning experiences, highlighting policy issues and sharing knowledge and good practices.



The NPLW is focused on providing support to municipalities in relation to various approaches, with an emphasis on the area-specific approach: from district heating networks and all-electric solutions to phased approaches with insulation and hybrid heat pumps. Support by the National Insulation Programme therefore logically also forms part of the programme.<sup>16</sup>

Ahead of the start of the NPLW, a small team will be established for the purpose of encouraging and supporting municipalities in organising the local approach under the National Insulation Programme. These activities will be incorporated in the NPLW by the end of the year. The NPLW, including a regional support structure close to the municipalities, is expected to be fully operational by the end of 2022.

### **Municipalities will be given the necessary powers and resources**

Under the coalition agreement, funds are reserved to help cover the implementation costs of municipalities. Agreements on allocation will be made in consultation with subnational (i.e. local and regional) authorities. The Heating Transition (Municipal Instruments) Bill gives municipalities the power to set local rules for implementing the transition to sustainable alternatives in the built environment. In this Bill, we address the balance between freedom of choice, sustainability and cost-effectiveness. This balance is also discussed in the letter to the House of Representatives on sustainability, cost-effectiveness and freedom of choice. In this letter, attention is also given to the guarantees that are provided for in the process and the legislative process. The Bill will be submitted to the House of Representatives before the end of this year, and the explanatory memorandum to the Bill contains comprehensive details on the entire process, including its organization. A set of 'affordability guidelines' is being prepared in collaboration with the Association of Netherlands Municipalities to provide municipalities with guidance on how to operationalize affordability in the neighbourhood-oriented approach in various situations. We are also working, under the responsibility of the Minister for Climate and Energy Policy, on a new Heating Supply Act: the Collective Heating Supply Act (Wet collectieve warmtevoorziening). Both proposals are expected to be adopted in 2024.

#### **BOX: National Insulation Programme | Phase-out of least energy-efficient energy labels**

The National Insulation Programme, which was recently submitted to the House of Representatives, is a key pillar in the sustainability measures in the built environment acceleration policy programme. This programme aims to see 2.5 million homes insulated before the end of 2030, with a particular emphasis on poorly insulated homes (energy labels E, F, and G). In doing so, one or more steps will be taken toward the standard for home insulation. This also contributes to preventing energy poverty among people with relatively low incomes. This is done through a four-fold approach, or action lines:

1. Local approach targeting insulation of 750,000 owner-occupied homes, in cooperation with municipalities
2. Insulation of 1 million rented homes by landlords
3. Accelerated insulation of 750,000 owner-occupied homes on owners' initiative
4. Save energy together: low threshold measures

Under the National Insulation Programme, approximately 750,000 owner-occupied homes will be insulated through a local approach in cooperation with municipalities. Municipalities can submit their multi-annual plans, which should be in line with the transition visions for heat or residents' initiatives. The plans are focused as far as possible on improving homes with the least energy efficient energy labels. The neighbourhood-oriented approach and the focus on insulating homes with energy labels E, F, and G through the local approach under the National Insulation Programme are designed in such a way that they mutually reinforce one another to the maximum extent possible.

<sup>16</sup> The precise level of implementation costs and the manner of their distribution will be the subject of further decision-making.

We will insulate one million rented homes to the insulation standard, in the social housing as well as private sectors. The coalition agreement includes a commitment to use a combination of standardization and positive incentives to encourage measures to make poorly insulated homes more sustainable. The aim is to ensure that 675,000 public-sector rented homes and 325,000 private-sector rented homes are insulated to the level of the insulation standard. We are providing small private-sector landlords with regulated rental accommodation with incentives to invest in sustainability measures through the Improved Sustainability and Maintenance of Rented Housing Subsidy Scheme (Subsidieregeling Verduurzaming en Onderhoud Huurwoningen, 'SVOH').

We plan to insulate 750,000 owner-occupied homes through owner-initiated actions and collective sourcing initiatives. We are facilitating this by providing attractive, low-threshold, widely accessible financing and subsidies as well as through the national insulation campaign and the 'Verbeter je huis' (improve your home) platform. To ensure that more homeowners can take advantage of the Sustainable Energy and Energy Savings Investment Subsidy scheme (ISDE) and the Homeowners Energy-saving Measures Subsidy Scheme (SEEH), it will also be possible from 1 January 2023 to request a subsidy for single insulation measures.

We are saving energy and reducing fuel poverty among people with high energy bills and/or people in housing with poor energy efficiency. Low-threshold measures are also being taken, aimed at achieving energy savings and hence reducing fuel poverty among people with high energy bills and/or people in housing with poor energy efficiency. That also helps to make vulnerable people more resilient to high energy prices. For the most vulnerable groups, we are continuing the municipal approach that is focused on preventing energy poverty and supporting vulnerable people in owner-occupied and rented housing. Given the importance of energy savings for everyone living in the Netherlands, communication will be more broadly focused through an energy saving coalition.

The focus on sustainable and circular insulation including biodiversity integration, with attention paid to heat stress, supports the four action lines.

The indicative allocation of the budget among the various action lines in the National Insulation Programme is set out in the annex 'Distribution of funds under the National Insulation Programme'.

#### **BOX: Hybrid heat pumps programme | Hybrid heat pumps set to become the new standard**

The aim of the hybrid heat pumps programme is to have one million hybrid heat pumps installed by 2030. Hybrid heat pumps can achieve a significant reduction in natural gas consumption and CO<sub>2</sub> emissions compared to existing central heating boilers. Whether it makes economic sense for private individuals to switch to hybrid heat pumps depends on a number of factors, including how much gas they use, how well their homes are insulated and the municipality's plans for alternative heat supplies in the neighbourhood. A good guideline for the latter is that if the municipality has no plans to supply heat through a district heating system or for an all-electric strategy in the neighbourhood in the next ten years, it makes sense to switch to a hybrid heat pump. In most cases, the investment in a hybrid heat pump will be amply recouped within that period. For some homes, hybrid heat pumps can also be a definitive gas-free solution, when used in combination with sustainable gases. The Minister for Climate and Energy Policy is responsible for coordinating the hybrid heat pumps programme. To achieve the target, the following actions are being undertaken in collaboration and close consultation with the sector.



Subsidies are making hybrid heat pumps affordable for more and more residents and building owners. Since 1 January 2022, home and building owners have been able to obtain subsidies averaging at 30% of the purchase price of a hybrid or other type of heat pump through the Energy Savings Investment Subsidy scheme (ISDE). The government has put aside €150 million per year for the 2025–2030 period. These funds are expected to be made available mainly through the current ISDE scheme, with the precise set of funding being linked to the introduction of the installation requirements set out below.

#### **Standards for heating systems and installations**

Existing gas-fired central heating boilers need to be phased out. Setting clear standards for heating systems and installations offers suppliers, installers and home and building owners clarity going forward. We are developing a set of standards that will see higher demands placed on the efficiency of heating systems and installations from 2026 when replacing a central heating boiler, depending on the suitability of the home or building. A hybrid heat pump (a combination of a central heating boiler and a heat pump) is a logical solution in this situation. But there is also scope for other sustainable, low-energy techniques. Agreements have been made with installers (Techniek Nederland) and manufacturers (represented by the Dutch heating industry and the Dutch Heat Pump Association (Vereniging Warmtepompen)) aimed at ensuring that sufficient installation and production capacity will be available once a standard is introduced. The proposed requirements with regard to improving owner-occupied and rented homes with energy labels E, F, and G referred to previously in this letter mean that for more and more homes and buildings a hybrid heat pump represents a logical solution. Large manufacturers are currently building factories where they can manufacture hybrid heat pumps in large quantities and at low cost. They are also working to lower the cost of delivery and installation.

#### **Hybrid heat pumps action plan**

Under the hybrid heat pumps action plan, agreements have been made with various parties in the sector that are essential to increase the number of hybrid heat pumps installed in the coming years (2022–2024). The agreements cover matters such as uniform communication, clear and unambiguous monitoring of numbers, monitoring the impact on grid capacity and scaling up product quantities and training for installers.

Central government will undertake a broad public information campaign over the next three years, aimed at improving information on hybrid heat pumps. In this public information campaign, we will provide information on when a hybrid heat pump is a sensible investment, how a hybrid heat pump works, and the subsidies available to cover the cost of purchase and installation. Residents can find out what their municipality's sustainability plans are either directly from the municipality or through [www.verbeterjehuis.nl](http://www.verbeterjehuis.nl), once this site has been upgraded, with additional information among other things, in the second half of 2022. This website already contains information on when a home is suitable for heating using a hybrid or other type of heat pump.

Besides hybrid heat pumps, there are also other types of sustainable systems and installations, including fully electric heat pumps and solar water heaters. At present, electric heat pumps are mainly used in new buildings. As we implement our plans to increase standards of insulation, however, we expect this technology to become increasingly important in existing buildings in the coming years as well. This is a focus in the area-specific approach being pursued by municipalities. The subsidy under the ISDE scheme referred to above is also available for electric heat pumps and solar water heaters.





## Programme line 2

### Owner-occupied

- Promote and support through subsidies
- Simplification of application procedures for Owners' Associations (VvE)
- Broader and better financing options
- Clear information
- Support for complete service packages

### Rental

- Performance agreements with housing associations
- Standards for poorly insulated homes
- Support for private-sector landlords
- Change to tenants' right of initiative

### National Insulation Programme

- Local approach in cooperation with municipalities
- Individual approach focused on rented housing
- Individual approach focused on owner-occupied housing
- Promote energy saving

### Hybrid Heat Pumps Programme

- Standards for heating systems and installations
- Hybrid heat pumps action plan

RENTAL SECTOR

OWNER-OCCUPIED HOUSING SECTOR

## Programme line 2 | Individual approach focused on homes

### Providing perspective for action

Homeowners, including owner-occupiers and landlords and housing with land attached as well as Owners' Associations, are being given perspective for action, in the shape of accessible information, hassle-free total solutions, subsidies and financing, among other things. A clear policy to phase out poorly insulated homes, partly based on relevant European guidelines and directives, will also be introduced. Standards will have the effect of ensuring that measures taken to improve the sustainability of homes are also reflected to a greater extent in property values. In partnership with local and regional authorities, market parties, residents' initiatives as well as others, action is being undertaken to address supply and demand developments and ensure that the right conditions exist for feasible and affordable sustainability measures.

### Owner-occupied and rental sectors

#### Toward net-zero energy new buildings as the new standard

By 2023 at the latest, the government will review the existing minimum energy performance requirements for buildings, including new buildings, arising from the Energy Performance of Buildings Directive (EPBD) and, if necessary, tighten them on the basis of the outcomes of the review. It is anticipated that a zero-energy requirement will be introduced for new buildings. In that way the government will ensure implementation of Article 4 of the EPBD, which sets out that Member States shall review the respective minimum energy performance requirements at regular intervals which shall not be longer than five years and, if necessary, update them in order to reflect technical progress in the building sector.<sup>17</sup>



<sup>17</sup> The current EPBD and the CPR are additionally being reviewed by the European Commission. This may result in further tightening of minimum energy and environmental performance requirements in the near future.



### Owner-occupied

#### **Owner-occupiers receive financial incentives and support in the form of subsidies**

The level of subsidy available under the ISDE scheme (homeowners) and the SEEH scheme (Owners' Associations) to cover the cost of insulation, heat pumps and solar water heaters was raised to approximately 30% from 1 January 2022. Insulation subsidy can also be obtained for a single measure from 2023 at the latest. A graduated scale is used to determine the amount of subsidy: approximately 15% subsidy can be obtained for a single insulation measure and approximately 30% subsidy continues to be available for two measures.<sup>18</sup> From 1 January 2023, in the ISDE scheme the subsidy for a single insulation measure can be applied for to cover the cost of measures that are implemented after 2 April 2022. There is therefore no need for homeowners to wait before implementing their measure.

#### **The application procedure and conditions for Owners' Associations are being simplified**

Most elements focused on Owners' Associations are being transferred from the ISDE scheme to the SEEH scheme as of 1 January 2023. This will result in the SEEH scheme becoming the central scheme for Owners' Associations, considerably simplifying and streamlining the process of submitting a request and implementing measures. There will also be a review of whether other subsidies available to Owners' Associations, such as the part of the Cooperative Energy Generation Subsidy Scheme (SCE) aimed at Owners' Associations, could be incorporated over time under the SEEH scheme. Cutting off the gas supply to homes that are connected to a district heating network but which still use gas for cooking will also become eligible for subsidy.

#### **Broader and better financing options will be made available**

*Through the National Heating Fund, with improved financing terms*

The National Heating Fund is expected to start providing financing to homeowners who have difficulty or are unable to access credit outside of neighbourhood-specific programmes. Homeowners will pay interest and make repayments according to their ability to pay and the National Heating Fund will bear

---

<sup>18</sup> For hybrid and other types of heat pump and solar water heaters, the rule that approximately 30% subsidy can be obtained for a single measure continues to apply.

the residual debt risk. This financing option has been available to homeowners without borrowing ability within neighbourhood-specific programmes since July 2021. It is planned to offer the financing at zero interest to homeowners without borrowing ability as well as low-income homeowners from 1 October 2022.<sup>19</sup> It is expected that it should be possible to finance solar panels and electric cooking (as a single measure) through the National Heating Fund from 1 July 2022.<sup>20</sup> The entire financing amount can then be used to cover the cost of solar panels, if desired. Additional costs that are necessary to achieve increased sustainability, such as the cost of new window frames when installing double glazing or finishing walls and ceilings after fitting insulation, can be co-financed. This option already existed. For homeowners, a mortgage is a more logical way of financing investments which are not related to measures to improve sustainability. In addition, from 1 October 2022 the National Heating Fund is extending the range of financing options to cover small Owners' Associations, including combined sustainability measures and overdue maintenance (the option of a mortgage referred to above is not available to Owners' Associations).

An assessment has been undertaken with the Minister for Poverty Policy, Participation and Pensions to consider whether the National Heating Fund can be used to finance sustainability measures by homeowners who are in a debt assistance programme.<sup>21</sup> A distinction is made between amicable debt settlement and statutory debt rescheduling.<sup>22</sup> The Minister for Housing and Spatial Planning and the Minister for Social Affairs and Employment will discuss with the Association of Netherlands Municipalities and the Dutch Association of Municipal Money-Lending and Debt Counselling Institutions (financial assistance providers) what support homeowners who have an amicable debt settlement arrangement can receive to undertake sustainability measures, for instance, with support from municipalities, who have received a budget of 150 million euros to support vulnerable people in taking energy-saving measures. In addition, 150 million euros out of the budget for the National Insulation Programme has been brought forward as part of measures to cushion the impact of high energy prices (Parliamentary Papers II 2021/2022, 35 925 XV, No. 111). It is worth noting that the number of people to whom the above issue applies is limited. The Dutch Association of Municipal Money-Lending and Debt Counselling Institutions has estimated that roughly 10% of people receiving debt counselling live in their own home.

If someone is unable to satisfy his/her creditors despite the assistance of a debt counsellor and if no amicable debt settlement arrangement is agreed upon, the court can be asked to approve admittance to statutory debt rescheduling. As selling the home is the starting point in the statutory debt rescheduling programme, there is no possibility of borrowing to invest in sustainability measures.

#### *Through the mortgage, by linking borrowing ability to energy rating*

Using savings or the mortgage to finance sustainability measures will remain the most attractive and logical option for many homeowners. A review is being undertaken with the Minister of Finance and the sector to examine how to improve the scope for leveraging mortgages to finance sustainability measures. An assessment will in any event be undertaken of whether the borrowing capacity for a mortgage can be more specifically linked to a home's energy rating upon purchase or after sustainability measures have been carried out. In addition, the Covenant on Improving Sustainability in the Property Chain (Covenant Verduurzaming Koopketen), which was signed

---

<sup>19</sup> The zero interest rate is calculated on the basis of current market interest rates and is borne from funds provided by government in the fund. Sharp rises in market interest rates will trigger a review of whether the interest-rate discount in the National Heating Fund should and can remain at the level of 0% interest for new loans.

<sup>20</sup> The board of the National Heating Fund and private co-financiers will make a final decision on this matter.

<sup>21</sup> The CU parliamentary party inquired about this possibility in the committee debate on 13 April 2022.

<sup>22</sup> Amicable debt settlement is based on the principle that a person should be free of his or her debts after 3 years, or sooner if possible. The conditions of the arrangement include a commitment by the person concerned to save the maximum amount possible to pay off their debts and not to run up any new debts, as that would not be fair to the existing creditors who are being asked to write off a large portion of the debt owed to them. In this amicable arrangement, the question of whether or not a person must sell their home is assessed on a case-by-case basis. Statutory debt rescheduling also requires the person to save as much as possible for 3 years (which can be extended to 5 years) to pay off their creditors and not to run up any further debts without approval from the supervisory judge.





in December 2020, includes commitments on improved information on measures to improve sustainability when purchasing or renovating a property. Under this covenant, estate agents, valuers, mortgage advisers and financiers have committed to work together to encourage homeowners to improve the sustainability of their home.

### **Owner-occupiers will receive clear and easily accessible information**

Our steps to implement include a campaign of ongoing public communication on the various sustainability measures. The key message is that everyone should make their home future-ready; we set out the resulting benefits for homeowners as well as the financial options and assistance that are available to them. We offer practical assistance for all homeowners and Housing Associations on [www.verbeterjehuis.nl](http://www.verbeterjehuis.nl). This platform is positioned to become the national digital basic service for people wanting to make their home more sustainable. Through this site they gain better insight into the possibilities for making their homes more sustainable, what saving effects they can expect and how supply and demand can be matched. The existing energy information shops run by municipalities can provide assistance and personal guidance at local/regional level. Subsidy for energy advice, a sustainable long-term maintenance plan and process support in the preparation of sustainability measures are provided specifically for Housing Associations.

The existing subsidies available in the SEEH scheme for advice and to cover process expenses in the initial phase will be expanded with the addition of a new subsidy option to help support the implementation of complex sustainability projects by Housing Associations.

#### **What will be the message to residents?**

The message is: inquire about the municipality's plans for your neighbourhood; be mindful of your behaviour, adjust your systems/installations, insulate your home to the standard for home installation. And: purchase a hybrid or other type of heat pump when it is time to replace your central heating boiler (and your neighbourhood is not earmarked to switch to a gas-free alternative within ten years); switch from gas to electric cooking and have solar panels installed on your roof (energy saving wheel).

### **The market is supported in offering complete service packages**

Many people need help in making their homes more sustainable. To meet this need, a local approach has been developed under the National Insulation Programme to support them and take the hassle out of the sustainability process. The assistance is available in a range of options: from low threshold energy advice through the municipality's energy information shop, DIY help, ideas and advice and collective purchasing campaigns to standard solutions per building type or A to Z total-service packages. Market parties can take care of the entire process on residents' behalf, from initial orientation to the actual implementation of sustainability measures. A support programme will be provided for the market parties aimed at further developing and scaling up the variety of options in their service package (see also programme line 5). A range of market options specifically for Owners' Associations will be developed as well as a national knowledge infrastructure.

### **Rental**

The scrapping of the landlord levy has freed up substantial investment funding for social rented housing. Housing associations and other large landlords have been handed a €5 billion+ investment windfall up to 2025 thanks to the scrapping of the landlord levy. The additional funding can be used for housing construction, sustainability measures as well as quality of life and affordability related projects and initiatives. The funding allocation will be detailed in the performance agreements and in the Social Rental Agreement. If one third of the funding is used for sustainability measures, almost €2 billion will be available to make social rented housing more sustainable. A subsidy scheme was launched on 1 April 2022 aimed at supporting smaller private and other landlords in making social rented housing more sustainable. Approximately €120 million will be available until 2025 under this scheme. Overall, therefore, the government is spending in the region of €2 billion on measures to improve the sustainability of social housing in the years to 2025. In addition, funding remains available in 2022 for social rented housing through the Reduction of Landlord Levy to fund Sustainability Measures Scheme (RVV-Verduurzaming). Other subsidy schemes (SAH, ISDE) are also available to fund measures aimed at improving the sustainability of social rented housing.

This programme line is closely linked to the Affordable Housing Programme,<sup>23</sup> which is focused on ensuring better alignment between housing costs and income and enabling more people to obtain a home that is suitable and affordable for them.

### **Performance agreements on sustainability and circular renovation will be made with housing associations**

This forms part of the measures related to the scrapping of the landlord levy, as laid down in the Coalition Agreement.<sup>24</sup> The focus is on the targets under the Coalition Agreement: taking 450,000 housing association homes off domestic natural gas, thereby helping to drive sustainability improvements in approximately 675,000 housing association homes to at least the standard for home insulation by the end of 2030. To achieve this, it is essential that all building owners, including owner-occupiers, are included in municipalities' natural gas-free plans. The transition visions for heat are therefore taken as a basis for analysing how municipalities' plans align with the targets of the housing association sector and whether the envisaged reduction in carbon emissions can, if necessary, be achieved in another way. The national performance agreements provide a basis for local agreements between provinces, municipalities, tenants' organizations and housing associations.

---

<sup>23</sup> Parliamentary Papers II, 2021/22, 32 847, No. 906.

<sup>24</sup> Agreements are already in place with Aedes on phasing out housing association homes with the least energy-efficient energy labels (E, F, and G), on account of the earlier €500 million reduction in the landlord levy.

### **Standards will serve as an incentive to landlords to improve the sustainability of poorly insulated housing (labels E, F, and G).**

Agreements have been made with Aedes in the context of the reduction in the landlord levy (in advance of the scrapping of the landlord levy in its entirety) on phasing out housing association homes with the existing energy labels E, F, and G in 2028. To provide legal assurance that all poorly insulated rented homes will be improved, statutory requirements will be introduced for (the letting of) housing association homes and private-sector rented homes with effect from 1 January 2030. The detailing of these plans will take account of the new EPBD proposal currently being prepared by the European Commission, which will probably also include minimum energy performance requirements for homes. It is expected that exceptions and/or amended requirements will apply to rented housing with listed building status.

In anticipation of the performance agreements with housing associations on phasing out the least energy-efficient energy labels in 2028 being met and the introduction of legal standards in 2030, an analysis will be undertaken of how to encourage landlords to improve the insulation of poorly insulated homes and how poor insulation can be factored into setting rent levels for tenants in poorly insulated homes (in the regulated sector). This will also include an assessment of how greater weight can be given to the energy performance of rented homes in the property valuation system. Due regard will be given to the legal and financial implications in the elaboration of the plans and decision-making in this regard.

### **An approach will be developed with the sector, aimed at providing support for private-sector landlords**

The aim is to elevate 325,000 existing private-sector rented homes to at least the standard for home insulation by 2030. This will be supported by the statutory minimum requirements that will be introduced from 1 January 2030. Based on further assessment of the characteristics and size of the sector, consideration will be given to what further support may be needed for private-sector landlords in this connection. In anticipation of this, on 1 April 2022 the Improved Sustainability and Maintenance of Rented Housing Subsidy Scheme (SVOH) was launched for small private-sector landlords with regulated rental accommodation.

### **Tenants' right of initiative will be amended**

Tenants' right of initiative will be amended and widened to include sustainability measures that are currently desirable, and introducing the possibility of collective sustainability measures. The existing right of initiative already empowers tenants to demand improved insulation, such as cavity wall insulation or roof insulation, HR++ glazing or an upgraded boiler. At present, the right does not extend to requesting solar panels and a hybrid or other type of heat pump. The right of initiative will therefore be expanded to allow tenants to take steps also to initiate these current sustainability measures. It will also become possible for tenants of a housing complex to jointly initiate steps leading to sustainability measures, on condition that at least 70% of the tenants in a complex representing at least 10 housing units take part and they submit a proposal in writing.

### **Tenants' right of approval will be amended**

Tenants' right of approval will also be amended. Under current tenancy rules, 70% of all tenants must give their approval for sustainability measures in a rental complex. It is important that the right of approval be amended, in the interest of reinforcing the importance of affordability, strengthening the position of the tenant concerned and the desired pace of sustainability measures in rental complexes. One of the changes is that in future the approval of 70% of all tenants responding to a proposal, and not 70% of all tenants, will be required for measures to improve the sustainability of the homes. This change will give weight to their approval. Affordability for the tenant is reinforced by considering a proposal as reasonable when the alteration results in lower energy bills for the tenant. In that case, a rent rise is accompanied by a reduction in energy bills, ensuring that the home improvement remains affordable for tenants. The change to the right of initiative and change to the right of approval both require an amendment of the Dutch Civil Code. Aedes, the Union of Tenants (Woonbond), the Association of Institutional Property Investors (IVBN) and Vastgoed Belang have been consulted extensively on this matter.



## Programme line 3

### Commercial real estate

- Introduction of final standard for non-residential buildings
- Standards for least energy-efficient energy labels
- Widening of energy-saving obligation to include renewable energy
- Focus on support for SMEs
- Introduction of standards for new industrial buildings
- Encourage business parks to embrace energy transition

### Public real estate

- Local approach in conjunction with EU proposal for renovation obligation
- New public real estate subsidy scheme
- Promote portfolio roadmap and renovation passport
- Extend and broaden complete-service package
- Examine potential of revolving fund

## Programme line 3 | Approach focused on non-residential buildings

### Commercial real estate

#### More can be asked of professional building owners

More can be asked of professional building owners than of private homeowners. In light of this, an ambitious final standard is planned for non-residential buildings and standards will be introduced to facilitate the phase-out of the least energy-efficient energy labels in non-residential buildings. Subsidies, financing and practical support will be provided for owners of non-residential buildings in this context. Laying down a marker on the horizon through the final standard, for instance, has great relevance for real estate investments, especially to owners of large buildings and large real estate portfolios. They plan 8-10 years ahead, detailing their scheduled activities in long-term maintenance plans, portfolio roadmaps and potentially also in (public) building renovation passports in line with the proposals from the Fit for 55 package, thereby giving the market the opportunity to match capacity to their plans.

#### The final standard for non-residential buildings will be published in legislative form in July 2023<sup>25</sup>

Analyses have been carried out for all the user functions in order to determine the appropriate level for this final standard, with the aim of ensuring the building stock comprises low-carbon buildings by 2050. This level will be the same as or just below the existing near zero energy building (nZEB) level for new buildings. Once the final standard has been announced, it can also be incorporated into existing instruments, including subsidies and fiscal instruments (EIA or Energy Investment Allowance). The aim is for the percentage of buildings that comply with the final standard to increase from roughly 6% in 2022 to 25% by 2030. In 2025, the safety net requirements in the Structures (Living Environment) Decree will also be tightened in the case of renovation work. These requirements provide clarity at the building component level on the minimum energy performance standards to be met.

#### We will tackle buildings with the least energy-efficient ratings through standardization<sup>26</sup>

The European Commission also included proposals in the Fit for 55 package for a review of the Energy Performance of Buildings Directive (EPBD). The EPBD proposal concerns a phase-out of the least energy-efficient energy ratings in non-residential buildings, starting with the 15% worst performing buildings in 2027 (approx. 60,000 buildings) and in 2030 energy rating F in accordance with the new rating classification system (also approx. 60,000 buildings). For the entire stock of non-residential buildings, the 15% worst performing buildings correspond on average to the existing energy ratings G and F. This distribution is the same in every subsector.<sup>27</sup> At present, for example, 30% of primary and secondary education buildings have an estimated energy rating G. Furthermore, as only 18% of buildings currently have an energy rating, a good overall picture is missing. Publication of the EPBD will be followed by analysis of how this should be implemented for each building type and what exceptions can and ought to be made, as well as how a portfolio approach can be applied in the case of large real estate portfolios. For schools specifically, work will be undertaken with the municipalities and education sectors to develop a roadmap for measures to renovate education buildings, with a focus on sustainability and energy efficiency. Official buildings with a national security function will probably be excluded in line with the current proposal by the European Commission, with the exception of temporary accommodation buildings and office buildings. Listed and historic buildings are also unable to meet these standards. We are therefore working with the sector to explore whether it might be possible to develop target standards for this category of buildings. Additionally, there is also a focus on:

<sup>25</sup> The final standard is scheduled to come into force on 1 July 2024.

<sup>26</sup> This also depends on the outcome of the review of the EPBD (Fit for 55).

<sup>27</sup> See also figure 4.







100% compliance with the energy rating C requirement for offices, the energy-savings obligation, the related obligation to provide information and the energy audit obligation.

### **The energy-savings obligation will be widened to include measures for renewable energy generation**

From 2023, locations to which the energy-savings obligation applies (more than 100,000) will be subject to an updated Recognized Measures List (RML), which will also include carbon-reducing measures such as solar panels, provided that the related investment cost can be recouped within five years.<sup>28</sup> The new list is expected to enter into force in 2023. The House of Representatives will be informed about the details of updating the RML around the summer of 2022. Monitoring of the energy savings obligation will be tightened and will in all its related aspects become part of the basic duties of the environment agencies.

### **Special focus on support for SMEs**

We are working with the sectors, under the umbrella of the Dutch Federation of Small and Medium-Sized Enterprises (MKB Nederland), to explore what help, in addition to the existing set of measures, we can provide to SMEs who are keen to implement sustainability measures. The focus is on implementing the right measures and how to finance those measures. The Ministry of Economic Affairs and Climate Policy is currently examining the feasibility of extending the Improved Sustainability of SMEs Subsidy Programme (Subsidieregeling Verduurzaming Mkb) to the end of 2023, and also whether it can be broadened.

A complete service/solutions programme tailored to SMEs is being developed, and is scheduled to be available from 2024, with a proactive approach that is in line with the energy savings obligation as well as the phase-out of the least energy-efficient energy ratings. Owners of commercial real estate will be incentivized by means of tax facilities, including the Energy Investment Allowance (EIA) and the Environmental Investment Allowance (MIA)/Arbitrary Depreciation of Environmental Investments allowance (Vamil) and the SME Credit Guarantee Scheme (BMKB) to implement sustainability measures. The idea of a Heating Fund for SMEs mentioned in the Coalition Agreement<sup>29</sup> will not be elaborated further, so as to avoid duplicated use of financial instruments. We are also supporting Stichting Bespaargarant (sector savings initiative) and the DEB tool<sup>30</sup> and we are exploring whether it is necessary to tackle energy poverty among SMEs.

<sup>28</sup> The Minister for Climate and Energy Policy and the Minister for Housing and Spatial Planning are in the process of updating the legislation under the Environment and Planning Act with regard to the Energy Savings Obligation, and will publish their results before 2023.

<sup>29</sup> Preliminary analysis suggests that making the Heating Fund accessible to SMEs will not result in more loans/investments, on account of the due diligence check that entrepreneurs must undergo.

<sup>30</sup> DEB is an online energy savings assistant for SMEs, developed by the Dutch Federation of Small and Medium-Sized Enterprises (MKB Nederland).

### **A standard for industrial buildings will be introduced**

This means that new buildings with an industrial function (e.g. industrial units, logistics centres) will also have to meet nZEB building standards for new buildings (approx. 3,400 buildings to the end of 2030); roughly 10 million sq. m.). In addition, all existing buildings with an industrial function must comply with the final standard for non-residential buildings (approx. 319,000 industrial units and roughly 138 million sq. m.).<sup>31</sup>

### **We are promoting the energy transition on business parks**

Task forces are boosting levels of organization on business parks and, through guidance and assistance, encouraging property owners to make investments in buildings and grounds. Lessons are being learned from various pilot projects on business parks. In addition, it is being explored whether it is possible to develop an instrument that facilitates measures to enhance sustainability on business parks, in particular in relation to energy savings, energy generation and energy storage.

### **Accelerating the pace of sustainability measures through a ‘shared incentive’ between landlords and tenants**

Resolving the ‘split incentive’ issue will accelerate the pace of sustainability measures in real estate where the owner is not the user, as identified in the Climate Agreement. We are supporting studies and analyses that lead to concrete solutions, knowledge transfer between the parties and discussions between tenants and landlords which result in a ‘shared incentive’.

## **Public real estate**

### **Introduction of a renovation obligation**

More sustainable public real estate is important on account of the exemplary role it fulfils in society. For that reason, the Energy Efficiency Directive (EED) proposes an additional standard for public real estate in the form of a proposed renovation obligation requiring member states to ensure renovations of at least 3% of public buildings annually, resulting in their public buildings essentially being made zero energy. Compliance with this EU standard means that at least 3 million sq. m. of usable area (equating to roughly 4,500 premises) need to be renovated annually to nearly zero-energy level. Research by TNO shows that between now and 2030, 3 to 6 billion euros will be needed for the necessary additional investments to achieve this aim, at the 2020 price level, if these sustainable investments are made at natural points in time.<sup>32</sup> This task can be only partly met with the resources currently available for public real estate. A separate standard concerns making optimum use of official buildings for renewable energy generation. The aim is for solar panels to be installed on at least 80% of suitable roofs of official buildings by 2030.

### **The subsidy scheme for public real estate will be launched on 1 October 2022<sup>33</sup>**

This scheme will be launched on 1 October 2022 and is focused on measures to improve the sustainability of care facilities (including healthcare buildings), sports facilities, education and official buildings, among other things. Once the EU directives such as the EPBD and the EED have been finalized and adopted, we will adjust the scheme where necessary to ensure we meet the 3% renovation obligation.<sup>34</sup> Funds are also being made available for investment through various departmental budgets for sustainability measures and renovations to meet the final standard among the parts of government with real estate.

---

<sup>31</sup> <https://repository.tno.nl/islandora/object/uuid%3A1b950e9a-50f9-4767-ae98-17bdb331837d>

<sup>32</sup> <https://www.rvo.nl/onderwerpen/expertteam-woningbouw/beleid-gebouwde-omgeving#europese-verplichtingen>

<sup>33</sup> An indicative amount of €2.75 billion has been reserved under the coalition agreement. Budgetary decision-making has yet to take place regarding the allocation of these funds.

<sup>34</sup> Respectively: the Energy Performance of Buildings Directive (EPBD) and the Energy Efficiency Directive (EED) proposals made by the European Commission in the context of the Fit For 55 initiative.

### **We are encouraging the creation of a portfolio roadmap and a renovation passport**

The Climate Agreement includes a commitment for owners of multiple buildings to set out which measures they have already taken and how they are working toward the 2030 target and a low carbon property portfolio by 2050. They are doing this with four-yearly roadmaps at the portfolio level, sustainable long-term maintenance plans and/or multi-annual property sustainability plans. Portfolio roadmaps are included in the enforcement strategy for competent authorities.<sup>35</sup> The renovation passport is part of the proposal put forward by the European Commission.<sup>36</sup> Both documents offer owners an aid to engage with the municipality on the Neighbourhood Implementation Plans or Transition Visions for Heat, a financial institution or implementing parties.

### **We are exploring possibilities for extending and broadening the public real estate complete service package**

The existing complete-service package provides small public real estate owners with support and guidance to enable them to make their real estate more sustainable. We are examining how to extend the complete-service package and broaden it to include other real estate sectors, such as culture and welfare. More municipalities could also be included, by raising the upper limit on the number of residents. We also plan to maintain the Knowledge and Innovation Platform for improved sustainability of public real estate.

### **The possibilities for a revolving fund for public real estate are being analysed**

Additional financing is needed for many owners of public real estate. We will examine how a revolving fund, supplementing the existing instruments, can accelerate the pace of sustainability efforts. This analysis will include a study of how to facilitate investments as a way of prefinancing projects and also using the investment funds for projects at unnatural points in time, such as when executing a Neighbourhood Implementation Plan for natural gas-free districts (low-interest loans), where the business case is less compelling due to interference with natural points in time.



<sup>35</sup> The Ministry of Defence, for example, is addressing the sustainability targets for its real estate through the defence-wide Concentrate, Make Sustainable and Renovate programme.

<sup>36</sup> The EU is introducing renovation passports as a voluntary instrument. We recognise the added value of this measure and are exploring how to improve the sustainable long-term maintenance plans in this respect by adding a long-term perspective; we are additionally working on a tool to make this possible. An analysis is being made of any related additional costs and how they might be covered.



## Programme line 4

### Sustainable gases

- Green gas blending obligation
- Facilitating policies for scaling up gasification
- Green gas programme
- Preparation for hydrogen use

### Sustainable heat sources and (district heating) networks

- District heating networks subsidy scheme
- Amend SDE+++ for sustainable heating technologies
- Explore policies for scaling up sustainable heat

### Cooling

- Discourage energy-intensive cooling
- Cooling knowledge agenda

## Programme line 4 | Sources and infrastructure

### Promoting sustainable sources and heating infrastructure

Green gas is gradually replacing natural gas. Blending green gas brings a reduction in CO<sub>2</sub> emissions of 2.9 Mt and helps promote the development of sustainable sources and sustainable energy carriers. Both must be sufficiently available and affordable by 2050. In addition, the instruments and conditions for new infrastructure (district heating systems) are being put in place and there is better support for, and further promotion of, the production of heat from sustainable sources. Wider issues relating to the energy system, for instance around grid congestion and grid reinforcement, are addressed in the Energy System Programme,<sup>37</sup> which is focused not just on the technical aspects of the energy system, but also its integration into society and possible consequences.

### Sustainable gases

#### The government's ambition is to raise the blending target to a reduction in CO<sub>2</sub> emissions of 2.9 Mt by 2030

This equates to blending 1.6 BCM of green gas. CE Delft is currently assessing the details and shaping of the blending target. We will inform the House of Representatives before it goes into summer recess about how the blending target can be elaborated, the related considerations and underlying analysis, as well as the further process in relation to the target.

#### Targeted facilitating policies are being developed to enable scaling up

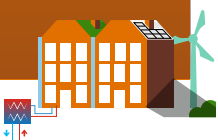
Innovative gasification technology is essential for the practical implementation of the blending target. This technology allows green gas to be produced in a highly efficient and scalable manner. Several projects are close to market introduction, but have difficulty competing on cost efficiency in the SDE++ scheme. This is a 'chicken or the egg' dilemma, as gasification has huge potential to drive cost reductions. To overcome this problem, we are working on a measure to support this early stage of scaling up.<sup>38</sup> To accelerate the pace of spatial integration of digesters and gasification plants, we are working with local and regional authorities to explore whether agreements can be made on this integration. In line with the biobased raw materials sustainability framework, we are focused on facilitating greater availability of and access to sustainable biobased raw materials for the benefit of green gas production, among other things.

### BOX: Green gas programme | Introduction of a blending target

At present, approximately 0.2 BCM of green gas is produced in the Netherlands. The ambitions outlined in the Coalition Agreement and the Climate Agreement require a significant scaling up by a factor of roughly ten, to 2.0 BCM of green gas by 2030. The previous government introduced policy in the form of the Roadmap for Green Gas to facilitate this scaling up; the new government will intensify this approach through a Green Gas Programme. A central measure in this programme is the blending target. The green gas blending target is intended to create a stable market by obliging suppliers to make part of the natural gas they supply greener by blending in green gas. We are putting in place supporting and facilitating policies, including policies to support innovative technologies, to improve access to organic waste residues and to support the spatial integration of green gas production.

<sup>37</sup> This will be submitted to the House of Representatives before the summer.

<sup>38</sup> This awaits political decision-making.







### **Hydrogen: preparation, but also uncertainty**

Hydrogen is an energy carrier with the potential for application in the built environment as well, but is beset by uncertainty regarding its availability and affordability. As a result, we believe that large-scale application of hydrogen in the built environment is unlikely to occur before 2030. To ensure that once hydrogen is available it can also be deployed, measures are already being taken to build knowledge on hydrogen and its application in the built environment as well as the enabling conditions for its use. This is facilitated by implementation of a strategic research agenda in collaboration with others as well as by carrying out demonstration projects.

### **Sustainable heat sources and district heating networks**

Steps are being taken to accelerate the pace at which district heating networks are rolled out. Collective heating systems (district heating networks) are a key part of the sustainability strategy for the built environment. Development-associated risks and uncertainties for consumers mean that too few district heating networks are being delivered. We provide financial support for installing district heating networks as well as the necessary legal framework and we promote sustainable sources.

### **A subsidy scheme supports the installation of district heating networks in neighbourhoods where they are cost-effective**

The aim is to provide 500,000 new connections to district heating networks in existing buildings by 2030. The lead time - between 5 and 7 years - for the installation of district heating networks underlines the importance of decision-making for each project taking place in the 2023-2025 period. The details of the scheme depend on choices made around the market regulation and other regulatory measures in respect of collective heating, which are elaborated in the Collective Heating Supply Act (Wet Collectieve Warmtevoorziening). The development of collective heating systems can benefit from possibilities for linking to various sectors, including industry and greenhouse horticulture.

### **The SDE++ scheme will be amended to better address heating technologies**

Several technologies that will be needed by 2030 and in the longer term in order to achieve the climate objectives are not fully addressed at the present time. In light of this, we have recently reviewed which changes could be made in the SDE++ scheme to rectify this identified issue. It is the intention to amend the SDE++ scheme from 2023 by allocating minimum budgets for various domains, e.g. including

low-temperature heating. A minimum budget, just like a separate budget, ensures that technologies with a higher subsidy intensity are addressed sooner, as funds are set aside for technologies within a designated minimum budget.<sup>39</sup> Details regarding the size of the minimum budgets, the number of budgets considered desirable and the definition of the domains will be further elaborated in the coming period. The phase-out of subsidies for woody biobased raw materials for low-temperature sources is driving an increased need for subsidies for alternative heat sources. The minimum budgets in the SDE++ scheme can make a positive contribution in this regard. It is the intention to schedule the opening round for the 2023 SDE++ before the summer, to allow projects to be resubmitted relatively quickly if they fail (perhaps unexpectedly) to obtain any subsidy in 2022.

### **Additional policy will be reviewed to achieve further upscaling and reduction in the cost of sustainable heating**

The government has opted for a rapid phase-out of low-temperature heating from woody biobased raw materials. At present, biobased raw materials are still the main large-scale source for sustainable heating. This phase-out increases the need for a faster scaling up of alternative sustainable heat sources. Without sufficient sustainable heat sources, district heating networks will be slow to get off the ground and the transition in the built environment will slow down. Besides adequate operational support through the SDE++, additional policy will also be needed to deliver the proposed 500,000 new connections to the district heating network by 2030. This is endorsed by TNO in a study into alternative heat sources.<sup>40</sup> A list of the necessary actions will be submitted to the House of Representatives in the fourth quarter of the year.



<sup>39</sup> Parliamentary Papers II, 2021/22, 31 239, No. 340. The domains under initial consideration are a) Electricity (production of renewable electricity), b) Low-temperature heating, c) High-temperature heating, d) Carbon capture, storage or use (CCS/CCU), and e) Molecules (e.g. green gas, advanced renewable fuels and hydrogen production).

<sup>40</sup> M. Scheepers, L. Beurskens, F. Lenzmann, 2021, Alternatieven voor warmtelevering in de gebouwde omgeving en glastuinbouw bij uitfasering van houtige biograndstoffen - Inzicht in de kosten (Alternatives for heating supply in the built environment and greenhouse horticulture on the phase-out of woody biobased raw materials - Insight into the costs).

## Cooling

### **Discouraging active and energy-intensive cooling**

To encourage sensible behaviour with regard to cooling, various initiatives have been launched to advise residents, building owners and municipalities on which measures are advisable, given that global warming goes hand in hand with longer periods of hot weather in the summer. Increased insulation in homes also has an impact on demand for cooling. In new buildings, adequate cooling is already addressed through standardization (the 'TO juli', an indicator of the risk of temperatures being exceeded). There are various choices that building owners can make to address the cooling demand in existing buildings. Viewed from the perspective of energy demand, our preference is for passive cooling measures, such as sun blinds, good ventilation and green spaces. At the same time, we see an increasing use of active cooling, by means of air conditioning systems for example. We advise against and discourage these active and energy intensive cooling measures. The website [www.koelebuurt.nl](http://www.koelebuurt.nl) contains a raft of publications for residents and other interested parties. On [www.verbeterjehuis.nl](http://www.verbeterjehuis.nl), residents and building owners can find tips on how to keep their homes cool.

### **Developing a knowledge agenda about cooling**

The demand for cooling will increase in the years ahead. To tailor better policy solutions to face this growing demand, it is necessary to have a better understanding of the impact of cooling on the energy system. A study is therefore being carried out that will be the basis for a knowledge agenda about cooling. The aim of the knowledge agenda is to find answers to the question of how great future demand for cooling and the related energy demand in urban and rural areas could be and what impacts we can expect this to have on the future energy system. This study will be completed in the first half of 2022.





## Programme line 5

### Strengthen innovation ecosystem

- Embed sustainable construction in mission-driven innovation policy
- Support sustainability knowledge and innovation
- Promote innovation in climate-adaptive construction with biodiversity integration

### Organise continuous flow of construction projects

- Promote innovation in climate-adaptive construction with biodiversity integration
- Uniform high national standards
- Support programme for demand grouping
- Innovative and sustainable commissioning

### Sustainable construction standards

- Tightening of circular and zero-emission construction standards
- Biodiversity integration in construction and renovation will become the standard
- Climate proof construction

### Sustainable electricity

- Rooftop solar obligation for large new non-residential buildings
- Rooftop solar structural requirements
- Energy-saving obligation and tailored approach for existing non-residential buildings



## Programme line 5 | Innovative and sustainable construction

### Industrial construction and sustainability as the new standard for the future

It is essential that more innovative and sustainable methods and techniques be used in construction as well as renovation to ensure that people can afford to live and work in a future-proof living environment. Government and the sector envisage this being achieved through a cultural and system change focused on upscaling the industrial construction and renovation market in a digitalized process, with higher (environmental) quality and lower-cost products.

The objective is for there to be new market-ready products of higher (environmental) quality and at lower cost by 2025 in all the segments of the built environment with many similar types of housing (quotas). By 2030, industrial construction and renovation in a digitalized process should be the standard in all the quotas that are suitable for that purpose. The aim is to serve half the overall market in this manner. This requires a substantial increase in the number of individual (or consortia of) specialized sustainability contractors, builders and suppliers who work according to a prefabricated process. In the quotas, we aim to achieve a cost reduction of 20-40% compared to the traditional construction process.

The sections below outline the ways in which we are promoting innovative and sustainable construction. The various elements also tie in with action line 2 'Speeding up the process from initiative to realization' in the Housing Programme.<sup>41</sup> This programme line supports the other programmes, in the sense that they all benefit from the increased production and lower costs that we envisage with the future-proof process and production innovation in construction.

### Strengthening the knowledge and innovation ecosystem of the design, construction and engineering sectors

#### Sustainable construction will be embedded in the mission-driven top sector and innovation policy

The Construction and Engineering TKI (Top Consortium for Knowledge and Innovation) will be established, joining the existing Urban Energy TKI. Together, both top consortia for knowledge and innovation will be responsible for a new knowledge and innovation ecosystem for the construction sector, which will encompass demonstration projects and test beds as well as training and knowledge facilities. This will facilitate the development of products, processes and digital infrastructure focused on sustainability and industrialization. Collaboration will extend beyond various other relevant top consortia for knowledge and innovation and Top Sectors to also include the regional innovation hubs, relevant provinces and Regional Development Corporations (Regionale Ontwikkelmaatschappijen, 'ROM') as well as public parties and market parties united in the Digideal GO (built environment). In the collaboration, ongoing attention will be paid to social acceptance of innovations to prevent significant delays in application. The new knowledge and innovation ecosystem should eventually result in a stream of new market-ready materials, systems and products of higher (environmental) quality and at lower cost for all the quotas in new buildings, existing buildings and infrastructure.

#### Knowledge and innovation are supported by a broad mix of instruments

Among the instruments we deploy is the National Growth Fund, to provide an investment stimulus to the knowledge and innovation ecosystem and a flying start for the Construction and Engineering TKI. An amount of 100 million euros has been set aside, and work is ongoing to improve the plans further. Other instruments are the Mission-driven Research, Development and Innovation facility (MOOI-regeling) for the built environment and the Energy and Climate Innovation Demonstration+ scheme (DEI+ regeling) aimed at promoting research and development, pilot projects and demos by knowledge institutions and market parties for quotas in existing buildings.

<sup>41</sup> Parliamentary Papers II 2021/22, 32 847, No. 878.

We are also investing in the further development of the Digital System of the Built Environment (Digitaal Stelsel Gebouwde Omgeving, 'DSGO'), to facilitate a standardized, reliable and responsible exchange of building and construction data and in the Clean and Zero Emission Construction (Schoon en Emissieloos Bouwen) knowledge and innovation programme.

### **We are promoting innovation for climate-resilient construction with biodiversity integration**

We are strengthening cooperation between public and private sector parties in the field of knowledge and innovation through the Climate Quarter (KlimaatKwartier), a four-year programme including test bed by TU Delft, which promotes innovation concepts for climate-adaptive construction.

We are working with a Growth Fund Application for Working Landscapes of the Future to develop a broad coalition toward future-oriented green, healthy and climate resilient business parks.

We are examining the inclusion of stimulus categories for climate resilience and biodiversity integration in the existing insulation subsidy schemes. In addition, the KAN platform (climate-adaptive construction with biodiversity integration) allows property developers, construction companies and municipalities to develop knowledge and share experiences in relation to climate-adaptive construction and planning with provision for biodiversity integration.

### **Organising a continuous flow of construction projects**

#### **Importance of long-term certainty and predictability**

The market share of innovative and sustainable construction and renovation will not increase substantially until a predictable flow of construction projects is established. This can make market parties less vulnerable to economic shocks and provide increased long-term certainty that investments in innovation and sustainability measures will pay off. To facilitate this, real estate owners and property developers must organise demand more systematically and on a larger scale in long-term programmes, which the supply industry and construction companies can join. That will furthermore facilitate improved cooperation between different parties in the chain, allowing them to invest, individually as well as jointly, in digitalization, industrialization and the application of sustainable construction and renovation concepts. Besides process innovation, investments of this nature provide an opportunity for future-proofing construction and renovation concepts: zero emission, circular, climate adaptive and with provision for biodiversity integration.

#### **Setting high national uniform requirements promotes standardization**

As this measure lessens the added value of situation-specific rules by individual municipalities relating to the environmental and energy performance of planned new homes, it is intended that these situation-specific rules should no longer be available to municipalities. In their place, national uniform standards will help to facilitate maximum market share for conceptual, circular and industrial construction projects. This enables the construction sector to increase its production volume to meet the urgent demand for new homes.

Through the Quality Assurance (Building Sector) Act, we are also making it possible, in the case of prefabricated housing and other types of conceptual housing construction, to assess in advance, on a one-off basis, whether the technical building regulations have been met for parts which are always identical (building physics). Location-dependent building aspects, such as the foundations and/or parts of the construction, will continue to be assessed on a project-by-project basis.

#### **Support programmes will be introduced for demand grouping and supply development**

For new buildings, the programmes are, specifically, the Spring Agreement 2.0 'circular, industrial construction' and the City Deal 'circular and conceptual construction'. For existing housing, a 'sustainability measures in homes acceleration programme' will be introduced, and is intended to be a relaunch of the existing support programme of the Renovation Accelerator. We are additionally promoting more serial, standardized sustainability measures for owner-occupied housing through a 'quota approach'. We have asked the Urban Energy and Construction and Engineering Top Consortia for Knowledge and Innovation (the latter is in the process of being established), De Stroomversnelling and

De Bouwcampus to take the lead in elaborating and organising this acceleration programme. Linked to the sustainability measures in homes acceleration programme, a subsidy scheme will be launched to provide process support for supply and demand grouping.

### **Innovative and sustainable commissioning will be encouraged**

We are examining whether, and if so how, stimulus categories for climate resilience and biodiversity and environmental performance can be included in the insulation subsidy schemes.<sup>42</sup> In addition, the exemplary role fulfilled by contracting government agencies (Central Government Real Estate Agency (RVB), Directorate-General for Public Works and Water Management (RWS), ProRail) is being strengthened, for example through the Clean and Zero Emission Construction roadmap and requests for tender with a mandatory percentage of recycle in building materials. How the Homebuilding Impulse (Woningbouwimpuls) can contribute to sustainable construction practices through the 'Nieuwe Normaal' (the new standard for environmentally friendly construction), e.g. by making it part of monitoring, is still under consideration. Finally, the commitments under the Digital System of the Built Environment (DSGO) are being implemented in policy initiatives, such as the energy label, in the context of the Building Guidance (Bouwwijzer) programme.

Agreements will be made with relevant stakeholders, including in any event municipalities, provinces, housing associations, market players and civil society organizations, on a continuous and predictable flow of construction projects.

### **Sustainable construction standards**

#### **Tightening circular and zero emission construction standards**

It is planned to halve the environmental performance requirements for structures in the Structures (Living Environment) Decree by 2030 at the latest; the viability of halving the requirements (from 1.0 to 0.5) by 2025 at the latest is being examined. We are also reviewing how the environmental performance requirements for structures in the Structures (Living Environment) Decree could be extended to include other user functions besides homes and offices by 2025. We are additionally reviewing how and at what moment the environmental performance requirements for structures in the Structures (Living Environment) Decree can be implemented for renovation projects. The study into the integration of the valuation of the environmental impacts of carbon sequestration in construction materials will be completed before the summer of 2022. In line with the motion submitted by House of Representatives member Henri Bontenbal (32 813, No. 1012), a policy proposal is being prepared on this matter. The Clean and Zero Emission Construction roadmap is a measure designed to meet the obligation in the Structures (Living Environment) Decree to reduce nitrogen emissions from construction projects.

#### **Biodiversity integration in construction and renovation will become the standard**

A review is underway to consider whether the Environment and Planning Act offers sufficient basis for government regulations on promoting biodiversity integration/scope of nature conservation and protection. If that is found to be the case, it will be sufficient to amend the Structures (Living Environment) Decree to include a national minimum requirement for integrating biodiversity in structures. This will see the introduction of an obligation, in new buildings and in case of extensive renovation, to implement measures to ensure that roofs and/or outer walls can offer space to species that habitually use them, e.g. for nesting, such as sparrows, swifts and various types of bat. The precise nature of these measures will be decided on once standardization is possible. Methods providing for maximum biodiversity integration are also very important in projects involving retrofitting insulation. In the years ahead, experience will be gained in drawing up local species management plans for new buildings and renovation projects. Subsidies are available for this purpose until the end of 2030.

---

<sup>42</sup> Examples include spaces or nesting stones in outdoor walls and roofs for species that depend on buildings, such as sparrows, swifts and various types of bat, and/or use of materials with low environmental impact.



## Climate-resilient new buildings and transformation in existing buildings

### *Focus on making public spaces greener*

This is undertaken within the scope of the spatial control exercised by provinces and the elaboration of the areas designated under the National Strategy on Spatial Planning and the Environment (NOVEX-gebieden) (the NOVI execution areas). A review is also exploring whether an amendment of the Living Environment (Quality) Decree could contribute to increasing the amount of green space in public areas. The focus on making public spaces greener is also part of the 'Mooi Nederland' (Beautiful Netherlands) programme.

### *Water and soil are key location factors for new construction projects*

Water and soil should become central to spatial planning and area development. The Ministry of Infrastructure and Water Management, working in consultation with the Ministry of the Interior and Kingdom Relations, will formulate the basic principles and criteria to reinforce water and soil as key factors. This should also be reflected in the implementation of the National Strategy on Spatial Planning and the Environment. Climate change adaptation will also be taken into account in the agreements made between the Ministry of the Interior and Kingdom Relations and provinces and municipalities on addressing the housing challenge. That way, we aim to avoid making choices now that increase our future vulnerability to climate change (maladaptation).

### *Introducing a yardstick for climate-resilient new buildings*

In line with one of the recommendations of the Delta Programme Commissioner, we are developing a national yardstick to help define what green 'climate-adaptive construction and planning' actually means. The plan is for us to work with local and regional authorities, the construction sector and civil society organizations to establish a clear national framework, with scope for regional variation. As climate-adaptive construction and planning is dependent on the local/regional soil and water system, there may be local differences in key measures. There is a wealth of knowledge and experience available at the local and regional levels. Under a structured programme, we are working in three stages toward establishing the national yardstick: 1) an inventory of existing performance requirements and assessment frameworks at the local/regional level, 2) in cooperation with partners, development of a national yardstick, 3) analysis of guarantees for the national yardstick, e.g. administrative agreements, legislation and regulations, as a condition with regard to financial instruments, standardization, etc. If that analysis results in national minimum requirements for new buildings, municipalities are free to set situation-specific regulations up to that new building standard for existing buildings. The House of Representatives will be informed about this process toward the end of 2022.

### **BOX: Renewable electricity from rooftop and structure mounted solar**

Renewable electricity can be generated in part from solar panels installed on roofs and other structures. The government intends to introduce additional standards to beyond mere renewable generation of building-related or process-related energy and is targeting better utilization of the entire roof area of non-residential buildings in particular (see also section 4.3) and space on civil engineering structures and slopes, among other things. The suitable legal structure is currently being studied, so that standards can enter into force in this government's term of office. More information can be found in the Solar Letter from the Minister for Climate and Energy Policy, which was recently submitted to the House of Representatives.

### **New buildings: obligation to use entire roof**

Under the proposals, new non-residential buildings with a roof area exceeding 250 m<sup>2</sup> will be required to ensure that the entire roof is used for generating renewable energy, in the form of solar PV, solar thermal and/or a combination of the two, insofar as technically functional and

economically and technically feasible and the roof is not intended for any other use (designated by municipalities) or dual use is not possible. The right of superficies and accession to the panels require further study in the event that an obligation to make roofs available is imposed. This also applies to the technical, economic and functional feasibility (such as the previously mentioned grid capacity) and the relationship to other requirements. Further tightening of the nZEB requirements is planned for the remaining non-residential buildings with a roof area of less than 250 m<sup>2</sup> and new housing developments.

**The structural requirements on buildings in the broadest sense will be adjusted so that buildings are delivered ‘solar prepared’**

The structural strength of the building is then based on full utilization of the entire roof. If it is not technically feasible to connect to the grid at that moment due to lack of grid capacity, for example, then a connection can be easily realized at a later time thanks to the roof construction.

**Existing buildings: increased customization and renewable energy will be added to the energy-savings obligation for companies**

It is generally more complex to introduce standards for existing buildings than for new buildings due to an already existing ownership situation. There needs to be a sufficiently compelling interest to interfere with ownership rights and this must also be properly balanced with the technical, functional and economic feasibility of the solar panels to be installed. That means, for example, that it is possible to connect the system to the power grid and that the investment can be recouped within an acceptable period. For that reason, we always carefully consider issues of enforceability and achievability by municipalities when introducing new and other national obligations. The aims for existing non-residential buildings are:

- Widening of the draft general administrative order to include the previously proposed authority to set situation-specific regulations in the Structures (Living Environment) Decree for municipalities, making it possible to impose rooftop renewable energy for the industrial function (session year 2020–2021, Parliamentary Paper 33 118, No. 200), extending to all non-residential buildings and requiring full roof utilization for solar panels in the case of roofs with a surface area of 250 m<sup>2</sup> or more. The target date for implementation is 2024.
- The addition of renewable energy generation measures to the energy-savings obligation (expected to enter into force in 2023), thereby adding the measure relating to the installation of solar panels to the Recognized Measures List (RML) for energy savings, provided that the measure pays for itself within 5 years. The House of Representatives will be informed about the details of updating the RML around the summer of this year.
- In line with current European proposals for revision of the Renewable Energy Directive (RED), policy will also be drawn up and new standards explored for the use of roofs of public real estate for renewable energy generation by the current building owner or third parties, insofar as they are not already covered by the standardization measures referred to above.

We do not foresee any minimum renewable energy requirement for existing housing stock at this time. Municipalities already have the power to require measures, if necessary, in between existing buildings and new buildings. Furthermore, renewable energy requirements also apply in the event that extensive renovation is undertaken. The feasibility of tightening and expanding the scope of these requirements in case of renovation is nonetheless being explored in the broad sense for homes and non-residential buildings.

When setting a situation-specific regulation, municipalities can weigh the importance of rooftop solar in relation to other interests, such as spatial interests, sustainability targets, climate change adaptation and biodiversity integration. The costs and financing possibilities are other factors that play a role in this regard.

## Overarching policy

### Labour market

#### **Focus on process and chain innovation as well as recruitment and training of people**

The aim is to increase labour productivity in the construction process. Together with the design, construction and engineering sector, represented in the Building and Technology Innovation Centre (Bouw Techniek en Innovatie Centrum, 'BTIC') and the Building Consultation Body (Bouwberaad), we are promoting greater innovation in construction in the mission-driven innovation policy. Examples include innovation in the field of digitalization and standardization. In collaboration with the 'Mensen Maken de Transitie' (the transition is for and by people) alliance, there is also a specific focus on smart commissioning and other types of process innovation and cooperation across the chain. The Minister for Climate and Energy Policy and the Minister for Economic Affairs are currently working on an approach focused on labour market shortages in the energy transition. Further information will be submitted to the House of Representatives before the summer. The Minister of Social Affairs and Employment is working with all the ministries concerned to develop an overarching approach to labour market shortages and mismatches, the details of which will also be submitted to the House before the summer.

### Adaptation of energy taxation

#### **We are adapting energy taxation in stages to make electricity consumption more attractive compared to natural gas consumption**

This measure is aimed at making energy-saving measures and alternatives to natural gas more attractive. It will also reduce the net burden of taxation on households and small business users in macro terms. That also brings national energy taxation more in line with the proposal set out in the revision of the Energy Tax Directive (ETD) under the European Commission's Fit for 55 package. This provides, for example, for less tax to be applied to electricity per GJ than gas. In addition to these national pricing measures, the implementation of the EU's plans to introduce ETS for the built environment in the EU will further improve incentives to implement sustainability measures.

#### **From 2023, energy taxation will be structurally reduced by €225 million by increasing the tax deduction**

This reduction is related to the Hermans motion and the blending obligation for green gas laid down in the coalition agreement. The tax deduction is a fixed amount per electricity connection and is not dependent on the level of energy consumption or the blended percentage of green gas in any particular year. This equates to a reduction in energy taxation per household of approximately €30, ex VAT.

#### **The energy tax rate in higher consumption bands will be raised, while the renewable energy surcharge (ODE) rate in 2<sup>nd</sup> and 3<sup>rd</sup> brackets (electricity) will be reduced**

This measure, which is virtually budget neutral, will see gas taxed more heavily and electricity taxed less heavily. This creates a greater incentive for SMEs and public real estate, for instance, to reduce gas consumption, improve insulation and further increase their sustainability efforts. It also represents a step toward the current proposals set out in the revision of the ETD.



# 5 Control

## Climate Agreement Implementation Committee for the Built Environment

Together with central government, several different parties, from housing associations to grid operators and from municipalities to residents' initiatives, have responsibility for implementing the commitments under the Climate Agreement and the transition in the built environment. We need each other to facilitate implementation. The Implementation Committee is a broad platform of parties involved in the Climate Agreement for the Built Environment, which monitors progress and discusses relevant developments that have an impact on implementation. The Climate Agreement Implementation Committee for the Built Environment has been chaired by Teun Bokhoven since 1 April 2022. A smaller executive committee has been assembled within the Implementation Committee consisting of the main parties who together ensure coherence between the various approaches, under public-private chairmanship. Multi-stakeholder partnerships have also been established, which reflect from a practical perspective on the approach in the programme lines.

## Administrative agreements

The task of addressing the climate challenge cuts across the responsibilities and powers of various public authorities and therefore requires a clear inter-administrative governance structure. Included in the administrative agreements we make in that regard with subnational (local and regional) authorities are specific agreements between central government and local and regional authorities on making the built environment more sustainable. These agreements are focused among other things on elaborating a national programme in support of the neighbourhood-oriented approach and the local heating transition as well as elaborating a set of affordability guidelines. The ambition under the Climate Agreement of making 1.5 million homes and other buildings more sustainable remains in place.

## Together with a broad coalition

To ensure that as many people as possible are encouraged and helped to save energy, a broad coalition has been established which can be joined by anyone able to make an active contribution to the coalition's aims. The Netherlands Association for Sustainable Energy (NVDE), the Dutch Urgenda Foundation, the Dutch Homeowners' Association (VEH), the Foundation for Nature Conservation and Environmental Protection (Natuur en Milieu) and the Union of Tenants (Woonbond) are some of the organizations that have already joined.

This sustainability coalition will concentrate on joining up the messages and actions undertaken by the coalition partners in the coming years to create a clear, unambiguous message that will be shared and spread by all the partners. More than 50 parties have already joined the coalition, aimed at accelerating the pace of energy saving in both the short and the long term. The aim of the broad civil society coalition is to accelerate the pace of actions by the various parties, to join those actions up and in so doing to contribute to the central government's energy-saving objectives.

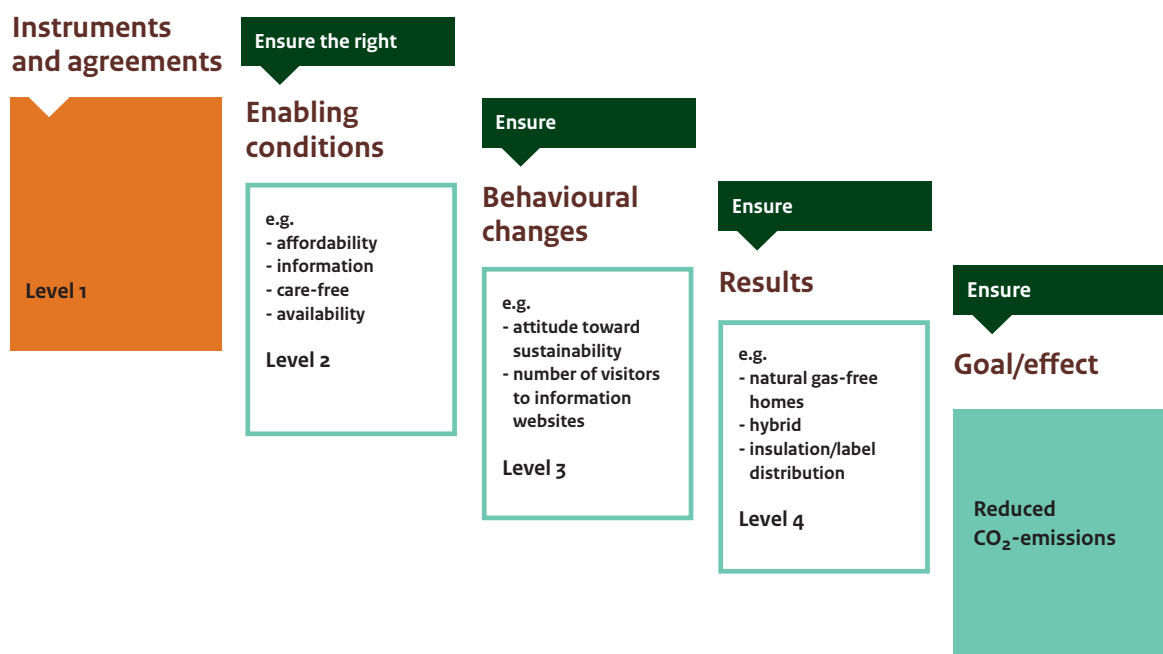






## 6 Monitoring: policy theory and target range

The policy instruments described in this policy programme are intended to create the right enabling conditions. So that building owners will implement sustainability measures, driving a reduction in CO<sub>2</sub> emissions. The policy aims to facilitate a step-by-step approach toward achieving the goal, as explained in the following figure.



Quantitative monitoring of the results achieved and projections from the Climate and Energy Report (Klimaat- en Energieverkenning, 'KEV'), supplemented with more qualitative monitoring based among other things on surveys and evaluations of policy measures, provide a basis for determining when and how adjustments need to be made. Registering the natural gas consumption in buildings is essential for monitoring policy results. Market parties can make a key contribution to this by cooperating in registering the levels of natural gas consumption in the Key Register of Addresses and Buildings (Basisregistratie Adressen en Gebouwen, 'BAG').



# 7 Finances

Funds have been set aside in the Coalition Agreement and the 2022 Annual Budget for measures to meet the challenge of increasing sustainability in the built environment. The table below lists the funds made available for the coming years (in millions of EUR). The funds marked (F) are part of the climate and transition fund.

This allocation of resources from the Climate Fund is indicative; the table shows the allocation of funds as laid down in the Coalition Agreement for the built environment. No funds are yet shown for the subsidy for energy-efficient district heating networks under the Coalition Agreement, as the budget for the Climate Fund has yet to be drawn up.

Funds for sustainability measures in the built environment	2022	2023	2024	2025	2026	structural
<b>Funds under CA and MJN2022</b>						
Incentive hybrid heat pumps (F) (a)	64	96	128	150	150	0
National Insulation Programme (F) (a) (b)	303	245	360	366	402	0
Incentive for improved sustainability of public real estate (F) (a)	95	202	310	330	464	0
Energy performance requirements for new buildings, industry (a)			50	50	80	0
Implementation costs, subnational authorities and planning agencies (including other climate sectors) (a)	153	300	500	800	800	0
Structural funds for monitoring energy saving (a)	9.2	9.2	9.2	9.2	9.2	14
Mandatory recycle percentage		3	4	4	3	3
Shift in energy taxation, 1 <sup>st</sup> bracket		247	305	364	421	637
Increase in tax deduction to reduce energy taxation (compensation for green gas blending obligation) (c)		225	225	225	225	225
<b>Total</b>	<b>623</b>	<b>1,345</b>	<b>1,891</b>	<b>2,298</b>	<b>2,554</b>	<b>879</b>
<b>Existing funds in (BZK) Ministry's budget</b>						
Heating Fund	3.6	100.1	95.6	79.2	78.5	0
SEEH	14.4	5.4	3.4	0.8	1.5	0
SAH	19.3	42.2	24.0	17.0	39.0	0
Renovation Accelerator	2.0	25.5	37.5	47.5	4.0	0
Innovation scheme	1.4	6.7	6.8	5.3	20.7	0
SVOH	12	33	40	50	12.9	0
SUVIS (specific payment for ventilation in schools)	74.4					0
PAW	10	1.9	2.8	0	3.6	0
<b>Total existing funds</b>	<b>135.1</b>	<b>214.8</b>	<b>196.6</b>	<b>206.8</b>	<b>138.2</b>	<b>0</b>
<b>Existing Funds in (EZK) Ministry's budget</b>						
ISDE (heating options and insulation)	100	100	100	100	100	0

<sup>(a)</sup> These funds are currently held, in part, as additional budget under the Ministry of Finance. They require approval of spending proposals by the Ministry of Finance.

<sup>(b)</sup> These funds differ from the National Housing and Building Agenda, as a result of a budgetary shift. EUR 160 million has been brought forward from 2026 to 2022 for the purpose of tackling energy poverty and the sustainability coalition.

<sup>(c)</sup> This concerns fiscal resources, and is covered under the Herman motion envelope (225 million).

# 8 Legislative agenda

## EU legislation in response to Fit for 55 package

The policy intentions outlined above translate into various legislative products that will be framed in the coming months. At the European level, work is ongoing to draft the definitive regulations and directives aligned with the Fit for 55 package. They include, in particular, the Energy Efficiency Directive (EED), the Renewable Energy Directive (RED) and the Energy Performance of Buildings Directive (EPBD). These directives will have to be incorporated into Dutch legislation and Dutch laws will need to be adapted to ensure that the directives are fully operational in the Netherlands.

## National legislation

At the national level, in addition to the amendment of various taxation and subsidy rules, there are five distinctive broader legislative complexes, in which we are:

1. further tightening the requirements for new buildings. This includes, among other things, a tightening of the Environmental Performance for Buildings (Milieuprestatie Gebouwen, 'MPG') in the Structures (Living Environment) Decree (Bbl);
  2. laying down requirements regarding climate-adaptive construction including biodiversity integration. This also requires amendment of the Bbl;
  3. laying down requirements aimed at improving the sustainability of existing buildings (phase-out of least energy-efficient energy labels, introducing a statutory final standard for the energy performance of non-residential buildings by 2050) as well as standards for heating systems and installations (hybrid heat pumps), and also rooftop solar standards for non-residential buildings with roof areas exceeding 250 m<sup>2</sup>;
  4. amending tenancy laws to encourage landlords to improve the sustainability of poorly insulated homes. At present, a study is examining which standardization options are advisable. The changes to be made in laws and regulations depend on the selected option.
  5. creating the framework and providing the instruments for a successful area-specific approach.
- As an example, we are amending the Environment and Planning Act and the Gas Act to give municipalities the powers to shape the neighbourhood-oriented approach. The legislative proposal has been through the consultation procedure and will be submitted to the Council of State in the first half of this year. Work is also ongoing to frame the underlying rules in general administrative orders (AMvB) and ministerial regulations. We are also working, under the responsibility of the Minister for Climate and Energy Policy, on a new Heating Supply Act, the Collective Heating Supply Act (Wet collectieve warmtevoorziening). Both proposals are expected to be adopted in 2024.

## Further study into laying down standards

In the coming months, a study will examine how best to frame and realise many of the proposals for laying down standards referred to above. Standards aimed at improving the sustainability of existing and new buildings and the energy supply can be laid down in a variety of ways in building regulations, by focusing on heating demand or the Standard, for example, by introducing a mandatory standard in case of renovation or by making specific labels mandatory with effect from a certain date. This can be achieved through mandatory national rules, area-oriented and other situation-specific rules or by individual situation-specific regulations. Where the condition of buildings is concerned, rules will often be framed within the Structures (Living Environment) Decree; however, changes are also expected to be needed to other general administrative orders under the Environment and Planning Act, such as the Living Environment (Activities) Decree with regard to environmentally harmful activities. Attention is also

focused on specific rules for Owners' Associations, for example, to facilitate decision-making or for landlords, to provide an incentive to implement sustainability measures. This may also result therefore in amendment of the Housing Act, the Dutch Civil Code or other legislation or regulations, for example. Finally, the extent of infringement of property rights and the enforcement of standards are important factors when considering how to lay down standards for the existing built environment. For that reason, attention is focused on the framing of standards and when they are justified in the light of the general interest.

## Structures (Living Environment) Decree

Many of the proposals relate to amendments of the Structures (Living Environment) Decree (Bbl). The rules on building structures and on the condition of existing structures are in principle laid down in the Buildings Decree 2012 (Bouwbesluit 2012) and, later, in the Bbl. The general rules are, in principle, uniform and intended to be exhaustive. Municipalities have scope to lay down situation-specific rules or regulations in certain areas. In general, standard minimum requirements apply to existing buildings, which every building must, at a minimum, comply with. Furthermore, minimum requirements apply in case of renovation and requirements also apply in the event that extensive renovation is undertaken. To date, no national minimum requirements apply to existing homes with regard to energy saving under the Buildings Decree 2012, although a municipality may in specific cases, and where necessary, issue a municipal notice (Section 13 of the Housing Act). Under the Environment and Planning Act, this can be laid down in future by the municipality in the form of situation-specific regulations (Article 3.7 of the Bbl). An owner can thus be obliged to make improvements, for example to a home.

## Heating Transition (Municipal Instruments) Act (WGIW) and Collective Heating Supply Act (WCW)

Public authorities, both national and local, face a huge challenge in the coming years, in fulfilling their leading role, to facilitate the transition of homes and neighbourhoods to a sustainable and affordable alternative to natural gas. This transition will be far-reaching for residents and municipalities alike. To improve and support the neighbourhood-oriented approach, steps are being taken to facilitate the entry into force of the Heating Transition (Municipal Instruments) Act (Wet gemeentelijke instrumenten warmtetransitie, 'WGIW') and the Collective Heating Supply Act (Wet collectieve warmtevoorziening, 'WCW') in 2024.

The Heating Transition (Municipal Instruments) Bill includes amendments to the Environment and Planning Act and the Gas Act. The Bill aims to give municipalities the power to lay down local rules to facilitate implementation of the transition in the built environment from natural gas to sustainable alternatives. To that end, a municipality may designate certain neighbourhoods where an energy supply with sustainable energy becomes available to replace natural gas (the authority to designate). A part of these frameworks that is provided for at the statutory level is embedding the transition vision for heat as an instrument under the Environment and Planning Act. This serves to safeguard the importance of proper participation and a clear democratic process. Municipalities set out their planning for making neighbourhoods more sustainable in the transition vision for heat.

The draft Collective Heating Supply Act deals with one of the possible sustainable alternatives to natural gas: collective heating. The new Act prioritises four key aspects: (1) transparent, costs-based heating tariffs that are decoupled from the gas price, (2) a leading role for municipalities, (3) strict regulation to safeguard public interests, and (4) ensuring the sustainability of district heating networks.



Safeguarding the affordability, sustainability and reliability of a (collective) heating supply to replace natural gas is vital to the energy transition, implying a strong connection between the Collective Heating Supply Act and the Heating Transition (Municipal Instruments) Act.

## Legislative table

We foresee the following amendments, including amendment of the Structures (Living Environment) Decree, to improve the sustainability of the built environment.

Legislative table				
Legislative product	Regulation type	Measure	Phase	Expected to enter into force
Amendment of Living Environment (Quality) Decree	general administrative order (AMvB)	Solar panels on buildings	preparation	
	general administrative order (AMvB)	Introduces the power for municipalities to determine, on a situation-specific basis, that the roofs of non-residential buildings with roof areas exceeding 250 m <sup>2</sup> are to be used for generating renewable energy/ rooftop solar up to the entire roof area.  New buildings: national rule on rooftop solar for roofs of non-residential buildings exceeding 250 m <sup>2</sup> ; for other buildings we are reviewing a tightening of the nZEB performance standard (see also KOS).	preparation	01-07-2025, at the latest
Amendment of the Living Environment (Activities) Decree (Bal), the Structures (Living Environment) Decree (Bbl) and the Environment and Planning Regulation (Omgevingsregeling).	general administrative order (AMvB)	Update Bal and Bbl with comprehensive climate approach: e.g. broadening the obligation for non-residential buildings to take energy-saving measures that pay for themselves within five years or less with reduction in CO <sub>2</sub> emissions.	preparation	01-07-2023
Adjustment of Structures (Living Environment) Decree	general administrative order (AMvB)	Possible adjustment of energy performance requirements in case of new buildings, extensive renovation, renovation and technical building systems in response to the results of the Cost-Optimal Study (Kosten Optimaliteit Studie, 'KOS').	KOS will be carried out in 2022 and 2023	01-07-2025
Structures (Living Environment) Decree		Non-hybrid central heating boilers will be phased out at natural points in time through the application of standards.	preparation	
Adjustment of Structures (Living Environment) Decree	general administrative order (AMvB)	Rules on the final standard for energy performance 2050 for non-residential buildings.	preparation	01-01-2024
Adjustment of Structures (Living Environment) Decree	general administrative order (AMvB)	The environmental performance requirement for new buildings will be tightened and its scope possibly adjusted.	preparation	01-01-2025
Amendment of Book 5 of Dutch Civil Code	Act	Introduction of duty of notification in connection with removal of obstacles to installing charging points and other installations intended to promote sustainability by Owners' Associations (VvE).	consultation responses being processed	01-01-2025

## Legislative table

Legislative product	Regulation type	Measure	Phase	Expected to enter into force
Bill and general administrative order (AMvB) for Heating Transition (Municipal Instruments) Act (WGIW)	Act and general administrative order (AMvB)	Municipalities are given the possibility to arrange which neighbourhoods will switch in due course to a sustainable alternative to natural gas and associated instruments for the neighbourhood-specific approach.	consultation responses are being processed (Bill) under preparation (AMvB)	01-01-2024
Dutch Civil Code, Residential Tenancies Rents (Implementation) Act	Act	Rules regarding the position of tenants and landlords when sustainability measures are undertaken.	preparation	
New subsidy scheme	scheme	Make resources available to owners of existing public real estate to accelerate the pace of sustainability measures in, or renovation of, their buildings, so that CO <sub>2</sub> emissions are reduced.	preparation	01-07-2022
Amend Energy Performance Reimbursement Decree (EPV-Besluit) (energy performance reimbursement for social housing)	Amend Energy Performance Reimbursement Rents Decree	Revision of EPV Decree and Regulation, adjustment of the NTA 8800 calculation method, and simplification of the conditions and monitoring requirements, so that more landlords can take advantage of the energy performance reimbursement and hence establish a sound business case for high-quality sustainability improvements to social and other rental housing.	preparation	01-01-2023
New Spuk (specific payment)	scheme	Make resources available to municipalities for shaping local approach with regard to poorly insulated homes (part of National Insulation Programme)	preparation	01-10-2022
Bill on accommodation in primary and secondary education (Ministry of Education, Culture and Science/ Ministry of the Interior and Kingdom Relations)	Act	Amend legislation relating to accommodation in primary and secondary education (Primary Education Act (WPO), Secondary Education Act (WVO), Expertise Centres Act (WEC)) to resolve bottlenecks affecting education accommodation.	preparation	01-01-2024

# Annex: facts and figures

## The Standard for home insulation and the Target Values

In March 2021, the Minister of Internal Affairs and Kingdom Relations presented the standard for home insulation in a letter to the House of Representatives. The standard follows from the Climate Agreement and was drawn up by a commission comprising a broad representation of the parties concerned, including the Association of Netherlands Municipalities (VNG), the Dutch Construction and Infrastructure Federation (Bouwend Nederland), Techniek Nederland and the Union of Tenants (Woonbond). The standard indicates when a home is sufficiently well insulated to become a 'gas-free home'. In the case of post-war homes, insulating to the level of the Standard means that the home is suitable for low temperature heating (<50°C in radiators or underfloor heating). This enables the efficient use of sustainable LTH sources.

A home loses heat through its (exterior) walls, floor, roof, windows and doors. Good home insulation helps to minimise that heat loss. The Standard indicates a maximum heat demand per sq. m. floor area for various types of home; this can be achieved with different combinations of measures for each building component. The Standard also includes target values per building component, indicating the insulation value that can be pursued per building component if a building component is entirely replaced or extensively altered. Achievement of the target values for all the building components indicates that the Standard is amply met.

The Standard can be seen as a guideline for a future-proof insulation level, which can be achieved either in one go or in stages. At present, no requirements or conditions are attached in this respect. It is also possible to review according to each situation whether a higher insulation level, e.g. in line with the target values, is desirable or optimal.

## The energy label

The energy label is an important instrument for achieving the goals of improving the sustainability of the built environment. The energy label stems from implementation of the EU Energy Performance of Buildings Directive (EPBD) and has been mandatory since 1 January 2008 upon the delivery, sale and letting of buildings. Furthermore, since 1 January 2021 the energy label letter must be stated at all times and in all cases in advertisements. The purpose of the energy label is to inform the present or future building owner or tenant about the energy performance of the building and to encourage sustainability measures to be taken; the label is also applied for the purpose of standardization, monitoring and the setting of subsidies.

As of 1 January 2021, the energy label is based on the NTA 8800 measuring method, which sees an energy advisor visiting the location to measure the building. The energy advisor records the energy performance of the building based on the building measurements that are carried out. The label letter is linked to the primary fossil energy consumption of the building; the label also includes various indicators, such as the heat requirement, the proportion of renewable energy and the insulation and systems/installations rating. In addition, the energy label shows for homes whether the Standard for home insulation is met as well as the recommended measures for improving sustainability. In that way, the energy label contributes to lower energy bills and a more comfortable home.

The energy performance calculation, the label letter and other indicators on the energy label make it possible to target measures addressing the energy performance of buildings. Examples include the standards for new buildings (nZEB requirements), the Standard for Home Insulation resulting from the Climate Agreement, the energy label C obligation for the use of offices which will enter into force on 1 January 2023 and the shaping of the final standard for non-residential buildings. In that way a clear perspective for action focused on the goals in 2050 is given, with the energy label being one means of achieving those goals, including, for example, through its application in subsidies and as a factor in financing by mortgage providers.

At present, an energy label is valid for 10 years from the measurement date: the label classes for homes range from G to A++++; there is even a possibility of a A+++++ label for non-residential buildings. All valid recorded energy labels can be found in the energy label database at EP-online.nl. Not all buildings in the Netherlands have a valid energy label. When determining standards on the basis of energy labels, an estimate is made of the measurement according to the total number of buildings in the building stock with a specific label based on the recording of buildings with a valid energy label.

The current proposal for the revision of the EU Directive (2011) includes proposals for a new label classification system, a shorter term of validity for the labels indicating the worst energy performance, and extension of the labelling obligation in case of renovation, renewal of the rental contract and for government bodies. This, combined with the introduction of standards based on energy labels (minimum energy performance standards, MEPS) for existing buildings linked to the objective for 2050, should result in a zero-emission national building stock. The Commission's proposal sets out that the worst-performing 15% of the building stock will receive energy label G after labelling harmonization and that energy label A will correspond to the zero-emission level for new buildings. According to initial estimates, energy label G will hence be given to the homes that have an energy label G or F at present, as well as the majority of homes with energy label E. The Commission proposes that, based on the MEPSs, these new energy label G homes be phased out by 2030, and the non-residential buildings with a new energy label G by 2027.



# Dit gebouw heeft energielabel

# A



## Isolatie

Gevels	+	-	+	++
Gevelpanelen	+	-	+	++
Daken	+	+	+	++
Vloeren	+	+	+	++
Ramen	+	-	+	++
Buitendeuren	-	+	-	++

## Installaties

Installaties	Hoofdsysteem	Verbetering aanbevolen?	
Verwarming	HR-107 ketel	nee	ja
Warm water	Combiketel	nee	ja
Ventilatie	Natuurlijke ventilatie via ramen en/of roosters	nee	ja
Koeling	Compressiekoeling	nee	ja
Verlichting	10,0 W/m <sup>2</sup> gemiddeld geïnstalleerd vermogen	nee	ja
Zonnepanelen	16.982 Wp	nee	ja

Dit gebouw wordt niet verwarmd via een aardgas aansluiting

Aandeel hernieuwbare energie

21,2%

## Over dit gebouw

**Adres**  
Voorbeeldstraat 8  
1234 AB Voorbeeldstad  
BAG-ID: 02440100000044858

**Bouwjaar**  
1992

**Compactheid**  
1,97

**Gebruiksoppervlakte**  
367 m<sup>2</sup>

## Detailaanduiding

**Gebruiksfuncties**  
60,1% Kantoor  
39,9% Bijeenkomst

## Opnamedetails

**Naam**  
Pieter van Leeuwardingen

**Certificaathouder**  
Janssen-De Vries Energielabelcertificaten B.V.

**Inschrijfnummer**  
123.45.678

**KvK-nummer**  
12345678

**Soort opname**  
Basisopname

**Certificerende instelling**  
Energielabelcertificerende instelling b.v.

**Examennummer**  
99999



Distribution of funds under the National Insulation Programme <sup>1</sup>		
	total Rutte III	total Rutte IV
<b>Action line 1</b>		
Local approach (Rutte III)	148.50	
Local approach (Rutte IV) <sup>2</sup>		929.15
Energy savings <sup>3</sup>		150.00
<b>Action line 2</b>		
Rental <sup>4</sup>	100.00	
SVOH <sup>5</sup>	152.00	
<b>Action line 3</b>		
ISDE (Rutte III) <sup>6</sup>	196.80	
ISDE (Rutte IV) <sup>7</sup>		2,010.00
SEEH (Rutte III) <sup>6</sup>	37.70	
SEEH (Rutte IV) <sup>7</sup>		156.35
DIY subsidy		7.00
<b>Action line 4</b>		
Broad sustainability coalition <sup>8</sup>		10.00
Communication	3.00	6.00
<b>General</b>		
Quota approach	24.00	48.00
Sustainable and circular insulation including biodiversity integration <sup>9</sup>	4.00	33.50
<b>Total (excl. SVOH and sustainable and circular insulation)</b>	<b>514.00</b>	<b>3,350.00</b>

<sup>1</sup> Each 'item' includes 5% implementation costs at national level.

<sup>2</sup> To accelerate the pace of sustainability measures under the direction of municipalities and avoid a dip in the available funding, EUR 62.5 million is being brought forward from 2027 to 2023.

<sup>3</sup> The government has decided to speed up the use of funds earmarked for energy savings in the Coalition Agreement. This means that this year an additional EUR 150 million will be made available more quickly through municipalities to support people in implementing energy-saving measures and undertaking more extensive insulation (Parliamentary Paper 35 925, XV No. 111).

<sup>4</sup> For the funds available under the Rutte III government, a request will be made to carry forward the funds from 2023 and 2024 to later years through the standard budgetary process.

<sup>5</sup> The funds for the Improved Sustainability and Maintenance of Rented Housing Subsidy Scheme (SVOH) are not taken from the funds for the National Insulation Programme.

<sup>6</sup> To ensure that Owners' Associations only need to request subsidies under one scheme for various measures, the elements focused on Owners' Associations will be transferred from the Energy Savings Investment Subsidy (ISDE) scheme to the Homeowners Energy-saving Measures Subsidy (SEEH) scheme as of 1 January 2023. This will result in the SEEH scheme becoming the central scheme for Owners' Associations, considerably simplifying and streamlining the process of submitting a request and implementing measures. To this end, EUR 0.5 million and EUR 0.7 million will be transferred to the SEEH scheme in 2023 and 2024, respectively, from the budget set aside for the ISDE scheme by the Rutte III government.

<sup>7</sup> A request will be made in the standard budgetary process to allow funds earmarked for later years by the Rutte IV government to be used in 2023 also for the ISDE and SEEH schemes.

<sup>8</sup> In Parliamentary Paper 35 925, XV No. 111, EUR 10 million is transferred to 2022. These funds are intended to facilitate an acceleration of the pace of energy savings in the short as well as the long term. In view of the long-term nature of this objective, it is proposed that these funds be spread over two years, and that EUR 5 million of this amount be deferred to 2023.

<sup>9</sup> This part consists of two elements, of which the 'biodiversity integration' element is funded from the budget for the National Insulation Programme. This is shown in the table. The funding for 'sustainable and circular insulation' is not taken from the budget for the National Insulation Programme and is therefore not shown in this table.

If the budget for the subsidies is exhausted at a faster rate than anticipated, control measures will be taken in a timely manner and in consultation with the Ministry of Finance to mitigate the exhaustion within the existing funding series.

In accordance with the new working procedure relating to Section 3.1 of the Government Accounts Act, as of 1 November 2021 any policy proposal involving budgetary expenditure exceeding EUR 20 million per year must contain explanatory notes. The explanatory notes for the National Insulation Programme will be submitted separately to the House of Representatives.

# Sustainability Measures in the Built Environment Acceleration Programme Organization

■ Primary responsibility, BZK  
■ Primary responsibility, EZK

