

NBO opinion on costs and benefits of sustainable construction

Affordable housing is a key element in the green transition of Nordic economies. Renovation of existing housing stock as well as new build are two main impact areas for affordable housing providers. In the Nordic countries we have a long tradition for ambitious climate goals and NBO, umbrella organization for the Nordic cooperative, public and non-profit housing organizations, supports that. Positive effects of energy refurbishments and renovations such as lower energy costs and better indoor climate have positive benefits for the tenants. We as a sector will take our responsibility, driving energy refurbishments that are cost effective and technically feasible. On the other hand, we also have a long tradition for high welfare standards.

As affordable housing providers, we find it important that climate ambitions and green transition is socially balanced. Otherwise, there is a risk that prices on affordable housing will rise, pushing out people already living in our existing housing stock - or hindering them from buying or renting newly build homes. Affordable housing needs to stay affordable.

Much of the regulation on energy and climate demands and standards comes from Europe. On behalf of 2,5 million affordable homes across Finland, Sweden, Norway, Iceland, and Denmark, and on the background stated above, NBO calls for the Nordic ministers to work for European agreements and national implementation of those that ensure a green transition of the Nordic affordable housing sector that:

1. Is socially balanced, meaning that costs connected to new political climate and energy demands and standards that are introduced are balanced out with political initiatives that lower construction costs adequately within the value chain.
2. Does not undermine national existing schemes and create regulatory confusion.
3. Is applied with the right timing, i.e., leave sufficient time for the individual countries to implement the measures and for the renovation and construction sector to strengthen innovation and skills.
4. Is accompanied by adequate (public) funding to avoid the increase of rents and costs/fees that risks making it unaffordable for most of the current residents (bearing in mind that there is also a clear need for new affordable housing units)
5. Allows a flexible approach: Considering the potentials of decarbonization that lies within the interconnection of buildings in a cluster, e.g., in renewable energy communities, electricity charging stations, digitalization etc.