



# High Level Tripartite Strategic Forum on construction, 5th meeting, 6th March 2017

*Reporting on the main discussion points*

**Rapporteur**

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## ***Accelerate the Renewal of our Building Stock***

- Buildings account for 40% of Europe's energy consumption, but 75% of our building stock is energy inefficient; despite recent investments, at the current annual renovation rate it will take a century to decarbonise the building stock (not to speak of technical infrastructure).
- Next to energy and carbon efficiency comes resource efficiency; our buildings need to become circular - more durable, using renewable/recyclable healthy materials, modularity and adaptability – and apt for decentral energy production.
- The renewed building stock also needs to be affordable and cost-effective
- A need to put the consumer at the centre: health, comfort and well-being as levers (in addition to societal, environmental benefits).
- A need for a common understanding of what a sustainable building is – awareness raising
- Bring in the urban planning dimension; too: smart buildings in smart cities (e.g. increasing density by vertical extensions, conversions, etc.)

### **Key conclusions**

1. A need to put the consumer at the centre – and inform him/her of the benefits of using sustainable buildings
2. A need to remove the social, financial, demand, technical and administrative 'brakes' that prevent such renewal

## ***Accelerate the Renewal of our Building Activity (I)***

- Productivity growth of the sector has been sluggish – or sometimes declined since the 1990s and slow in ‘reinventing’ itself – in terms of business models and innovation
- Digitalisation as an opportunity to improve productivity and innovativeness and cooperation; a need to ‘mainstream’ such innovations (including use of materials)
- Upscaling of innovations – helps to bring down costs and forces cooperation including finance (but a challenge to also include SMEs)
- ‘Need’ is not the same as ‘demand, demand, demand’ – a prerequisite for driving sustainable business models and cost-effectiveness
- Much scope for industrialisation of the sector – prefabricated materials, modular building, Design for Deconstruction, etc.
- Innovative products require acceptance, including guarantees/insurance
- Emerging technologies such as virtual and augmented reality or 3D printing and automation brought by drones and artificial intelligence can bring down the costs, and make design and collaboration much smoother – but need to .
- BIM as a concept rather than a specific tool – requiring all involved actors to collaborate, share and monitor

## ***Accelerate the Renewal of our Building Activity (II)***

- Benefits of digitalisation can only be captured by the full if all actors in the value chain are aligned – private sector is often in the drivers seat (e.g. ‘Digital Construction’ in Lithuania).
- Digitalisation can help to bring different actors along the value chain together (e.g. Design for Deconstruction): IT engineers, software developers, creatives and designers, product engineers shall seek synergies with civil engineers, builders, architects, investors and building managers.
- A need for integrators – who have an overview of the building sector; a need to overcome fragmentation of actors along the value chain (e.g. by agreeing with sector)

### **Key conclusions**

1. Energy goals and circular economy require new business models, innovation, materials and cooperation along the value chain
2. Digitalisation offers the opportunities to do so and facilitate such transitions and cooperation, but essential to align with the Internal Market

## ***Accelerate the Renewal of our Building Capacity***

- A solid human resource workforce is key for responding to energy, circular economy and digitalisation and innovation challenges
- Skilled workers can also better educate consumers
- Foster new technological, 'circular' and 'soft' competencies and skills (including communication skills) across the value chain.
- Education and training of construction industry professionals in the area of BIM
- A strong need for wider sharing of good practices (BUILD UP Skills)
- Boost the mobility of workers – from low to high demand places
- Link education and skills to the image and attractiveness of the sector (see HLF 2016) – will a greener and digital sector make it more 'glamorous'?
- Addressing occupational and health issues as part of an integrated approach
- Upgrading and renewing the skills basis – a central role for social partners
- Risk of fragmentation of the training offer across Europe

### **Key conclusions**

1. Capacities and skills still put a 'brake' on the building activity – both quantitatively and qualitatively
2. The future construction worker will need to have strong technological, green, communication as well as managerial and operational skills

## ***Accelerate the Renewal of the Building Support Framework***

- The launch of the EU common framework of building performance this summer takes into account both energy efficiency, circular economy and well-being criteria
- Smart public procurement as a key enabler – it requires moving away from lowest price selection criteria and trained/skilled public sector staff
- A need to understand and overcome split level incentives that prevent innovation and cooperation – share good business cases and build in incentives
- Support platforms for cooperation
- A call for open systems and linking this to the Internal Market - risk of market fragmentation – whilst taking account security (BIM Task Group and Handbook exactly for this, digital logbook of buildings).
- Need to get the financing right (renovation is part of Juncker Investment Plan)
- Supporting knowledge and intelligence: H2020 offers opportunities.
- A need to keep working on skills: mutual recognition, support strategies for skills in construction (including cross-border), improved multi-level governance, good practice exchange, etc.

### **Key conclusions**

1. A stable and consistent framework is key ...
2. ... whilst a need to renew the building support framework (at least if we want to live up to the policy goals that have now been set)