

Revision of EU climate delegated act

Finnish Property Owners Rakli ("Rakli"), transparency register ID 727236253172-92, is an association representing Finland's most prominent owners of residential and commercial properties and infrastructure, property investors, major cities, and construction clients. Our membership includes both private and public sector entities, as well as the leading Finnish managers of real estate funds.

From Rakli's perspective, the EU Taxonomy has evolved into an important tool for steering sustainability efforts. In the real estate sector, the taxonomy is particularly significant in the context of financing. Therefore, it is essential to reassess the technical screening criteria, as their application has presented certain challenges. Below are some of our observations and comments regarding the technical screening criteria related to climate change mitigation, the DNSH criteria, and the annexes:

7.2. Construction of new buildings

If the delegated regulation enters into force on 1 January 2027, point (1) would effectively bring forward the entry into force of the EPBD zero-emission building requirements by one year for public buildings and by three years for other buildings. Considering the long lifecycle of buildings, the change of the criterion could in this respect enter into force only as of the beginning of 2028, which would align it with the EPBD.

In point (2), the threshold for mandatory air-tightness testing has been lowered from 5,000 square metres to 1,000 square metres, which constitutes an unnecessary tightening of the requirement. We suggest that the threshold is to be kept at 5,000 square metres.

7.7. Acquisition and ownership of buildings

It is welcome that the new version of the criterion will in future take into account property-level transition strategies in accordance with point (1c). However, it must be noted that a 60% reduction in a building's PED is in practice almost impossible to achieve, at least in Nordic climate conditions, given that the building stock is already energy-efficient on average. We propose that the target will be set to 40 %.

DNSH (4)

Under the current delegated regulation, the requirement of a 70% recycling rate is already very stringent in Finland, where, for example, waste wood is commonly directed to incineration plants that produce both electricity and heat. Raising the criterion to 85% would make compliance extremely challenging. The existing requirement is aligned with the EU Waste Directive and is therefore well-justified.

DNSH (5)

It is welcome that the threshold values related to formaldehyde and VOC compounds have been removed.

DNHS (6)

It is welcome that biodiversity loss mitigation measures have been introduced as a new element in the criterion.

Appendix B

The new version of Appendix B introduces new elements into the DNSH criterion (including the extension to cover marine areas). Going forward, meeting the criterion will likely require broader assessments and higher costs, particularly in relation to real estate development.

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