



## 7/ Exemplary public real estate



### Our proposal

## Launch a major public-sector real estate renovation programme

Systematic renovation of non-residential public-sector buildings (schools, hospitals, etc.) at a rate of 3% of the stock per year, via the provision of long-term, low-interest funding mechanisms. The aim: public-sector buildings with an energy consumption of close to zero.



## The stakes for the climate

The proposed renovation of publicly-owned buildings should lead to a reduction in annual greenhouse gas emissions across the European Union of around **100 million tonnes of CO<sub>2</sub> equivalent** by 2050, i.e. almost **4% of the total emission reductions required to meet our "carbon budget"\* responsibilities**.



## Other reasons to adopt this solution

### Job creation

Numerous jobs are likely to be created in areas such as design, manufacture and installation, as well as associated professional services (project management, finance, etc.).

### Economic activity

Major new, low-risk markets for the building and finance sectors. Reduced energy bills will have a positive impact on the trade balance.

### Environment, health & well-being

Energy savings, benefits for users' health and comfort, sets a good example in terms of global efforts to renovate buildings.

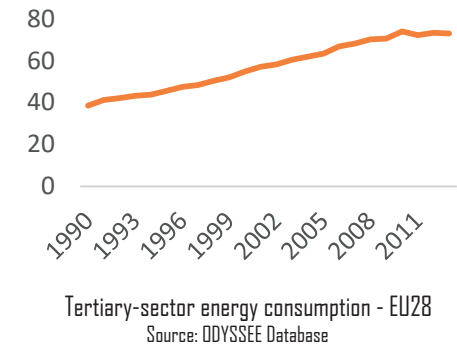
## 7/ Exemplary public real estate

### Why ?

Since 1990, electricity consumption in the tertiary sector has increased by around **50%**.

Significant potential for future energy savings can be found in public-sector real estate.

Because the pace of renovation is extremely slow, and since the building sector is taking its time to adopt new technologies, an ambitious programme of action is required. This action can be effectively targeted at public-sector buildings.



### How ?

- **Mobilize a government-backed guarantee mechanism** to support large-scale loans to accompany the energy transition via the creation of the Société de Financement de la Transition Énergétique or Energy Transition Financing Company.
- **Assemble a broad consortium** (industry, financial institutions, local authorities, associations and foundations) to finance, in optimum conditions - low rates and long-term - the energy renovation of public-sector buildings, without putting a strain on public debt.
- **Introduce a legal obligation to carry out the comprehensive renovation** of all public-sector buildings.

### How much does it cost ?

The total investment required is estimated to be between **€1,200** and **€2,200 billion**.

### Who pays ?

In Europe, public buildings (schools, offices, hospitals, etc.) are a largely under-exploited source of financially sustainable renovation potential (entirely financed through energy savings as opposed to subsidies) amounting to €180 billion.

The proposed financial mechanisms are designed to maximize the potential leverage, by making the European Union-backed guarantee available to private entities: (i) to banks in the first instance; (ii) then to institutional investors, through receivables securitization.

\* Our "carbon budget": target greenhouse gas emission ceiling for 2050, corresponding to a four-fold reduction in European Union Member State emissions compared to 1990 levels.