



EPBD implementation case studies

# How Minimum Energy Performance Standards are being implemented by governments

Measures taken in  
Flanders and the Netherlands



This report looks at two places that have successfully implemented Minimum Energy Performance Standards (MEPS) for existing buildings, and provides inspiration and learning for governments developing their own MEPS policy. It is part of the World Green Building Council's work to support EU Member States as they implement the EU's Energy Performance of Buildings Directive (EPBD).

## Background

### MEPS: an EU renovation accelerator

Europe's renovation rate is stagnant. Only 1% of buildings in the EU are renovated a year ([BPIE, 2022](#)), while roughly 75% of the EU's building stock is considered energy inefficient ([European Commission, 2023](#)). Minimum Energy Performance Standards (MEPS) are requirements designed to limit how much energy a building can consume, and have emerged in recent years as a crucial policy instrument to accelerate renovation rates in EU Member States.

The latest [Energy Performance of Buildings Directive \(EPBD\) revision](#), published in May 2024, introduced MEPS alongside other measures designed to encourage the decarbonisation of the EU's building stock. The revisions include a Zero-Emission Building (ZEB) definition, a date for mandatory life cycle Global Warming Potential (GWP) reporting, and measures to phase out fossil fuel heating systems.

The EPBD establishes MEPS for non-residential buildings based on benchmarks of the worst-performing buildings at the national level. For residential buildings, the approach is different, and Member States must establish a national trajectory using their own choice of measures (which may include MEPS) to reduce the primary energy usage of this part of their building stock.



***Roughly 75% of the EU's building stock is considered energy inefficient.***

### The EPBD is open to interpretation

Many countries will now be grappling with how to implement the EPBD text, which leaves a lot of room for national interpretation and flexibility. For example, no specific targets are set beyond 2033 for non-residential buildings or beyond 2035 for residential buildings. Instead, Member States must set their own targets to drive renovation after these dates, calculated in line with the goal that all buildings are ZEB standard by 2050.

These plans are expected to be set out in National Building Renovation Plans, the first drafts of which countries must submit by the end of 2025.

## Sharing experiences to share success

Fortunately, some European areas have already introduced MEPS to improve the energy efficiency of their buildings, offering case studies from which Member States can learn.

In **Flanders** (the Dutch-speaking northern region of Belgium), MEPS are in force for non-residential and residential buildings, including special provisions for rental properties. The Flanders MEPS scheme is based on buildings achieving minimum levels on their Energy Performance Certificates (EPCs), and has been in force since January 2023.

In the **Netherlands**, large office buildings have been subject to a MEPS scheme since the start of 2023, contributing to a significant rise in the proportion of Dutch office space reaching EPC level A to C. The government attributes the scheme's success so far to thorough consultation with stakeholders, well ahead of the policy's official launch.

This report explores the MEPS schemes in Flanders and the Netherlands and looks at how they are working in practice today. Our analysis covers:

- implementation
- enforcement
- incentives
- impacts

The report reflects on lessons learned so far with the aim of helping others develop their own successful MEPS schemes.

## The role of WorldGBC

WorldGBC and our network of Green Building Councils have been campaigning for the introduction of MEPS for many years. Now that the EPBD has introduced such measures in Europe, we have begun a new phase of work aimed at helping countries implement the EPBD as practically, effectively and efficiently as possible.

Our EPBD implementation support initiative, of which this report is a component, is part of our #BuildingLife programme. #BuildingLife aims to deliver on the European Green Deal aim of a climate-neutral Europe by 2050, by working to eliminate the whole-life carbon impact of all buildings. Policy measures to boost renovation of existing buildings, such as MEPS, are a crucial part of achieving this.

# The case studies

## What measures are in place?

Both Flanders and the Netherlands introduced MEPS measures in 2023, based on buildings achieving minimum levels on their Energy Performance Certificates (EPCs). The details of implementation and the types of buildings covered, however, are different.



**Flanders** – In Flanders, two types of MEPS are in place for residential buildings. One covers residential properties in the rental housing market. Semi-detached and detached rental properties must achieve EPC level E by 2030, D by 2035, and C by 2040. Rental townhouses and apartments must achieve EPC level D by 2030 and C by 2035.

### *Minimum EPC levels for semi-detached and detached rental properties*

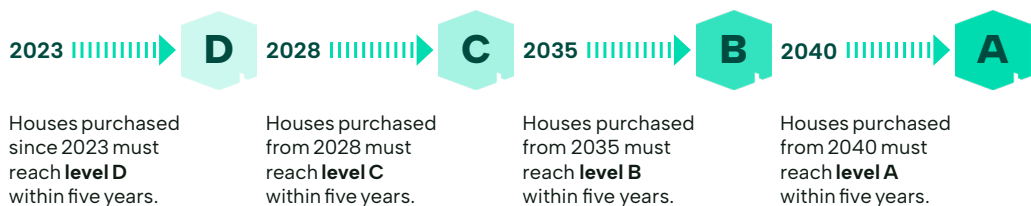


### *Minimum EPC levels for rental townhouses and apartments*



The other type of MEPS in Flanders are for owner-occupied residential buildings, where a minimum EPC level must be achieved following the transfer of property from one owner to another. This rule was introduced in January 2023 and means that, within five years of purchase, or after establishing a leasehold on a property that is EPC level E or F, the new owner must show they have renovated it to EPC level D with a new EPC certificate as proof.

### *Minimum EPC levels for owner-occupied houses*



### *Minimum EPC levels for owner-occupied apartment units*





Flanders also has a longer-term plan under which the minimum EPC levels after renovation will be ratcheted up in 2028, 2035, 2040 and 2045, with the goal that by 2045 all eligible houses and apartments will be EPC level A.

Slightly different measures apply for non-residential buildings, which since January 2022 have had to achieve a minimum share of renewable energy of 5% (or EPC level E) within five years of sale (or other transfer).

A minimum set of renovation measures also applies to individual components of non-residential buildings, such as roof insulation, glazing, heating and cooling. (Further details can be found on the [Flanders government website](#).)



**The Netherlands** – In the Netherlands, since January 2023, all office buildings larger than 100 square metres have needed an EPC rating of at least C to be considered usable, with a maximum of 225 kWh/m<sup>2</sup>/year.

## How are the measures enforced?

An important consideration for a new MEPS scheme is how it will be enforced and what fines and penalties may apply. An appropriate enforcement system should encourage owners to undertake renovations, while being balanced with incentives to make the required work affordable (See *incentives* and *funding* section).



**Flanders** – In the case of rental properties in Flanders, if units do not reach the correct EPC level by the stated dates, home inspectors could deem the home unsuitable, meaning that it would not be given a certificate of conformity and would no longer be possible to rent out.

Regarding the minimum EPC obligation at property transfer for both residential and non-residential buildings, if — five years after the sale or transfer of a property or the establishment of a leasehold or building right — there is no EPC, or if the existing EPC does not meet the required level, the Flemish Energy and Climate Agency (VEKA) will take action.

Non-compliance with these renovation obligations could result in an administrative fine ranging from €500 to €200,000 depending on the type of building. Specifically, fines for non-compliant non-residential buildings can reach up to €200,000, while residential buildings face fines between €500 and €5,000.

It's important to note that paying the fine does not exempt property owners from their renovation obligations. The agency will set a new deadline for compliance, and failure to meet this deadline could result in further fines in the same range.



**The Netherlands** – The Dutch government has a centralised EPC database which allows it to monitor compliance.

In Dutch law, an office building must close if it doesn't reach the required standard of EPC rating C. However, in practice, rather than closing, buildings generally receive a fine for non-compliance which recurs until the building meets the required standard. Fines are administered by the local municipality.

According to the Dutch government, office owners usually comply with the regulation following a first warning, and only a few fines have needed to be administered since MEPS were introduced.

## What incentives or funding are in place to help people comply?

Renovations require considerable capital to which property owners may not have ready access. Governments can help people comply by offering funding and other financial incentives that make energy-efficient renovations possible and affordable. This could include grants, low-interest loans and tax credits that bring down the upfront cost.



**Flanders** – The Flemish government has introduced a supporting structure of loans and grants which provide renovation funding and support the implementation of MEPS, including the following:

**My Renovation Bonus** (*Mijn VerbouwPremie*) offers financial grants to homeowners, landlords and tenants to support specific energy renovation projects. This bonus can be used for energy-saving improvements like wall, roof and floor insulation, replacing windows and doors, and upgrading heating systems.

The bonus framework is complex and varies depending on the type of work carried out and the applicant's income level. In some cases, depending on income level, homeowners can receive up to 50% of eligible costs, with a maximum grant amount that can reach several thousand euros. After the renovation, the property must meet certain energy-efficiency criteria.

**My Renovation Loan** (*Mijn VerbouwLening*) provides low-interest loans for energy-efficient renovations. The loans are available to homeowners with taxable incomes below a certain threshold and to landlords who rent their properties under specific social rental conditions.

These loans, like the grants provided by My Renovation Bonus, can be used for various energy-saving measures, including insulation, heating system upgrades, window replacements, and the installation of renewable energy systems like solar panels. Eligible individuals can borrow up to €60,000 at a fixed interest rate of 0% or low interest rates, depending on their income, with a repayment period of up to 25 years.

Since January 2023, those who purchase a property with EPC level E or F are not eligible for this type of loan for ten years, though they are eligible for a different loan issued by private banks, with interest rate reduction which is specifically ring-fenced for energy renovations. Under the terms of this loan, borrowers receive different amounts of loans and interest rate reductions depending on the EPC level to which the building is renovated.

There is also a zero interest “bullet loan” available for house owners who would struggle with repayments. The maximum amount for these loans is €50,000, and they do not need to be paid back for 20 years unless the property is sold before that time. After 20 years there is still the possibility to repay the loan with a regular My Renovation Loan (Mijn VerbouwLening).



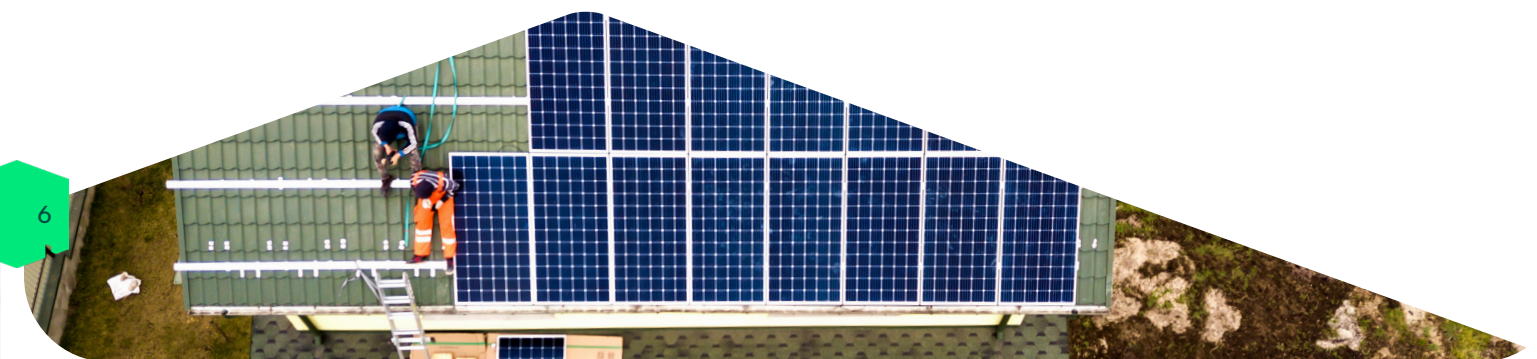
**The Netherlands** – The Dutch public sector is leading by example with a substantial scheme of subsidies for the renovation of public buildings known as DUMAVA. These subsidies can cover a variety of measures, from insulation and heating and cooling to solar rooftop installations.

DUMAVA provides a subsidy of 30% of the total costs of implementing energy-efficiency measures or renovation projects and 50% of the costs of obtaining professional advice and an energy certificate.

The subsidy for projects involving one to three energy-saving measures ranges from a minimum of €5,000 to a maximum of €2.5 million. The minimum subsidy for deep energy renovation projects is €25,000, and the cap is €2.5 million.

While residential buildings are not covered by MEPS in the Netherlands, the government does provide financial incentives for home renovations, such as ISDE and Energiebespaarlening.

Managed by the Dutch National Energy Saving Fund (Nationaal Energiebespaarfonds), Energiebespaarlening allows homeowners to borrow between €1,000 and €65,000 for energy-saving improvements such as installing solar panels, upgrading insulation, replacing windows with double or triple glazing, and installing energy-efficient heating systems like heat pumps. The loans offer fixed, low-interest rates, which are typically lower than standard market rates.



## What has the impact of MEPS been?

Although both Flanders' and the Netherlands' MEPS schemes have only been recently introduced, their impact on behaviour, renovation rates and property markets can already be observed. WorldGBC will continue to study and share the impacts of MEPS schemes as they are established across the EU and elsewhere.



**Flanders** – Since the introduction of MEPS, the difference in sale price between EPC level E and F properties and level B properties has widened by around 12%, which VEKA largely attributes to the introduction of the requirement.

As overall property prices in Flanders continue to climb, this trend presents a significant challenge for low-income families, who are often forced to purchase lower-performing homes due to affordability constraints, which then require renovation to EPC level D within five years. The bullet loans outlined in the previous section are intended to help alleviate the initial impact of this cost.

The introduction of MEPS has also started to influence the behaviour of landlords, although the full impact has yet to become clear as the measures are relatively new. Landlords are now facing the need to renovate their properties to meet the new requirements. Some stakeholders are concerned this might prompt a wave of property sales in the rental sector as landlords look to avoid the financial burden of renovations.

Flanders' housing market is characterised by a high ownership rate (over 70%) and a relatively small rental market (around 30%). This has contributed to scarcity in the rental market, with long waiting lists for social housing. The government has committed to funding and delivering the necessary renovations for social housing, but the scale of the task is considerable and may take many years.

Furthermore, the successful implementation of MEPS across building types is heavily dependent on the availability of a skilled workforce capable of carrying out the required renovations. This presents a huge opportunity for job creation but also a challenge, since the current construction workforce is ageing, and there has been a reduction in the number of workers from Eastern Europe, who previously made up a substantial portion of the renovation workforce.

VEKA has estimated that the region's renovation strategy requires at least 30,000 additional workers in various roles. To meet this demand, the government of Flanders is developing an action plan focused on the education of young people entering the workforce, as well as the retraining of existing workers.



*Since the introduction of MEPS, the difference in sale price between EPC level E and F properties and level B properties has widened by around 12%.*





**The Netherlands** – According to research carried out following the announcement of the minimum EPC rating for office buildings in 2018 and after its enforcement in 2023, there has been a rapid shift in the number of compliant or “green label” Dutch office buildings.

In October 2018, the proportion of office buildings rated C or above was just 20%, with the majority (73%) not having an EPC at all. By July 2024, 64% had EPC C or above. By this point, 9% had EPCs below C and 27% still didn’t have an EPC. When one considers the total square meterage of offices across the Netherlands, the picture is even better, with 78% of total office space covered by A–C EPCs by July 2024, up from just 31% in October 2018.

Anecdotally, the Dutch government says that this shift has also been led by a number of Dutch banks, many of whom have been demanding EPC A ratings across their portfolios by 2030 in line with the long-term government target.

MEPS have been shown to have an economic impact, too. Since the 2018 announcement, the difference in the sales price for offices that comply with the EPC C requirement and those that don’t has widened by almost 20%, providing a significant economic incentive for office owners to take action, over and above the risk of fines and closure.

The Dutch government considers that MEPS for office buildings have been well-received. They attribute the scheme’s success to the fact that it was a targeted initiative with a long lead-in period. The policy was officially announced in 2018, five years before enforcement began, but the government had begun consulting with relevant stakeholders two years prior even to that and was satisfied that there would not be significant pushback. A recent evaluation from the Dutch housing minister has indicated that the introduction of MEPS has not encountered any major bottlenecks.

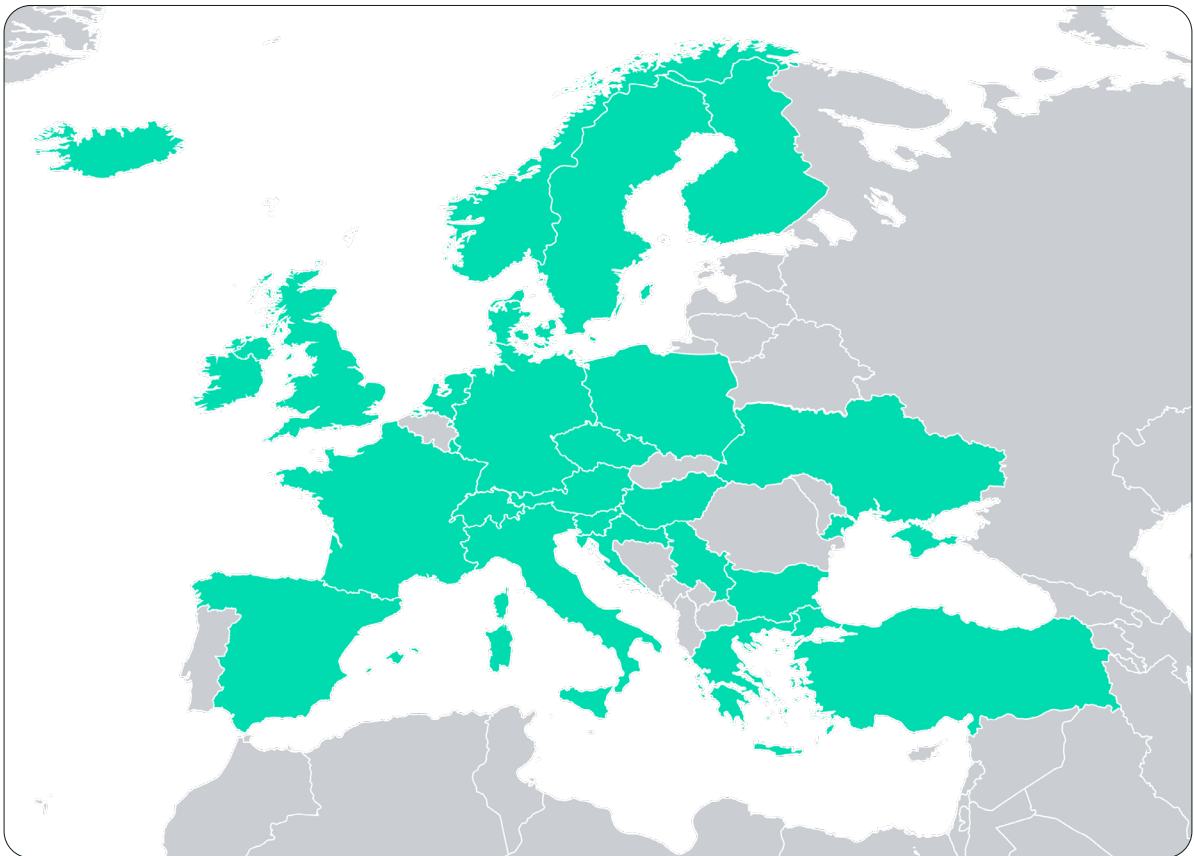


***Since the announcement of the minimum EPC rating for office buildings in 2018 and its enforcement in 2023, there has been a rapid shift in the number of compliant or “green label” Dutch office buildings.***

## About WorldGBC and our Europe Regional Network

The World Green Building Council (WorldGBC) is the largest and most influential local–regional–global action network leading the transformation to sustainable and decarbonised built environments.

Our Europe Regional Network represents over 20 national Green Building Councils (GBCs) and seven regional partners, working to put sustainable buildings at the heart of a prosperous and equitable future for Europe.



European GBCs are committed to supporting Member States with the timely implementation of the Energy Performance of Buildings Directive (EPBD) to:

- set the EU on track to achieve its climate goals
- boost energy security and tackle energy poverty
- create large numbers of long-lasting green jobs
- deliver high-quality, affordable and healthy buildings



For more support implementing the requirements of the EPBD, contact your local **Green Building Council**, or visit [\*\*worldgbc.org/europe\*\*](http://worldgbc.org/europe)

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