

Popular science summary of the master's thesis: Investment Decisions under the revised Energy Performance of Buildings Directive, by Fredrik Åkesson and Oscar Arvidsson Bergving (2026).

New EU energy requirements put pressure on the renovation of Sweden's least energy-efficient homes

Sweden's least energy-efficient homes are in focus as the EU tightens its energy requirements. The study shows that pressure on real estate companies is increasing, but that profitability and regulatory uncertainty still shape their strategies.

New EU energy requirements place a greater focus on Sweden's least energy-efficient homes. The study shows that the directive makes these properties more important in real estate companies' long-term planning, but that it does not automatically lead to more or larger renovations. In practice, decisions are still shaped by costs, financing, the condition of the building and uncertainty about how the rules will be applied in Sweden.

This matters because buildings use a large amount of energy. Reducing energy use requires improvements not only in new buildings, but also in the existing housing stock. For this reason, the EU's new requirements pay particular attention to the homes with the weakest energy performance. These buildings may play an important role in determining how quickly energy use in the residential sector can be reduced.

The thesis examines how Swedish real estate companies are affected by the revised Energy Performance of Buildings Directive, EPBD, when planning investments in energy efficiency improvements. The focus is on less energy-efficient properties. But it also analyses which measures real estate companies consider most relevant and where they perceive the limit to be when additional energy efficiency measures become too difficult or too costly to implement.

The results show that real estate companies mainly prioritise measures that can have an effect without requiring major interventions. This may involve improving the control and operation of existing systems, upgrading ventilation, or recovering heat that would otherwise be lost. Larger measures, such as improvements to roofs and facades, may also become important. However, these are mainly carried out when the building's condition warrants a larger renovation and when the work can be coordinated with already planned maintenance. An important observation is that the homes most clearly targeted by the new energy requirements are often also the most difficult to improve in a reasonable way. They may have the greatest need for action, while also being technically complicated or economically difficult to renovate. This creates a clear tension between political goals and the practical reality facing real estate companies. The rules point in a clear direction, but each investment must still work in real buildings, with limited budgets and uncertain future requirements.

The study shows that energy requirements have the greatest impact when they can be linked to real estate companies' long-term renovation planning, financing and practical conditions. The results may therefore be useful both for real estate companies planning their housing portfolios and for decision-makers designing regulations, support schemes and policy instruments. The thesis is based on an analysis of policy and regulatory documents, as well as interviews with Swedish real estate actors and representatives from public authorities.