

TENANTS ⁴ CLIMATE

HEALTHY HOMES AND ENERGY JUSTICE

Policy Analysis

4 Countries, 4 Contexts :

How To Adapt Tenants Union Strategies To Trigger
Insulation Works



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Framing the note

This comparative note analyses how four European countries – France, Germany, the Czech Republic and Belgium/Wallonia – regulate energy-inefficient rental housing. First, it shows how different words – “energy sieves”, “energetic modernisation”, “energy poverty”, “energy-wasting homes” – frame the problem and pre-shape who is seen as responsible for paying for renovations. Second, it compares national tenancy laws and the risk of renovations, from strong protection in France to weak security in the Czech Republic, with Germany and Wallonia in between. Third, it examines the incentives and legal tools that allow or limit rent hikes after renovation, turning works either into normal maintenance or into a profit-making upgrade. Finally, it explores how local policies in Lyon and Hannover can counterbalance, reproduce or transform these national frameworks, and under which conditions tenant unions can use this multi-level context to win just renovations.

Beside the Brussels seminar of July 10–11, this comparative note examines the situation in four countries and four cities: Lyon (France), Charleroi–Wallonia (Belgium), Berlin (Germany), and Prague (Czech Republic).

1. Framing of the Public Debate in the Four Countries

1.1. Major Differences in the Public Debate Between Countries

France: the “energy sieve” (*passoire énergétique*) as a moral scandal and lever for social justice.

The public debate is dominated by the notion of the *passoire énergétique*, which has become a moral symbol of social injustice and poor housing. This framing nurtures the view that the solution must be an obligation of repair. Public action is thus twofold: on the one hand, prohibiting rent increases for energy-inefficient homes and introducing progressive obligations to bring them up to standard, and on the other hand, providing massive subsidies (*MaPrimeRénov'*) to finance renovation works for modest homeowners.

Germany: “energetische Modernisierung” (energy modernization) as a real-estate investment.

The problem of poorly insulated homes is often framed as economic waste. The solution is called *energetische Modernisierung* (energy modernization), a legal category presented as an investment by property owners, which entitles them to raise rents to secure a return on investment. Tenant organizations denounce it as the symbol of an unjust transition.

Czech Republic: energy poverty and green savings.

The problem is defined in institutional terms as *energetická chudoba* (energy poverty). The program *Nová zelená úsporám* (New Green Savings) actively subsidizes energy renovations, including *zateplení* (insulation), window replacements, more efficient heating systems, and renewable energy installations. The issue appears less politicized than in other countries. Still, the Czech Social Democratic Party (ČSSD) has proposed revising the program to ensure it does not place too heavy a burden on citizens and to include insulation of collective housing.

Belgium: “energy-wasting” housing in Brussels and Wallonia, technical debate in Flanders.

The debate on poorly insulated housing diverges sharply between Flanders and Brussels/Wallonia. In Flanders, it is framed primarily in technical terms around the EPC/PEB energy certificate and the F and G classes, with solutions focused on minimum energy performance standards (MEPS) and financial incentives—often criticized as benefiting the wealthiest. In Brussels and Wallonia, the problem is more often named as *logements énergivores* (energy-wasting homes), *passoires* (sieves), or energy poverty. Solutions combine legal obligations and tenant protections: freezing or

modulating rents based on EPC rating, a planned phase-out of energy-wasting buildings, and ordinances against abusive rents.

1.2 How Words Can Shape Public Policy

The terms used to define the problem directly shape public policies. In France, the metaphor of the *passoire énergétique*—a leaking home that must be repaired—was popularized by the Abbé Pierre Foundation and has become a moral and social framing. So strong that it rendered inoperative contradictory legal provisions, such as the MLE law, which allowed landlords to make tenants contribute to energy savings after renovation works; it was never applied, as it clashed with the dominant idea that repairs are the landlord's responsibility.

In Germany, by contrast, the term *energetische Modernisierung* was enshrined in law as a profitable investment operation, opening the way to rent increases after renovation. At the European level, Minimum Energy Performance Standards (MEPS) are framed in the technical language of “performance,” which steers policy more towards the creation of one-stop shops, financial aid, and technical assistance, rather than tenant protection.

These national and European framings show how much the public narrative varies depending on dominant actors and cause entrepreneurs, and how this shapes both legislation and practice. The French metaphor of leaks to be repaired, the German encoding of modernization as asset valorization, or the European language of energy performance, all lead to different views of who must act and who must pay. The challenge now is to redefine the problem as that of *energy-wasting* or *unfit homes*—in other words, sick housing that must be cured. This makes it possible to clearly anchor responsibility on landlords, who alone must finance repairs, not tenants. In this struggle over naming the problem, tenant unions have a decisive role: structuring the public debate, imposing a vocabulary of social justice, and influencing how retrofit / *Sanierung* / *sanace* policies are designed and implemented

Catégorie	Français	Anglais	Allemand	Tchèque
Problem – Energy	passoire énergétique, logement énergivore, logement bouilloire	energy leaky homes, energy wasting homes	Wärmelecks,	úniky tepla, tepelné ztráty
Problem – Health	logement insalubre, logement malade	unfit housing, sick homes	kranke Wohnung, ununbewohnbare Wohnungen	nemocný dům nevyhovující bydlení
Works as improvements (to be avoided)	modernisation, rénovation, amélioration de confort	upgrading, modernization, refurbishment	energetische Modernisierung, Energieeffizienz	renovace, rekonstrukce
Works as repairs and bringing up to standard	Réparation, mise aux normes, réhabilitation, , retrofit	retrofit, repair, compliance works	Sanierung, Instandsetzung	sanace, zateplení

2. Legal framework

2.1 European Union

Since 2000, the European Union has progressively strengthened its regulatory framework on the energy performance of buildings. The first major step was the **2002 Energy Performance of Buildings Directive (EPBD 2002/91/EC)**, which introduced the obligation for all Member States to create **Energy Performance Certificates (EPCs)** — known in France as the DPE, in Germany as the Energieausweis, and in the Czech Republic as the PENB. These certificates had to be presented when selling or renting a dwelling, creating the first continent-wide system for rating buildings' energy efficiency. The directive was then significantly reinforced in **2010 (EPBD recast)**, which tightened minimum performance requirements and made EPCs more visible in real estate advertisements. A further revision in **2018** pushed Member States to develop long-term renovation strategies and promote “nearly zero-energy buildings”. Finally, the **2024 EPBD revision** shifted away from strict mandatory standards for residential buildings and instead set **national reduction targets** for energy consumption by 2030 and 2035, while urging stronger renovation efforts for the worst-performing stock.

2.2 The Legal Situation in the 4 countries

In France, landlords must provide tenants with an Energy Performance Certificate (Diagnostic de performance énergétique – DPE) when renting a dwelling. The DPE is valid for ten years and must appear in all rental advertisements. Since the 2021 Climate and Resilience Law, the worst-performing homes (class G in 2025, F in 2028) are gradually being banned from the rental market, creating a strong legal push for renovations. The State enforces the DPE system and can impose fines for missing or fraudulent certificates.

In Germany, landlords must provide tenants with a valid Energieausweis when renting out a dwelling. This certificate, valid for ten years, is issued by certified professionals and can be either consumption-based (Verbrauchsausweis), based on actual energy consumption data from the last three years, or demand-based (Bedarfsausweis), based on a theoretical evaluation of energy demand, taking into account the building's technical characteristics. Which one to use depends on the building's age and characteristics.

While no national ban on low-efficiency rentals exists, federal law allows substantial rent increases after “energetic modernisation”, making regulation of renovations a central legal issue.

In the Czech Republic, landlords must provide tenants with an Energy Performance Certificate (EPC, Průkaz energetické náročnosti budovy – PENB) when renting or selling a property. If the certificate is missing, listings must temporarily classify the dwelling as class G. The PENB is valid for ten years and must be issued by accredited experts. Enforcement and sanctions are the responsibility of the State, through the State Energy Inspection (*Státní energetická inspekce*), not local authorities. Although the EPC obligation is well established, there are no legal restrictions on renting poorly rated dwellings, and no specific rent regulation linked to renovation.

In Wallonia, rental advertisements must display the energy label from the Performance Énergétique des Bâtiments (PEB) certificate, which landlords must provide to tenants when signing the lease.

Wallonia plans to prohibit the rental of PEB F and G dwellings from 2033, creating a long-term renovation obligation. Enforcement lies with regional authorities, which can impose administrative fines. Unlike France or Germany, no automatic rent increase mechanism exists after renovation.

2.3 Summary: Comparison table of legal obligations in the 4 countries

Obligation	France	Wallonia (Belgium)	Germany	Czech Republic
Mandatory DPE	Yes, for any rental	Yes, for any rental or sale of a property. The certificate must be issued before the real estate advertisement is published.	Energy certificate is required for any rental or sale of a property.	the PENB (Průkaz energetic náročnosti budovy) is required for any rental or sale of a building or unit.
Display Energy Performance Certificate	Mandatory in advertisements	Mandatory: the energy class (from A to G) and the certificate number must appear in all rental advertisements	Mandatory: the advertisement must mention the energy class, the final energy consumption, the energy source used, and the type of certificate (consumption or need).	the energy class (A to G) must be mentioned in all public rental advertisements.
Delivery to the tenant	Integrated into the DDT when signing the lease	The PEB certificate must be given to the tenant when signing the lease.	The owner must provide a copy of the certificate to the tenant at the latest when signing the lease	The certificate must be provided to the tenant at the time of signing the rental agreement.
Validity of the DPE	10 years (under conditions)	10 years	10 years	10 years

Rental ban	G (2025), F (2028), E (2034)	From 2033: ban on renting accommodation classified PEB F or G, unless renovation work is undertaken.	Discussions are underway at the federal level to introduce minimum energy performance standards for residential housing, but no ban on the rental of thermal sieves is yet in force.	None
Rent freeze	For accommodation classified F and G	Since October 14, 2022, rent indexation has been modulated according to the PEB class:< br >- PEB A, B, C: normal indexation.< br >- PEB D: indexation with correction factor.< br >- PEB E, F, G: indexation severely limited or frozen.	There are no specific restrictions related to energy class. Very low-performance homes can still be rented.	There is no link between the PENB and rent indexation or regulation. Rents are mostly unregulated in the private sector.
Possibility of increasing rents after work	In France, energy renovations do not automatically entitle you to a rent increase during a current lease. However, if a lease is renewed, the landlord may propose a rent reassessment if renovation work has been carried out.	After energy renovation, a PEB reclassification allows the right to full indexation to be restored, but there is no automatic mechanism to increase the rent beyond the starting rent, unless a new lease is signed.	There is a possibility of increasing rents after renovation: Up to 8% of renovation costs can be passed on to the rent, capped at €3/m ² /month (in high-demand areas like Berlin).	Yes, but without a specific system governed by law: it depends on the lease contract and the negotiation.

Public subsidies for renovation	MaPrimeRénov', zero-interest eco-loan (eco-PTZ), Anah (Habiter Mieux) assistance, personalized support via France Rénov' counters to encourage energy renovation.	Renovation bonuses, reduced-rate eco-loans, personalized support via Homegrade to encourage energy renovation.	National subsidies (via KfW), regional programs for energy renovation (particularly in co-ownership or for social landlords).	National programs such as "Nová Zelená " Úsporám " (New Green Economy) for energy renovation, mainly intended for owner-occupiers, but accessible in certain cases to landlords.
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2.4 Legal comparison of risk of renovation

France: Strong tenant protections, very limited grounds for termination

French tenancy law is considered **highly protective** for tenants in the private rental sector.

- **Termination by the landlord:** only **at the end of the lease** and for **three strictly defined reasons:**

- 1) owner occupancy,
- 2) sale of the dwelling,
- 3) “legitimate and serious” reason (e.g., serious tenant misconduct).

- **Notice period:** 6 months.

- **Evictions require a court order.**

In France, **ending a lease to carry out renovation work is *not* a valid legal reason.**

Renovictions therefore occur mainly through indirect or abusive strategies (pressure, fraudulent declarations, refusal to renew without proper grounds).

Wallonia (Belgium): Generally protective, but termination for major works is allowed

Wallonia’s rental legislation seeks a balance between tenant stability and landlord flexibility.

- **Short leases (1–3 years):** more easily terminated.

- **Standard 9-year lease:** relatively secure, but landlords can end the lease for three reasons:

- 1) owner occupancy,
- 2) **major renovation works,**
- 3) without reason but with compensation, at specific times in the lease cycle.

- **Notice period:** 6 months.

Because termination for **major works** is legally recognised, the risk of **renoviction** increases in the context of upcoming energy performance requirements (e.g., the planned ban on PEB F and G rentals from 2033 onwards).

Germany: Medium-level security, but energy renovations often enable evictions

Germany offers traditionally stable tenancies, but **landlords can terminate more easily than in France.**

- **Lease duration:** typically open-ended.

- **Termination by the landlord:** possible for “**legitimate interest**” (Eigenbedarf – owner occupancy; tenant misconduct).

- **Notice period:** 3 to 9 months depending on length of tenancy.

- **Termination for renovation:** permitted if the works make continued occupancy **impossible**, a clause often used to justify renovictions.

Czech Republic: The weakest tenant protections, with broad landlord termination rights

Among the four countries, the Czech Republic offers the **least secure form of tenancy.**

- **Lease duration:** often fixed-term (1–2 years), leading to high turnover.

- **Termination by the landlord:** permitted in a broad set of cases, including:

- owner occupancy,
- tenant misconduct,

- **the need to carry out major renovation works.**

- **Notice period:** usually 3 months.

- **Rent regulation:** minimal, including after renovations.

Although landlords must provide an energy performance certificate (PENB) when renting, there are **no strong protections** preventing renovations. Tenants are therefore highly exposed to displacement when renovation works are planned.

Country	Security of tenure	Can the landlord terminate because of renovation?	Renoviction risk
France	High	No (except extremely specific cases)	Low → mainly indirect pressure
Germany	Medium	Yes, if works make occupation impossible	Very high
Wallonia	Medium–high	Yes, for major works	High
Czech Republic	Low	Yes, relatively easily	Very high

2.4 Taxation and Economics of Housing Renovations

2.4.1 Comparison of Tax Regimes for Renovation Works

France. Landlords under the “real regime” can deduct from rental income their expenses for maintenance and repairs (as well as non-structural improvements) and loan interest. In cases of a rental income deficit, the deduction from overall taxable income is generally capped at €10,700. This cap is temporarily increased to €21,400 until 31 December 2025 when the deficit results from energy renovation works that upgrade a dwelling from class E/F/G to A–D (with conditions on invoices and payments specified by the tax administration). Any remaining deficit can be carried forward for 10 years against future positive rental income.

Germany. For rented properties, maintenance expenses (*Erhaltungsaufwand*) are generally deductible immediately as *Werbungskosten* (income-related expenses). However, beware of the 15% rule: if, within three years of acquisition, the total works exceed 15% of the purchase cost (excluding land), the tax authorities reclassify them as *anschaffungsnahe Herstellungskosten* (acquisition-related capital expenditures) → not deductible immediately, but depreciated (*AfA*). Official guidance and case law confirm this threshold. Conversely, smaller routine repairs remain immediately deductible. Energy renovations of rental properties follow the same rules: deductible if considered maintenance, capitalized if deemed substantial improvements.

Belgium. For a rental to a private household (housing rented for residential use), taxation is not based on actual rent but on the cadastral income (RC), indexed and increased by 40%. In this case, actual maintenance expenses are not deducted item by item (only loan interest and certain specific charges can be). However, if the property is

rented for professional use, taxation is based on the net actual rent, and real expenses (repairs, charges, etc.) are deductible. In parallel, residential renovation works may benefit from a reduced VAT rate of 6% under certain conditions (age of the building, nature of the works), lowering the cost of repairs and maintenance.

Czech Republic. Rental income is subject to personal income tax. Landlords can choose between a flat deduction of 30% of rents (capped at approximately CZK 600,000) or the actual expenses regime, deducting real costs incurred (repairs, insurance, etc.). Repairs and maintenance are deductible under this option. However, more substantial renovation investments (so-called *technical improvements / technické zhodnocení*) that exceed a certain threshold (currently CZK 40,000 per property) can no longer be deducted immediately and must instead be capitalized and depreciated over the asset's useful life.

2.4.2 How Tenant Unions Can Use This

Three concrete levers for campaigns:

1. **Reframing.** Publicly frame thermal sealing works (fixing *Wärmelecks / úniky tepla*) as mandatory maintenance, not “bonus” modernization — therefore at the landlord's expense.
2. **Legal and fiscal arguments.** In France and Germany, remind landlords they already benefit from immediate deductions for maintenance, and in France that the 2023–2025 window allows a “super rental deficit” for energy renovations; in Belgium, highlight the 6% VAT rate that already reduces repair costs; in the Czech Republic, promote the real-expenses option to deduct repairs instead of claiming “unbearable costs.”
3. **Negotiation and pressure.** Integrate these points into letters to landlords, legal notices, and media arguments: the fiscal tools already exist to cover maintenance costs; tenants should not have to pay for so-called “modernizations” framed as comfort improvements when in reality they are just repairs to fix energy leak

2.5 Comparative Focus: France vs. Germany – Renovations as “major maintenance” or as “modernization”?

In France, in the building sector, the official “global cost” method includes all expenditures over the building's life cycle: initial cost (purchase/construction), operating and routine maintenance costs, and major maintenance/renewal of components (boiler, envelope, etc.). This is the approach recommended by ADEME/CEREMA to manage projects both technically and financially, including in social housing. It clarifies that maintenance/renewal is part of the “normal cost” of housing and must be provisioned in the economic model, not treated as an exceptional bonus.

In Germany, *Lebenszykluskosten* (life-cycle costs) aggregate initial investment, operating costs (*Betrieb*), and maintenance/renewal (*Instandhaltung/Erneuerung*). German law distinguishes between maintenance (*Erhaltungsaufwand*) and modernization (*Modernisierung*): maintenance relates to preserving the building's condition (borne by the owner), while energy modernization can, under tenancy law, justify rent increases (currently up to 8% of the costs passed on to tenants, capped by regulation)

3. Local public policies

3.1 Selected local policies in four countries

France (Lyon). Since 2015, the Metropolis has implemented the *Écoréno'v* program: a one-stop-shop for support via ALEC and subsidies covering up to 50% of renovation costs (capped at €20,000), complemented by state and metropolitan grants. The goal is to renovate 10,000 homes per year, half of them in social housing. The SLIME scheme targets households in energy poverty: in 2024, 460 households were assisted, 95% of them very modest, mainly owner-occupiers of old homes with individual heating (gas or electricity).

Belgium (Charleroi – Wallonia). The City and the Region coordinate several tools: the *Maison de l'Énergie* (technical and administrative support), partnerships with Social Real Estate Agencies (AIS) offering subsidies and zero-interest loans to landlords who entrust their properties to an AIS in exchange for moderate rents, and regional schemes (*Guichets Énergie, Écopasseurs*) providing information and personalized renovation guidance.

Czech Republic (Prague). The national program *Nová Zelená Úsporám* finances up to 50% of costs for insulation, heating system replacement, solar panel installation, and efficient ventilation. Locally, *Clean Energy for Prague* supplements this with personalized advice and zero-interest loans for homeowners.

Germany (Berlin). The public bank KfW offers low-interest loans and subsidies linked to energy efficiency standards (*Effizienzhaus*), as well as subsidized energy advice. The city of Berlin aims for carbon neutrality by 2045, with a plan that includes comprehensive renovation of public buildings and 95 sectoral actions.

3.2 Comparison between Lyon and Hannover

In both Lyon and Hannover, local policies show strong ambition in energy renovation, but the narratives framing them highlight profound differences in how problems and solutions are defined.

In Lyon, *Écorénov* is presented as the “flagship scheme” of the Metropolis, a symbol of political voluntarism and a showcase of local action. Initially launched by Béatrice Vessiller and later strengthened by the current majority, it combines financial aid, a one-stop-shop run by ALEC, and specific support for modest households via Soliha. The official discourse highlights renovation quality (bio-sourced materials, summer comfort) and extension to social landlords. Yet, behind this positive framing, Vice-President Renaud Payre acknowledges a “hole in the net”: the private rental sector remains largely outside the program, and nothing is designed for tenants living in poorly insulated homes. Wealthier, better-organized condominiums are prioritized in support, while poorer households rely mainly on palliative measures (SLIME) to prevent situations where “tenants hesitate between heating or making it to the end of the month.” In short, Lyon’s narrative combines ecological massification on one side and social urgency on the other, but fails to fully integrate the plight of private rental tenants, who are the most exposed to energy-inefficient housing.

In Hannover, the framing draws on a longer ecological tradition, marked by the early creation of a climate protection office, the ProKlima fund, and a district heating network. The city promotes its pioneering role, and the SPD-Green coalition long embodied this narrative of sustainable modernization. Yet, the financialization of housing introduced another storyline, centered on “energy modernization” as a profitable investment. Vonovia and Deutsche Wohnen, beneficiaries of massive sell-offs of municipal housing, pursued two strategies: heavy renovations with sharp rent hikes and gentrification in central districts, or outright neglect in peripheral working-class areas. While Lyon emphasizes public institutions’ effort to “support” households, Hannover illustrates the difficulty of regulating financialized landlords whose renovation strategies oscillate between excess and abandonment. The city ultimately had to step back in, repurchasing housing through its semi-public landlord Hanova to regain local control.

The comparison reveals two distinct narratives of energy renovation: in Lyon, an institutional story of public control and social concern, but one that sidelines the private rental stock; in Hannover, a pioneering narrative rooted in ecological politics but undermined by housing financialization. In both cases, private rental tenants—either invisible in Lyon’s technocratic framing or weakened by Germany’s financial logic—remain the weakest link in renovation policies.