Impacts – Draft Government Proposal to Parliament on amendments to the Act on Energy Performance Certificates of Buildings and the Construction Act

1.1.1 Economic impact

Energy performance certificates of buildings have become an established part of the Energy Performance of Buildings Directive, and as a result, they have been in use in Finland for several years. The proposed amendments to the certificates would not alter their content or preparation in a way that would lead to significant economic impacts.

Overall, the economic impacts of the proposed amendments to the Energy Performance Certificate Act would be moderate. The changes would not significantly increase the cost of certificates nor create extensive new obligations. Any new costs would be one-off and would only affect limited groups (protected buildings, certain holiday homes, and public buildings), and would be small relative to the overall value of the property.

1.1.1.1 Impacts on households

The proposed amendments to the Energy Performance Certificate Act would not result in significant new costs for households. The scope of information required to be included in the energy performance certificate would be expanded, but the associated cost impact is expected to remain modest. For example, information on the share of on-site renewable energy production or on operational greenhouse gas emissions would be newly required, but as this information is based on the technical characteristics of the building, its inclusion would not require additional investigations by households (the calculations form part of the certificate preparation process). The amendments would improve the transparency of the energy efficiency system and consumer protection. The new information would help households to assess the energy costs and environmental impacts of a property.

The price of energy performance certificates would be expected to remain largely at the current level, approximately EUR 200–400 for small houses, EUR 300–400 for older detached houses and EUR 600–1500 for apartment buildings. The extension of the scope of the energy performance certificate requirements (e.g. protected buildings) would not significantly affect this cost level, as the calculation basis of the certificate would not change substantially as a result of the reform. A simplified update procedure would slightly reduce costs, in that, for example, a new full certificate would not be required for minor changes.

In some cases, the cost of an energy performance certificate may also decrease. This applies in particular to situations where the building is located in a remote area and a previously mandatory on-site inspection visit could be replaced by a virtual site visit. This procedure would reduce costs arising from travel and could thus lower the overall cost of the energy performance certificate.

In addition, the energy performance certificate would in the future be required to be presented when applying for a building permit, where this concerns a building undergoing major renovation or a building that is to be significantly extended. However, the preparation of an energy performance certificate is in such cases often already part of the planning of the renovation project, as a result of which the cost remains minor in relation to the overall project.

However, the reforms would have targeted impacts, in particular on those for whom the energy performance certificate would become a new obligation, as well as on those who would wish to make use of the voluntary building renovation passport. The reform would remove certain exemptions, with the result that a certificate would be required in the future, inter alia, for protected buildings and certain holiday homes (use > 4 months per year). In these respects, households would incur a one-off cost.

The building renovation passport is voluntary. Its acquisition would give rise to costs for households. No renovation passports have been issued yet, but the cost could be comparable to that of obtaining an energy performance certificate for a detached house. The passport sets out recommendations for long-term renovation planning, but does not impose obligations to take action and therefore does not directly create a mandatory financial burden for households. The renovation passport should be seen as a tool to guide investment. Although it is subject to a fee, it could improve the planning of renovation works and reduce long-term costs.

According to Article 7 of the recast Energy Performance of Buildings Directive, the obligation to calculate global warming potential (GWP) and the associated limit values will apply to all buildings from 2030 onwards. This means that information on the carbon footprint will have to be calculated and reported as part of the energy performance certificate at that time also for detached houses. A detached house would mean a

small residential building, such as a single-family house and a building forming part of a linked house. In addition, a carbon footprint limit value applicable from 2030 will have to be laid down for such buildings at a later stage. Individual residents or shareholders in apartment buildings and terraced houses are already subject to the low-carbon requirements under the Construction Act, and therefore this proposal would not entail changes to their position.

The obligation, as proposed, to prepare a climate declaration and a building product list in new construction projects would, from 2030 onwards, increase the costs of small house construction only to a minor extent. According to a study by the Finnish Green Building Council, the cost of commissioning a carbon footprint calculation for small houses from an external consultant amounts to a few hundred euros[1], but the final price of the climate declaration will be determined on the market. In practice, the obligation to prepare a climate declaration would, from the perspective of households, mean that in detached house projects a climate declaration would have to be presented as part of the final inspection. The majority of small houses constructed in Finland are so-called prefabricated houses supplied by house manufacturers. Most house manufacturers already calculate the carbon footprint of the small houses they produce, and climate-related information is regarded as beneficial for marketing purposes. On these grounds, it can be assumed that, in connection with the purchase of a detached house supplied by a house manufacturer, the climate declaration would not give rise to significant impacts for households. In those relatively rare cases where a household itself is responsible for the project without a house manufacturer, an additional cost of a few hundred euros, as estimated in the above-mentioned study by the Finnish Green Building Council, may arise. However, this additional cost would be marginal in comparison with other construction costs, and therefore the requirement to prepare a climate declaration would not raise the threshold for small house construction. Carbon footprint data would be directly available from the climate declaration for inclusion in the energy performance certificate. The aim is to harmonise, to the greatest extent possible, the manner in which such information is reported, so that reporting would be straightforward.

As cost estimation for small houses is generally based on bills of quantities, most of the information required for the building product list already exists. The additional workload associated with the building product list would be very limited in the future, as it would arise as part of building information modelling-based and low-carbon design. The obligation to prepare a building product list would therefore also not raise the threshold for implementing a small house project.

According to the proposal, new buildings for which an energy performance certificate is not required would be excluded from the scope of the obligations relating to the climate declaration and the building product list. For households, it is significant that the obligations are not extended to small houses of less than 50 square metres or to buildings intended for holiday accommodation that are not used for the provision of accommodation services.

1.1.1.2 Impact on companies

The extension of the energy performance certificate requirements increases costs for some companies. If a building is owned or used by a public body, an energy performance certificate would, under the proposal, have to be obtained for it, resulting in a one-off cost. The amount of the cost would depend on the building, with the cost estimated to range between EUR 600 and EUR 1,500 per building. Public and corporate owners would need to obtain certificates more extensively than before, as the obligations would be extended to, inter alia, protected buildings, major renovations and significant extensions, but the costs would be relatively small in relation to the overall costs of building maintenance.

The expansion of the content would not impose any new financial burden on businesses. The new information to be included in the energy performance certificate (including the share of renewable energy and operational emissions) could be added without additional investigations. The requirement to make the energy performance certificate publicly available would not give rise to costs for companies.

The renovation passport is voluntary for businesses. Companies could use the passport as a strategic tool, but the cost would not be mandatory. The cost of a renovation passport is estimated to be between EUR 1,000 and EUR 3,000, depending on the building.

A simplified update procedure would reduce administrative costs for companies by enabling minor updates without requiring a new certificate and by utilising virtual inspections. Cost savings would materialise particularly for companies that frequently carry out repairs or maintenance-related improvements.

[1] Finnish Green Building Council, Impact Assessment on the Preparation of a Climate Statement for a Construction Project 2020.

The expanded scope of energy performance certificates, new content requirements, and the preparation of renovation passports would increase the workload of energy certificate providers. This would have some employment effects, amounting to at least a few person-years across the market annually.

According to the proposal, from 2028 onwards, the obligations to prepare a climate report and a building product inventory would be extended to cover all buildings with a usable floor area exceeding 1,000 square metres, and from 2030 onwards, all new buildings (excluding those not required to obtain an energy performance certificate). However, the expansion of the obligations to prepare a climate report and a building product inventory would not significantly affect the costs incurred by companies, as many buildings used for business purposes are already subject to these obligations from 2026 onwards, such as commercial buildings, office buildings, department stores, shopping centres, retail buildings, market halls, theatres, museums, art galleries, tourist accommodation buildings, hotels, and warehouses, transport buildings, swimming halls, and ice rinks with a heated net floor area exceeding 1,000 square metres. To the extent that the obligations do extend to new buildings, the costs incurred by companies for preparing a climate report are generally not significant in relation to the overall scale of a construction project. According to the report of the Finnish Green Building Council, the cost of preparing a climate statement is approximately between EUR 2,000 and EUR 6,000 depending on the building and the author of the report. In practice, the price of the climate report is determined by the market. However, the development of data modelling practices is expected to enhance the calculation process and reduce the cost of compiling a climate statement compared with the estimate presented above. [2]

The scope of application of limit value regulation would be expanded under the proposal to cover all new buildings from 2030 onwards (excluding buildings for which there is no obligation to obtain an energy performance certificate). The obligation to calculate building emissions would encourage companies to further develop building products, services, and methods that enable lower lifecycle carbon dioxide emissions than at present, as well as to develop design solutions that support low-carbon construction. Limit value regulation is seen as expediting the production of low-emission building materials and increasing the production of renewable energy, leading to the development of building materials and energy production solutions in the sector[3].

4.2.1.3 Impact on public finances

The proposal would expand the obligation of public bodies to obtain energy performance certificates. Under the proposal, all buildings owned or used by a public body would be required to have a valid energy performance certificate in the future, regardless of whether the building is being sold or rented. The obligation would particularly apply to government agencies, authorities, and other public entities that may currently have buildings without a certificate. The cost would depend, among other things, on the size of the building and the availability of data, but is estimated to be approximately EUR 500–2,000 per building. However, the overall cost impact on public finances is expected to be limited, as many public entities are already subject to the certification requirement and an energy performance certificate is a one-off document valid for 10 years.

The most significant costs would arise from the reform of the energy performance certificate register, although these would be assessed in more detail in a separate government proposal that would lay down more specific provisions on the information system. In addition to the system reform, costs would also arise from ongoing maintenance and coordination. It would, of course, be important to ensure sufficient guidance (through Motiva) so that households, among others, understand the impact of the changes and make use of the simplified procedure. The need for increased guidance and communication would be particularly relevant during the initial phase of the regulation.

The proposed amendments to the Construction Act concerning the low-carbon performance of buildings would not have significant impacts on public finances.

4.2.1.4 Impacts on the local economy

The proposal expands the obligations of public bodies to obtain energy performance certificates. Under the proposal, all buildings owned or used by a public body would be required to have a valid energy performance certificate in the future, regardless of whether the building is being sold or rented. These entities

[2] Finnish Green Building Council, Impact Assessment of Preparing a Climate Statement for a Construction Project 2020.

[3] Finnish Environment Institute, Assessment of the Climate Impacts of the Comprehensive Reform of the Land Use and Building Act, 2021

would include, for example, municipal bodies or other public authorities that exercise statutory public powers, perform administrative duties, or provide services, such as the police, courts, or municipal councils.

In addition, the expansion of the obligation to obtain energy performance certificates would have an impact on municipal finances, to the extent that the requirement is extended, for example, to protected municipal buildings. Furthermore, a certificate would also be required more frequently in connection with renovations and extensions. The cost would depend, among other things, on the size of the building and the availability of data, but is estimated to be approximately EUR 500–2,000 per building. For municipalities, this would mean a slight increase in costs, but the overall impact would be small, as most of the building stock is already covered by the obligations.

If a building has an energy performance certificate, it would have to be clearly displayed in the future. The obligation would apply to public buildings owned or used by municipalities (e.g. libraries, schools, swimming pools). However, the associated cost would be minimal. The cost impact of the proposed amendments to the Energy Performance Certificate Act on municipalities' own construction projects would remain limited, as no changes to construction itself are proposed.

Supervision would only result in moderate additional administrative costs. However, supervision would need to be carried out for a somewhat larger number of buildings. Similarly, at the building permit stage, the building control authority would have to verify that an energy performance certificate is attached to the permit application and that it is updated before the building is taken into use. The workload would increase only slightly, meaning that no additional resources would be required.

The proposed amendments to the Construction Act concerning the low-carbon performance of buildings would not lead to significant new costs for the local economy in municipalities. The proposed extensions to the obligation to prepare a climate report and a building product inventory would only slightly increase the administrative costs of municipal building control authorities. The extension of the obligation from 2028 would have only a minor impact on the efficiency and costs of the permitting process. The extension of the obligation from 2030 would have some impact on the efficiency and costs of the permitting process, particularly because the obligations would also apply to detached houses. The costs would arise from the obligation of the building control authority to verify, for a broader range of buildings, that the required climate report and building product inventory have been prepared and that the carbon footprint limit value is not exceeded. For example, several thousand detached single-family houses are built each year. At the current level (2024–2025), the number of new single-family house projects is approximately 3,800 per year, which is very low.

On the other hand, the proposal also includes limitations to the scope of application, which would reduce costs and streamline the building permit process. According to the proposal, a climate report and a building product inventory would not be required if the building in question is not required to have an energy performance certificate. The proposal would exclude from the scope of application (categories 1–9 under section 38), for example, new buildings intended to be temporary. Such buildings could, on a case-by-case basis, include, for example, temporary modular school buildings and day-care centres. Similarly, buildings smaller than 50 square metres would not be subject to these obligations.

The carbon footprint and carbon handprint of the building and the building site would need to be presented for renovation projects undergoing major upgrades that achieve an energy class of A+. This energy class is not yet in use, and it is therefore difficult to estimate how many renovation projects would achieve an energy class of A+. In 2024, only around 160 extensively renovated buildings reached energy class A-. Buildings in the A+ energy class would be required to have an E-value 20% lower than the threshold for class A, and their renewable energy production would need to exceed the building's total annual primary energy demand. It can therefore be assumed that only a few dozen upgraded buildings would achieve the A+ energy class, meaning that the impact on municipal finances would be negligible.

Municipal costs as property owners and developers may increase slightly to the extent that new municipal buildings would be required to have a climate report and a building product inventory prepared. However, most buildings are already covered by these obligations, such as educational buildings, day-care centres, sports halls, and hospitals, so the overall impact is considered limited. From 2028, the scope of application would be extended to include all other buildings with a usable floor area exceeding 1,000 m² for which an energy performance certificate must be prepared. Such buildings would include, for example, certain utility buildings, hall-type buildings, and maintenance buildings. From 2030 onwards, the scope would be extended to include all buildings required to have an energy performance certificate, regardless of their size. In this case, the requirement to prepare a climate report and a building product inventory would apply, for example, to small swimming pools and warehouse buildings.

4.2.1.5 Impacts on the economy

The proposed amendments to the Energy Performance Certificate Act would have a limited impact on the national economy, as energy performance certificates have been in use for a long time, the changes would be limited in nature (content updates and procedural clarifications), no major new obligations would be introduced, and the cost level of certificates would not change. The proposed amendments would not affect the cost structure of the real estate sector in a way that would have a broader impact at the macroeconomic level.

Increases in public sector expenditure would not have a measurable impact on the national economy. The proposal may provide some minor benefits in guiding energy efficiency investments, as the reform would improve the comparability of energy performance and strengthen incentives for consumers and businesses to carry out energy renovations. An energy performance certificate does not in itself save energy, but it guides investments that reduce energy consumption, decrease dependence on energy imports, and support cost efficiency in the energy sector. However, the overall impact is not expected to be significant, as the certificate is already in use and no major new obligations are proposed.

The reform would not affect housing construction or the real estate sector in a way that would generate macroeconomic impacts. The proposals would not have significant effects on investment or construction cost levels, as they would not substantially change the calculation method for energy performance certificates, would not lead to significant additional reporting costs in construction projects, and would not alter market mechanisms related to property values.

The proposed amendments to the Construction Act concerning the low-carbon performance of buildings would not have significant impacts on the national economy. Guidance on the low-carbon performance of buildings has already been in place since the beginning of 2026, and the changes proposed here are mainly related to the implementation of the directive. However, regulating for the low-carbon performance of a building can generally be seen as having a positive impact on the development of low-carbon solutions in Finland, on the mobilisation of desirable investments and on competitiveness, in a context where clean and sustainable construction already affects construction work globally at all levels. The development of low-carbon building materials has great potential. Finland is the largest exporter of building products in Europe in relation to population.

The proposed introduction, from 2030, of an obligation to prepare a climate report and a building product inventory for detached houses would mean that such a climate report would be prepared for approximately 6,600 detached houses annually. On average, the preparation of climate reports for detached houses would correspond to an annual cost in the order of approximately EUR 1.3 million, assuming an average cost of a few hundred euros per report.[4] The preparation of building product inventories would correspond to a slightly lower annual cost. However, most detached houses are built as prefabricated units or delivered on a turnkey basis, meaning that the same climate report and building product inventory can be reused for multiple buildings with only minor modifications, which significantly reduces the associated costs. The impact on the national economy is therefore likely to be significantly smaller, as set out above.

1.1.2 Impact on the activities of public authorities

The workload of municipal building control authorities would increase slightly, but the overall impact would remain limited. Energy performance certificates would be required for a somewhat broader range of new buildings, as well as in cases of major renovations and significant extensions. Measures should be taken to ensure that, among other things, the obligation to display certificates is complied with in public buildings.

Additional costs related to supervision would also arise for the Finnish Centre for State-Subsidised Housing Construction. The obligation to obtain energy performance certificates in connection with major renovations and for public buildings would increase the annual number of certificates subject to accuracy checks. Moreover, the need for use-phase supervision would increase, as certificates would need to be displayed in a growing number of buildings. The information content of energy performance certificates would expand,

[4] The figure of 6,600 is only indicative, as there is significant annual variation in the number of detached houses constructed. For example, at present (2024–2025), the number of new single-family house projects is around 3,800 per year, which is historically low. The figure of 6,600 is likely closer to reality when estimating the number of projects by 2030. It is estimated that the cost of producing a climate report and a material specification (now replaced by a lighter building product inventory) for small houses is a few hundred euros on average. The price estimate is based on a study carried out by the Green Building Council Finland (FIGBC) in 2020 entitled ‘Impact assessment of the climate report for construction projects’.

increasing the number of data fields subject to verification and the amount of calculation to be reviewed. As a result of these changes, the annual workload of the Centre for State-Subsidised Housing Construction is estimated to increase by approximately one person-year.

The proposed amendments to the Construction Act concerning the low-carbon performance of buildings would not have a significant impact on the activities of the authorities. The expansion, from 2030, of the obligations to prepare climate reports and building product inventories, as well as the inclusion of a larger number of buildings within the scope of limit value regulation, would slightly increase the workload of municipal building control authorities. The increase in workload would also have a slight impact on the efficiency and costs of the permitting process. The costs would arise from the obligation of the building control authority to verify, for a broader range of buildings, that the required climate report and building product inventory have been prepared and that the threshold value is not exceeded.

1.1.3 Impacts on employment

The proposed changes could have small positive impacts on employment in service markets, as the reform would slightly increase demand for energy performance certificates, renovation passports, and energy advisory services. The impact on the national economy would be positive but limited in scale and would mainly be reflected in the growth of energy certification and expert services.

The proposed expansion of the obligations to prepare climate reports and building product inventories would not significantly increase employment in Finland. The most notable employment impact would be related to the obligation to prepare climate reports for detached houses from 2030 onwards, which is estimated to create a need for approximately 5–10 person-years. In practice, the workload would remain relatively small, as climate reports prepared for standard house packages could be reused for similar prefabricated housing solutions.

1.1.4 Environmental impacts

The purpose of the energy performance certificate is to provide information on a building's level of energy efficiency for the comparison of buildings, as well as to present recommendations for improving the energy efficiency of existing buildings in a cost-effective manner. By presenting and providing the certificate to the buyer or tenant, indicating the energy class in sales and rental listings, and displaying the certificate, the aim is to ensure that consumers have the opportunity to reliably compare the energy performance of different buildings. An energy performance certificate does not in itself improve energy efficiency, but it is intended to encourage sellers and landlords to pay attention to energy efficiency and to take measures to improve it.

Energy performance certificates increase the visibility and quality of information on buildings' energy efficiency and strengthen transparency and comparability of information. The attractiveness of sustainable energy solutions increases when information is more easily comparable. Consumers can better identify low-emission or self-sufficient buildings. In addition, more detailed energy performance certificates and new renovation passports would encourage households and businesses to make energy efficiency improvements that reduce energy consumption and fossil emissions.

The renovation passport would promote cost-effective and impactful energy renovation. With its help, renovation measures could be phased in a way that achieves significant energy savings and emission reductions. At the same time, it would guide the implementation of technically well-timed and cost-effective renovations that deliver greater environmental benefits.

Although an energy performance certificate does not in itself improve a building's energy efficiency, it makes energy efficiency a factor that adds to market value, helps energy-efficient solutions (such as heat pumps, solar power, and better insulation) become more widespread, and increases consumer awareness. This would generate a positive overall impact by reducing the building stock's energy consumption and carbon dioxide emissions in the long term, while steering the building stock towards lower emissions through market mechanisms.

The GWP calculation requirement and carbon footprint limit values referred to in Article 7 of the Directive will guide a large share of new buildings constructed annually in Europe towards lower carbon emissions: lifecycle carbon performance will improve in terms of both building materials and energy consumed during use. Limit values can be used to regulate the whole-life carbon footprint of buildings, particularly the early and late stages of the lifecycle, i.e. the production of building materials, construction, waste generation, and recycling. However, carbon footprint limit value regulation for new buildings has already been introduced in Finland as of the beginning of 2026, covering a major share of new construction. The limit values will be

tightened for the first time in Finland from the beginning of 2029, with the aim of increasing their effectiveness. For this reason, the proposed changes in this proposal regarding the scope of application of climate reports and building product inventories as of 2028 would have only a minor impact on achieving the original objectives of the Construction Act in reducing greenhouse gas emissions.[5]

Limit values must be updated before 2030 so that, in line with the Directive, the remaining buildings are also included within their scope. The magnitude of the positive climate impacts of the changes proposed in this proposal depends largely on the selected carbon footprint limit values and the pace at which they are updated. Their magnitude is impossible to predict, but it can be noted that, for example, detached houses are already relatively low-carbon, as wood is often used as the construction material. Therefore, the obligation to prepare a climate report and to comply with the limit value set for detached houses does not significantly reduce the climate emissions of construction.

The proposal also includes limitations to the scope of the obligation to prepare climate reports and building product inventories, as well as to the application of limit values, so that these obligations would not apply to new buildings for which there is no obligation to obtain an energy performance certificate. With this clarification, the scope of application would become more precise. At the same time, the procedure could be slightly streamlined by reducing the burden associated with preparing climate reports and building product inventories. However, the limitation would not mean a significant narrowing of the scope of application, as the use categories defined in the amendments to the Construction Act entering into force at the beginning of 2026 do not broadly cover such new buildings for which an energy performance certificate is not required. Thus, it would have only a minor significance for achieving the original objectives of the Construction Act in reducing greenhouse gas emissions.

1.1.5 Other impacts

No gender impacts have been identified for the government proposal.

1.1.6

[5] In the Government proposal (HE 139/2022), it has been suggested that limit value control has the potential to reduce and avoid some hundreds of thousands of tonnes of greenhouse gas emissions annually, depending on the level of the carbon footprint limit values of buildings used in the guidance.