

Proposals to boost funding for housing renovation and decarbonisation in Spain

What is limiting financing for more efficient + decarbonized housing?

1. Lack of energy information on buildings and homes (consumption, emissions, certificates).
2. Limited coordination between grants, subsidies, and public and private financing schemes.
3. Administrative complexity in permits, procedures, and disbursement of aid.
4. Shortage of skilled labor and low training levels among renovation professionals.
5. Lack of fiscal and regulatory incentives for homeowners and housing communities.
6. Low public awareness of the benefits of comfort, health, and market value.
7. Institutional fragmentation among ministries, regional governments, and municipalities.
8. Limited access to credit for vulnerable groups or homeowners' associations with low solvency.

How can these barriers be overcome?

- Idea 1**
Create a **National Office for Renovation and Rehabilitation** with local one-stop shops that integrate technical assistance, grants, and financing.

- Idea 2**
Simplify and coordinate aid programs, ensuring advance payments and compatibility between subsidies, guarantees, and loans.

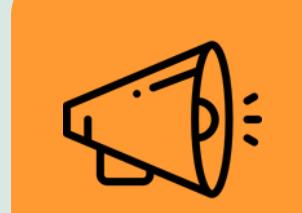
- Idea 3**
Introduce fiscal and regulatory incentives (personal income tax deductions, reduced VAT, urban planning fee reductions) for energy efficiency and deep renovation projects.

- Idea 4**
Promote public guarantees and specific ICO credit lines for vulnerable homeowners' associations.

- Idea 5**
Develop a variety of innovative financial products: green mortgages, property-linked loans (eco-charges), or on-bill financing schemes.

- Idea 6**
Establish a dedicated blended finance fund for the building renovation sector, combining public and private resources.

- Idea 7**
Provide technical training for property managers, installers, and renovation professionals.

- Idea 8**
Launch communication campaigns to promote the "green premium" of energy-efficient homes.

- Idea 8**
Promote sustainable bonds and impact funds to finance social housing and urban regeneration.




Spain must reduce the energy consumption of its residential building stock by **16% by 2030**.

More than **85% of homes have low energy efficiency**.

The **Next Generation EU funds expire in 2026**, making it urgent to establish stable, long-term financial mechanisms.

These are the conclusions of the working group **"Priority Measures to Develop Financing Instruments that Meet the Needs of Spain's Building Stock,"** led by alinnea and dedicated to identifying key bottlenecks and proposing solutions to strengthen the climate resilience of the real estate sector.

The full report is available here:
bit.ly/4i42ees

 alinnea