European sustainability report impression

Construction, installation, and home improvement industry

2024

A product by USP Marketing Consultancy

Introduction

In recent years sustainable construction has become a fundamental strategic necessity within the built environment (building owners, architects, contractors, installers, manufacturers, wholesalers etc.). According to the UN Environment Programme (UNEP), the building and construction industry contributes significantly to global climate change, accounting for 37% of annual global CO_2 emissions and 34% of the global energy demand. These alarming statistics resulted in several initiatives to encourage the construction industry to support the agenda of sustainable development. The European Union took one step further by initiating the Green Deal policy for achieving 'net zero' CO_2 emissions by 2050, urging all types of industries to adopt more environmentally conscious practices.

Understanding how sustainability affects the way of working within the industry is crucial for any company's future success. Key stakeholders within the industry are already implementing new effective strategies for constructing sustainable buildings, but the pace of change, however, differs in each European country. Knowing where, how, and when these trends become relevant is the key market intelligence input for strategic decision making.

This report contains several years of research conducted among key stakeholders in the European construction industry and will provide insights into the current and future developments within the industry and answers questions such as what perspectives do professionals have on sustainability? In what ways do professionals fulfil the need for sustainable construction? Which stakeholders are crucial for driving sustainable construction? And how will the future look like?

Authors

Eline Brussee
Project Manager
+31 6 38 33 76 44
brussee@usp-mc.nl

Mariia Liushnevskaia
Research Analyst
+385 97 656 0072
liushnevskaia@usp-mc.nl

Henri Busker
Consultant
+31 6 26 93 61 29
busker@usp-mc.nl

Methodology

This report provides in-depth insights based on triangulation of key market information and data as well as data from USP Marketing Consultancy's key monitors that are carried out year in, year out. The focus of this report is on the most important stakeholders within the construction industry, namely architects, contractors, electrical and HVAC installers within The United Kingdom, The Netherlands, Belgium, Germany, Poland, France, Italy, and Spain.

On the topic sustainability over 11.000 phone interviews are conducted among these stakeholders in the past 5 years and will serve as base of the results shown in this report. In addition, insights are given on the consumer market based on more than 9.500 online interviews conducted on sustainability the past years. In combination with the desk research conducted, this report will give a solid and comprehensive overview on the topic within the European Construction industry.

Data triangulation

Desk research

statista

European Commission

UN environment programme

European Environment Agency

SUSTAINABLE DEVELOPMENT GOALS

European Investment Bank

European Architectural Barometer

The European Architectural Barometer focuses on architects in 8 European countries. Each year approximately 3.000+ successful telephone interviews are conducted, focusing on key marketing topics, such as BIM, Prefab, sustainability, and purchase behaviour. The reports also include our predictions for future building volumes.

European Contractor Monitor

The European Contractor Monitor focuses on contractors of 5 employees and more in 8 European countries. Each year approximately 1.900+ successful telephone interviews are conducted, focusing on key marketing topics, such as BIM, Prefab, sustainability and purchase behavior. The reports also include our predictions for future building volumes.

European Electrical Installation Monitor

The European Electrical installation Monitor focuses on electrical installers in 7 European countries. Each year approximately 3.000+ successful telephone interviews are conducted, focusing on key marketing topics, such as sustainability, Prefab, and smart buildings. The reports also include our predictions for future building volumes.

European Mechanical Installation Monitor

The European Mechanical installation Monitor focuses on HVAC installers and plumbers in 6 European countries. Each year approximately 2.600+ successful telephone interviews are conducted, focusing on key marketing topics, such as sustainability, Prefab, and smart buildings. The reports also include our predictions for future building volumes.

European Home Improvement Monitor

The European Home Improvement Monitor focuses on European consumers and their home improvement behavior. The research is based on 26.400 online interviews conducted annually in 11 European countries. Each report tracks the number of jobs being done, the amount spent, and key trends shaping the market.

Table of contents

3.	Introduction
4.	Background
5.	Perception of sustainable construction
11.	Fulfilment of sustainable construction
27.	Driving forces and barriers to sustainable construction
37.	The future of sustainable construction
41.	Appendix
50.	References

Perception of sustainable construction

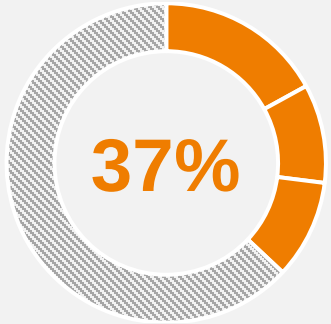
Climate change poses a profound threat to the environment, human health, water resources, economies and global stability. In the past decade, there has been a notable rise in surface temperatures, accompanied by an increase in occurrences of floods, droughts, heatwaves, and other climate-related hazards. Addressing climate change is therefore vital for safeguarding and securing a sustainable future for generations to come.

One of the biggest contributors to climate change is the construction industry, accounting for 37% of the annual global CO_2 emissions and 34% of the global energy demand.[1] Several initiatives have been made to urge the industry to adopt more environmentally conscious practices, but sustainable construction is a topic that leads to confusion.

Several definitions are used interchangeably, especially when it comes to sustainability and circularity. In the studies we conducted, sustainable construction is defined as a way of building that aims at reducing the (negative) health and environmental impacts caused by the construction process, buildings, or the built-up environment. All parties involved in the building cycle process take minimizing the use and maximizing the reuse of buildings and building materials into account from the very start of the construction process.

2024

Global emissions



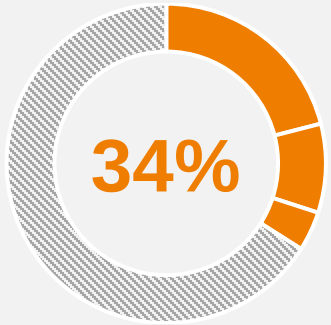
17% residential
(11% indirect; 6% direct)

10% non-residential
(7% indirect; 3% direct)

10% materials used in construction
(7% concrete, steel, and aluminium)
(3% bricks and glass)

Other industries

Global energy demand



21% residential

9% non-residential

4% materials used in construction
(concrete, steel, and aluminium)

Other industries

Source: UNEP, *"2024 Global Status Report for Buildings and Construction"*.

Conclusion

…

2030

Nearly zero-energy buildings
100% of the **new-build** buildings constructed should be nearly zero-energy buildings

Renovation wave
80% of the existing buildings needs to be renovated to a higher energy performance standard, aiming at a reduction of 40% to 60% of energy consumption

Circular construction
50% of the construction materials should be sourced from recycled or renewable sources

Decarbonization
50% of the construction sectors' carbon footprint needs to be reduced

Smart and sustainable infrastructure
100% of the **new** infrastructure projects should optimize energy usage and minimize environmental impact

55%
reduction of the greenhouse gas emissions

Source: European Commission, "The European Green Deal.".

Conclusion

…

2050

Net-zero energy buildings

All buildings constructed should be nearly zero-energy buildings

Renovation wave

All existing buildings needs to be renovated to a higher energy performance standard, aiming at a reduction of 80% to 90% of energy consumption

Circular construction

All construction materials should be sourced from recycled or renewable sources

Decarbonization

The construction sectors' carbon footprint needs to be zero

Smart and sustainable infrastructure

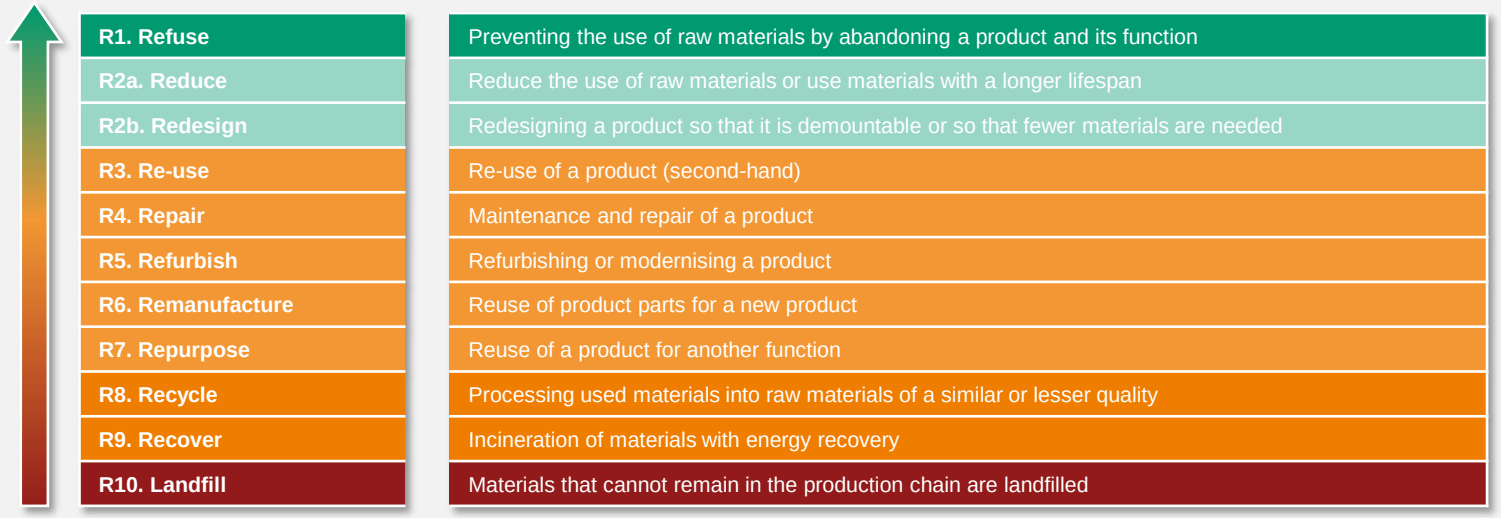
All infrastructure projects should optimize energy usage and minimize environmental impact

Source: European Commission, "The European Green Deal.".

Conclusion

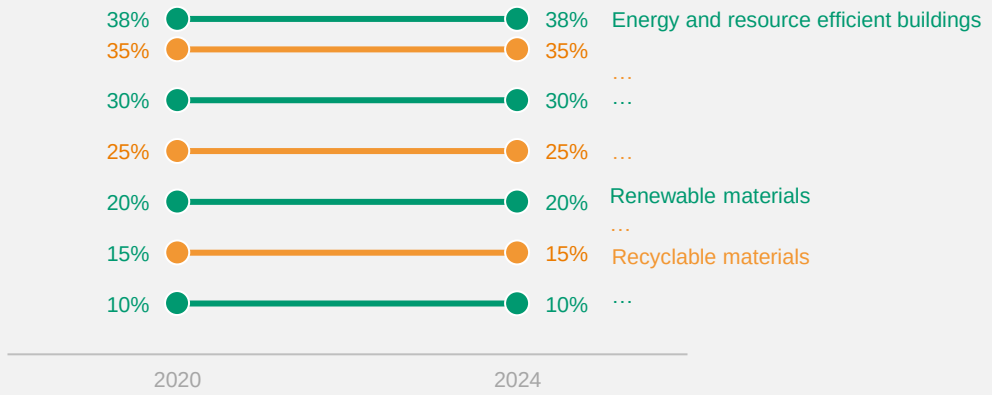
….

Degree of Circularity – R-ladder model



Source: Ellen MacArthur Foundation, “Circular Economy systems diagram”.

What describes **sustainable construction** best?

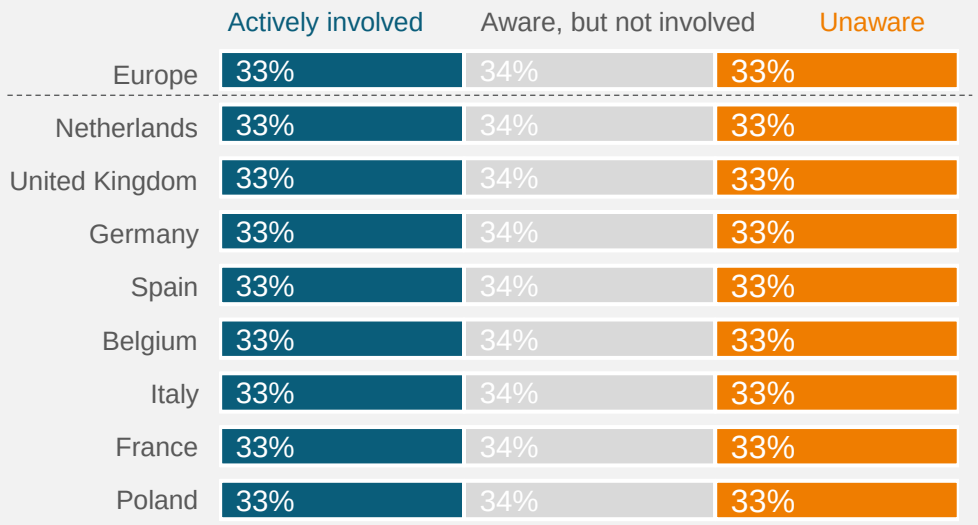


Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

Conclusion

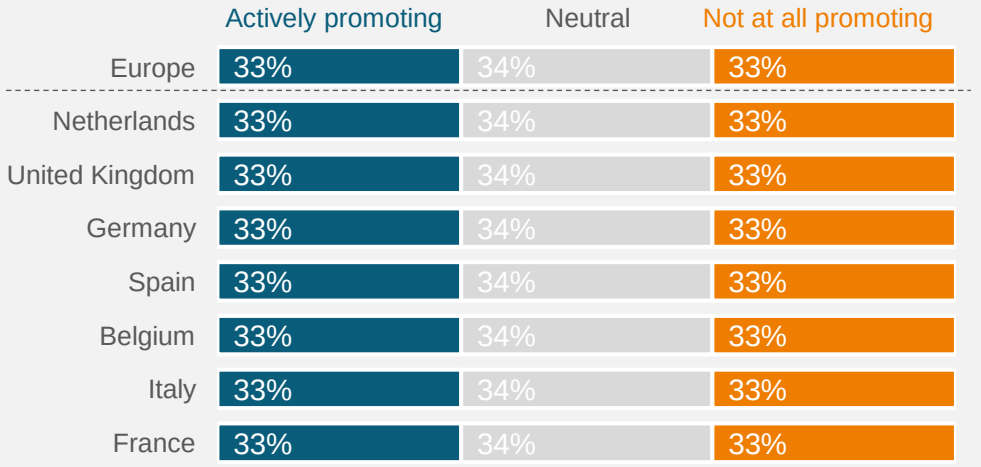
…

Architects' and contractors' involvement in sustainable construction economy



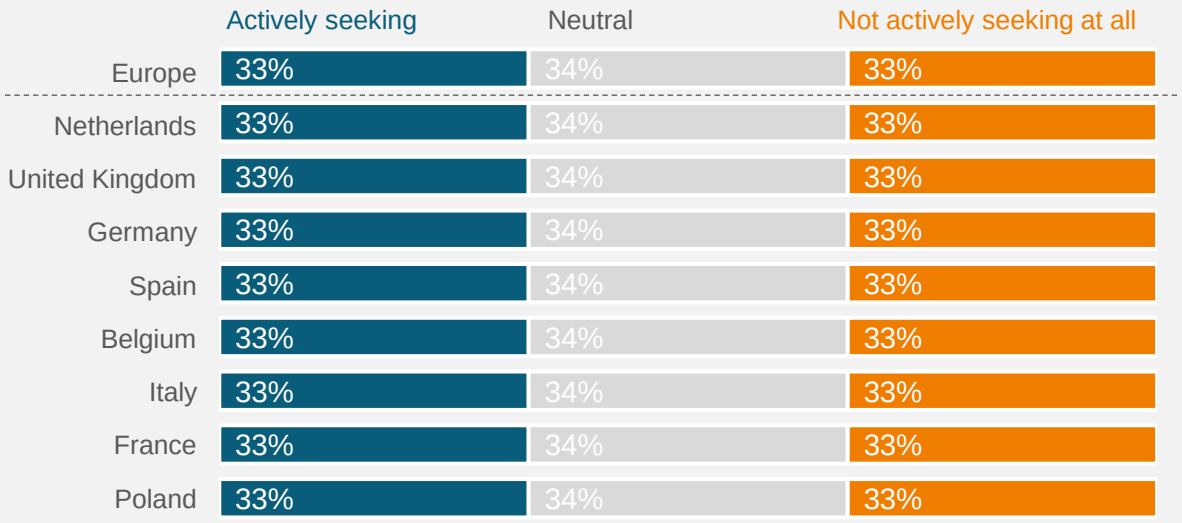
Source: USP Marketing Consultancy, analysis of architects and contractors

Installers promoting sustainable solutions

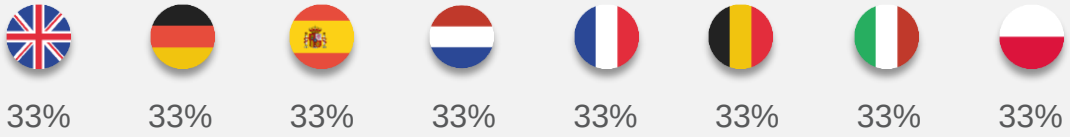


Source: USP Marketing Consultancy, analysis of installers.

Actively seeking sustainability improvements



Planning to make **sustainable investments** in the **next year**



Main driver and **barrier** for **sustainable improvement**

xx%
xxxx

xx%
xxxx

Source: USP Marketing Consultancy, analysis of consumers

Conclusion

.....

Fulfilment of sustainable construction

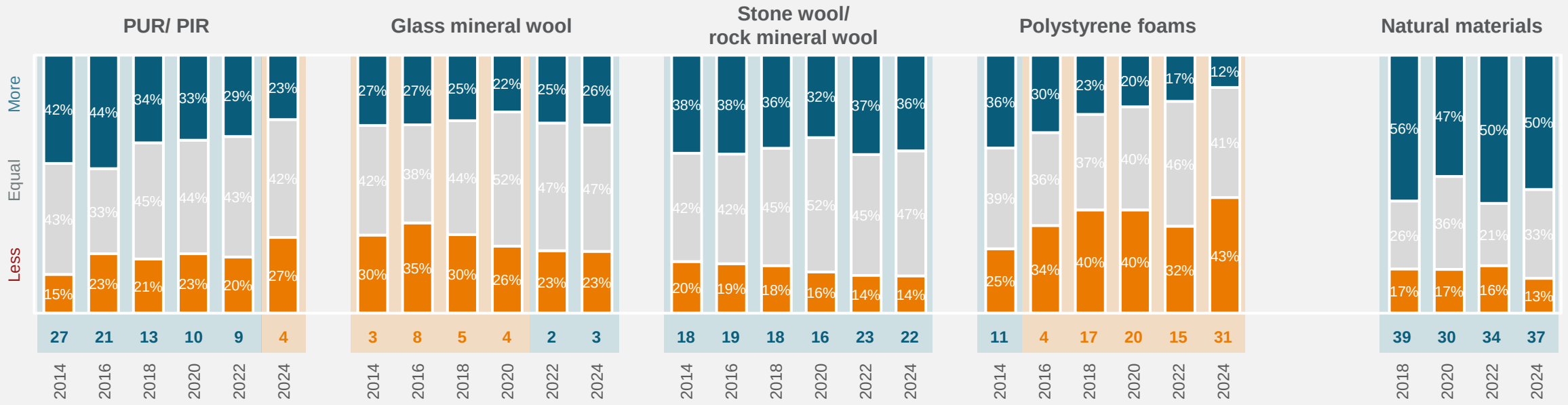
Building components that according to professionals **contribute** the most in creating **sustainable buildings**

	Structural construction	Facades	Roofs	HVAC installations	All of them
Europe	33%	33%	33%	33%	33%
Netherlands	33%	33%	33%	33%	33%
United Kingdom	33%	33%	33%	33%	33%
Germany	33%	33%	33%	33%	33%
Spain	33%	33%	33%	33%	33%
Belgium	33%	33%	33%	33%	33%
Italy	33%	33%	33%	33%	33%
France	33%	33%	33%	33%	33%
Poland	33%	33%	33%	33%	33%

Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

More sustainable insulation materials are specified

Architects show a shift in the specification of insulation materials. Since 2022, more natural materials together with (rock) mineral wool are expected to be specified in the coming five years, whereas less sustainable materials such as PUR/PIR and Polystyrene foams are expected to be specified less often.



Source: USP Marketing Consultancy, analysis of architects.

Most used **product solutions** regarding **sustainable construction**

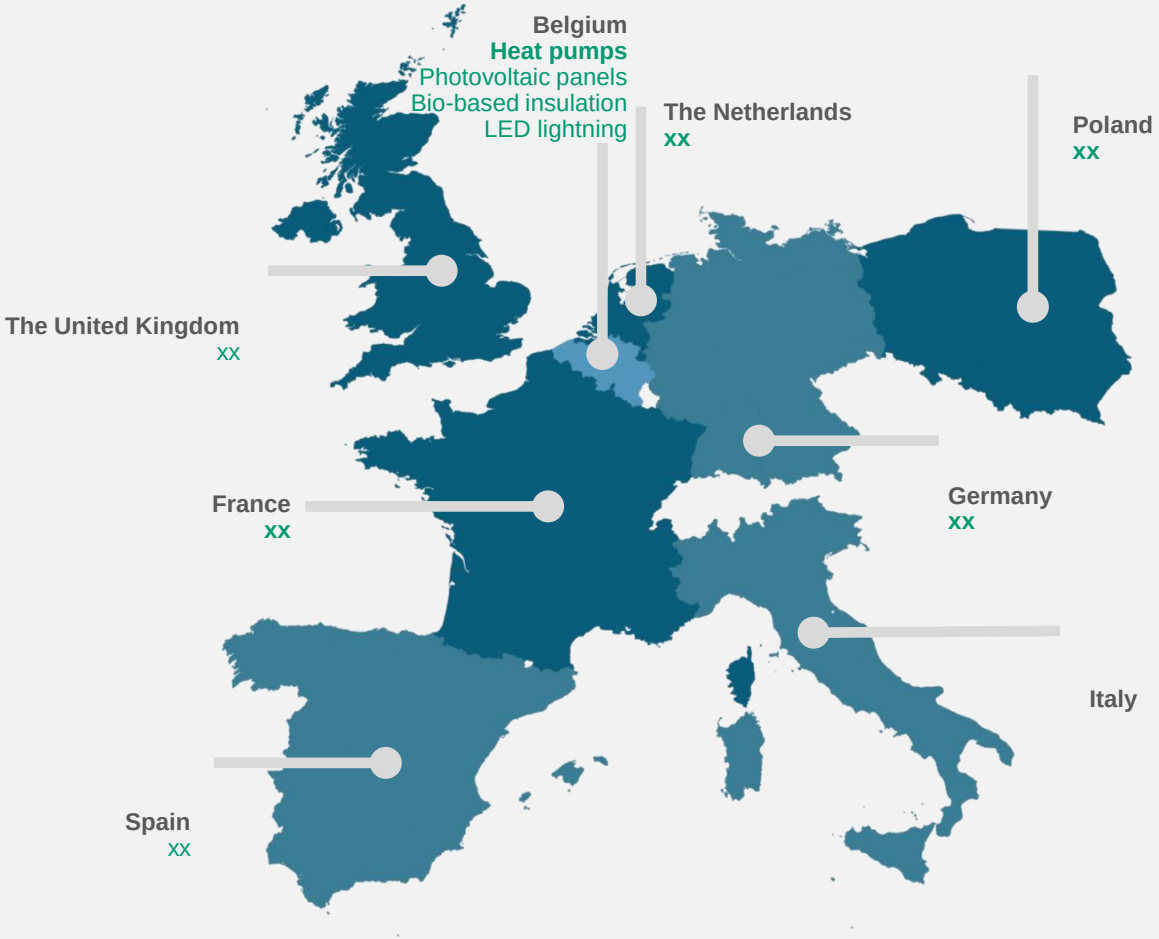
Heat pumps

Photovoltaic panels

LED lightning

Bio-based insulation

Products of reused or renewable material



Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

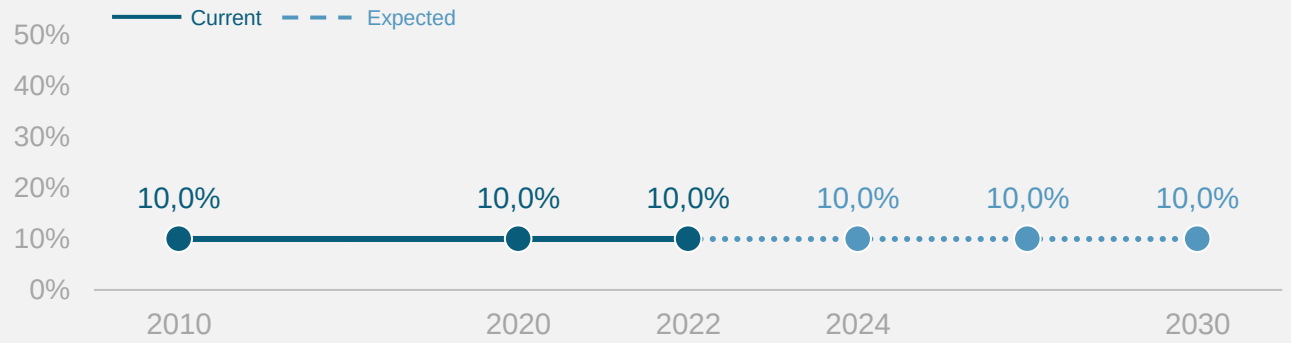
Conclusion

xxxxxxxxxxxx

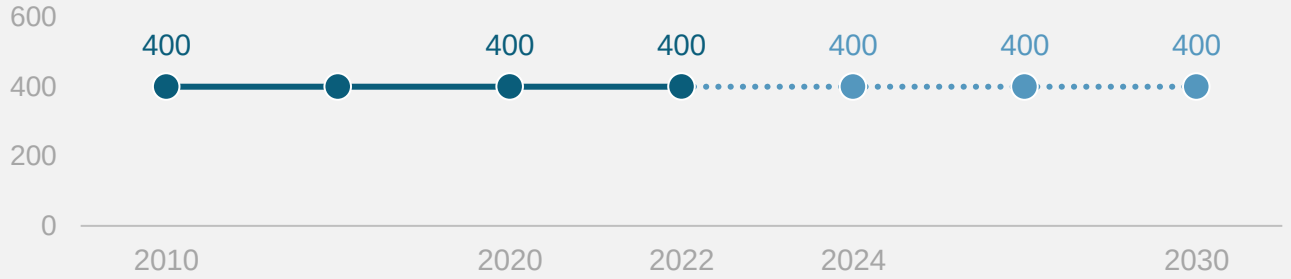
Conclusion

.....

EU renewable energy source share

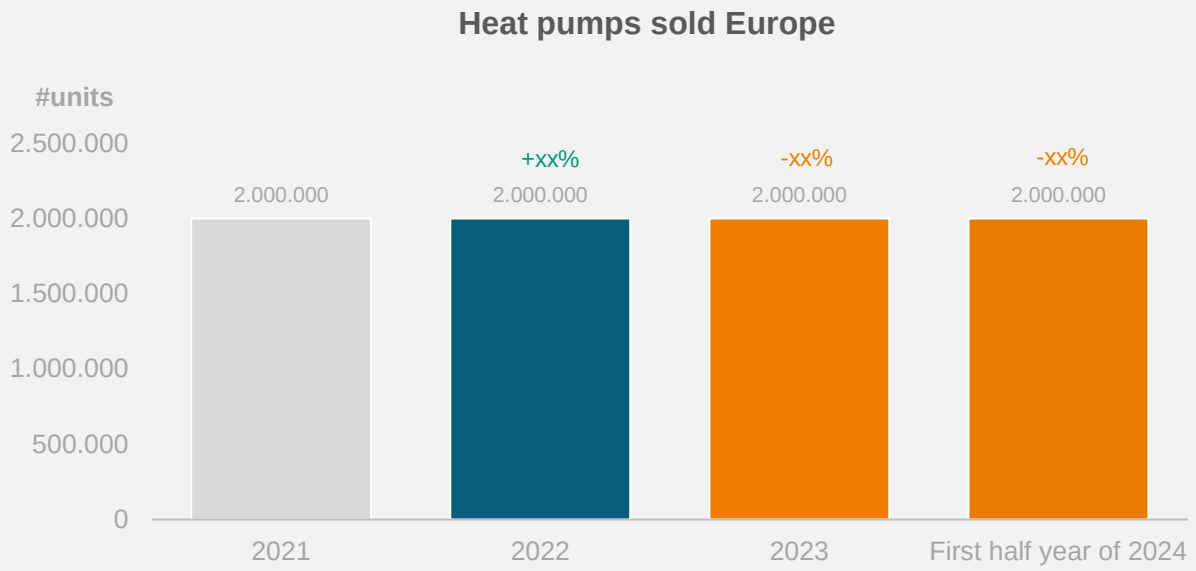


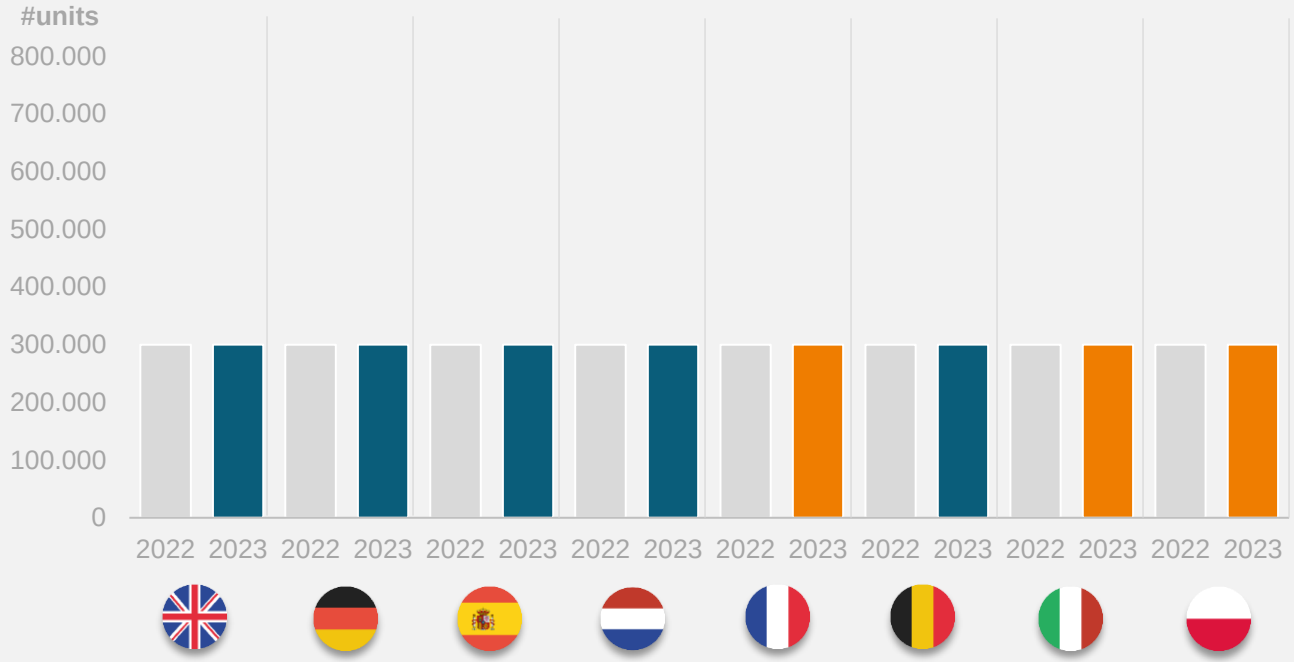
EU total installed solar capacity in GW



Photovoltaic capacity per inhabitant (W/ inhabitant) end 2023

Source: xxx





Source: xxx

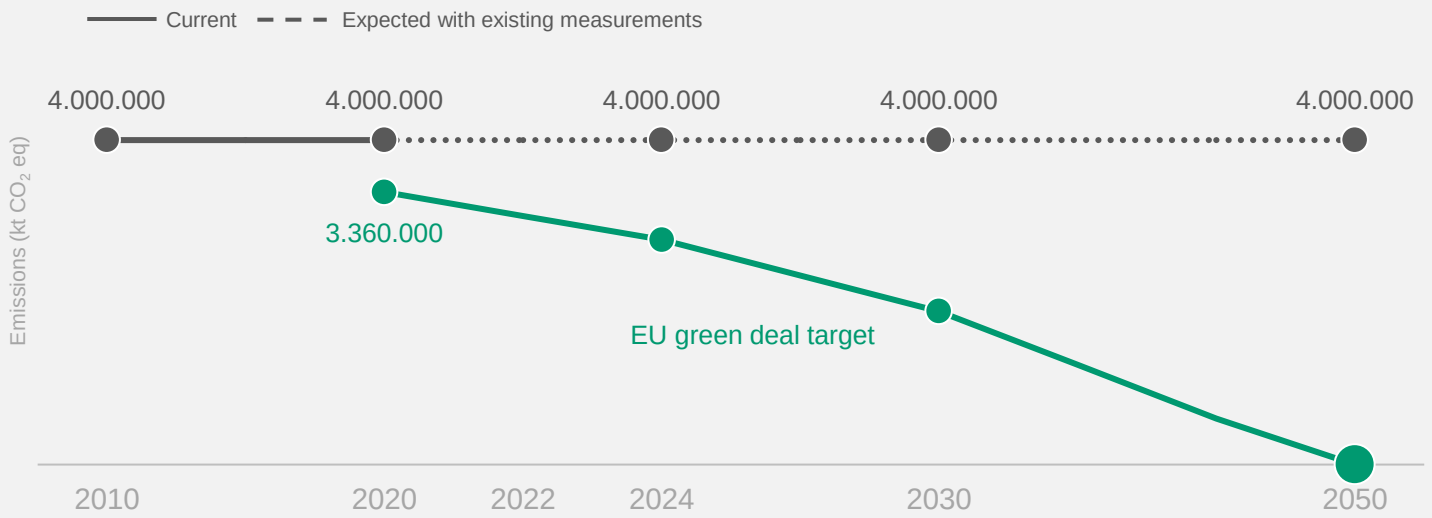
Conclusion

.....

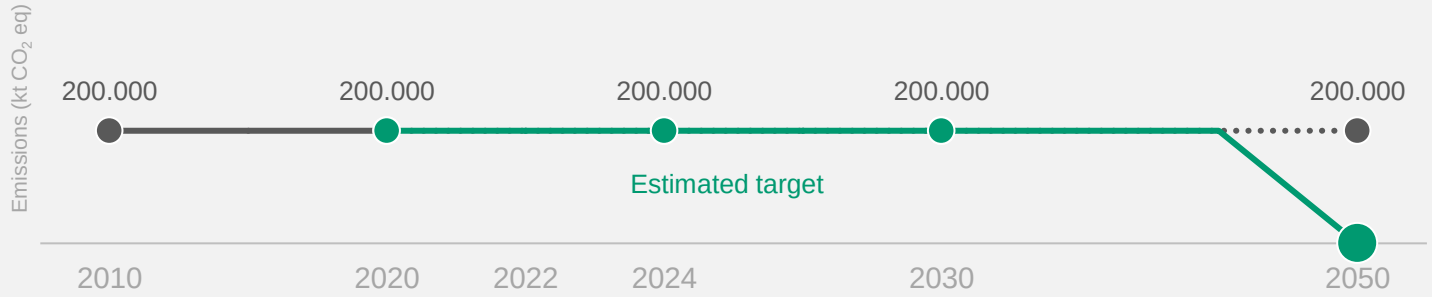
Conclusion

.....

Total greenhouse gas emissions

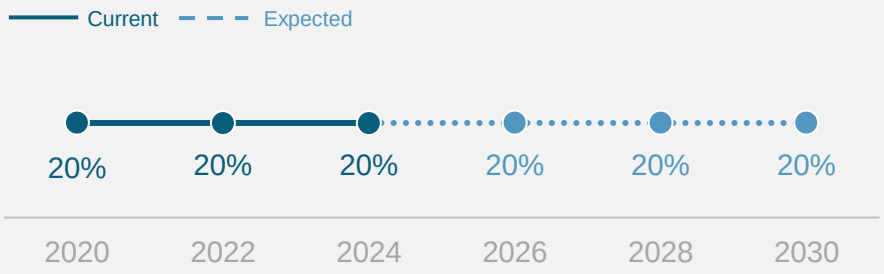


Total construction industry greenhouse gas emissions

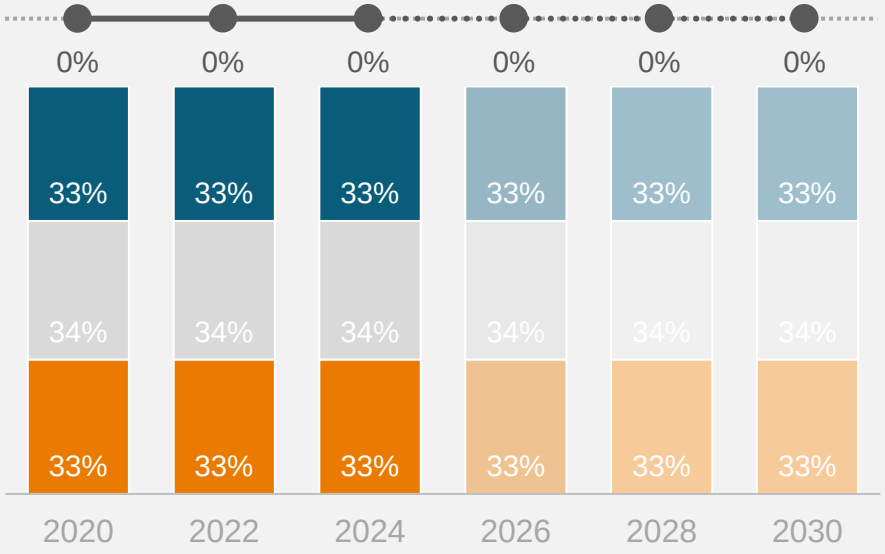


Source: xxx

Share of projects **sustainability** is **taken into account**



Willingness from clients to **invest in sustainability**



Asked and willing to invest
sustainability is asked for and the principal is willing to invest in it

Asked, but not invested
sustainability is asked for, but the principal is not willing to invest in it

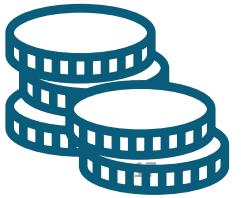
Sustainability not asked

Don't know

Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

Conclusion

.....



Conclusion

.....

++ on track + Moderately increasing = Stagnating - Decreasing

SDG achieved Challenges remain Significant challenges remain Major challenges remain

	The United Kingdom	Germany	Spain	The Netherlands	France	Belgium	Italy	Poland
SDG 6: Clean water and Sanitation								
SDG 7: Affordable clean energy								
SDG 9: Industry, innovation and infrastructure								
SDG 11: Sustainable cities and communities								
SDG 12: Responsible consumption and production								
SDG 13: Climate action								

Source: xxx

Frontrunner UK faces more obstacles since BREXIT

The United Kingdom has been one of the early adopters of the European sustainability directives and in 2008 introduced the Climate Change Act. Since then, the policies of this act have undergone continuous refinement with the 2021 Environment Bill as the latest update. The United Kingdom is currently at the forefront in its pursuit of achieving carbon neutrality by 2050, showing significant progress towards this ambitious goal with the existing measures.

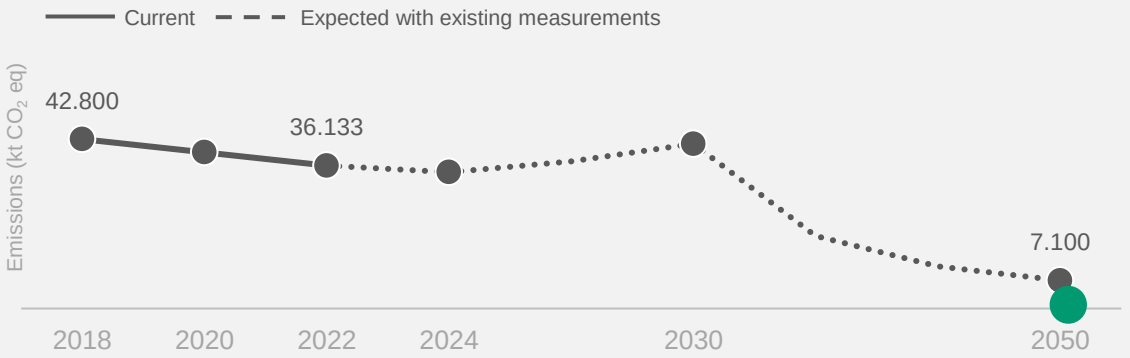
However, since BREXIT, The United Kingdom has lost its clear global leadership position on climate action and is finding itself on a rocky road to carbon neutrality. Controversial decisions were made, such as to open a new coal mine in the United Kingdom in 2021, which after significant public debate and criticism regarding its environmental impact was discarded by the government. In 2022, during the fossil fuel price crisis, the United Kingdom showed a lack of urgency in reducing energy consumption and acceleration of the adoption of renewable energy sources, which resulted in an increase of emissions by 0.8% from 2021. Fundings allocated to renewable energy projects only saw a mere growth of 2% from 2020 to 2022.[11]

Due to the slow policy development and controversial decisions made in the past years, the confidence in achieving medium-term targets are undermined. It is clear that professionals within the construction industry are not stimulated enough to invest more in sustainability within their projects, and no strong developments are expected in that area in the coming years.

For the United Kingdom to reclaim their leadership, a clear commitment to their climate strategy is essential. Phasing out fossil fuel vehicles by 2030, decarbonizing the electricity system by 2035, and installing 600.000 heat pumps per year by 2028 are key focus points. Prioritizing rapid action over perfection is crucial in this stage, which is why reforms in planning policy are essential to support swift infrastructure deployment for Net Zero.

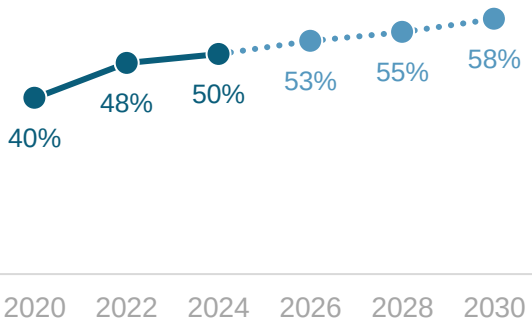
USP

British' construction industry greenhouse gas emissions

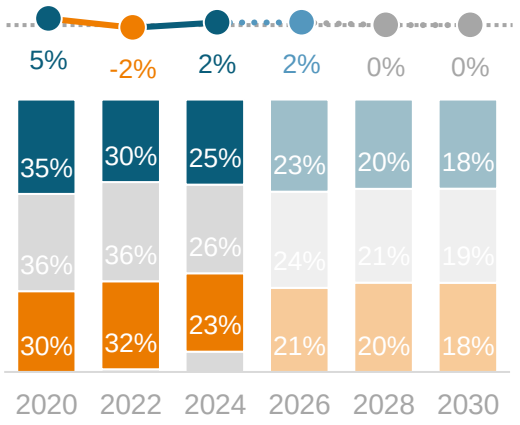


Source: UK Green Building Council, “Whole Life Carbon Roadmap”.

Share of projects in which **sustainability** is **taken into account**

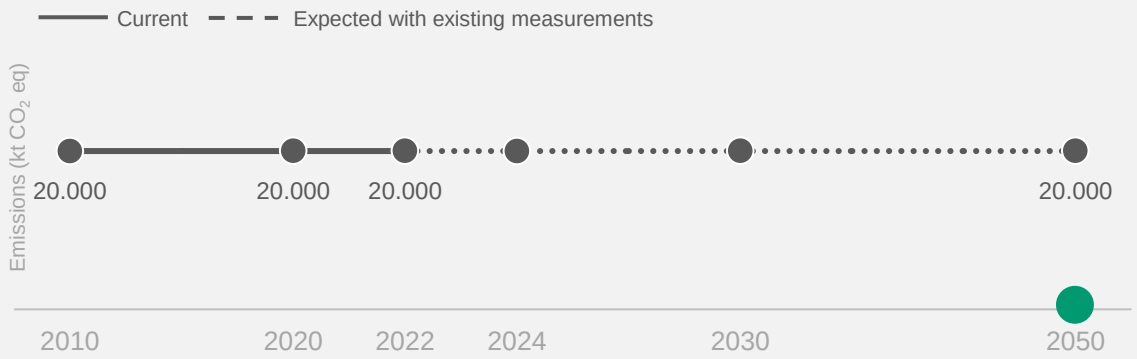


Willingness to **invest in sustainability** by clients



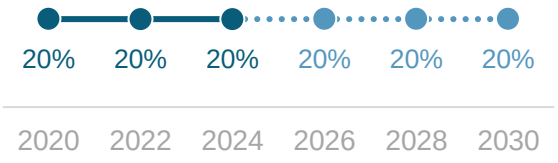
Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

Germans' construction industry greenhouse gas emissions

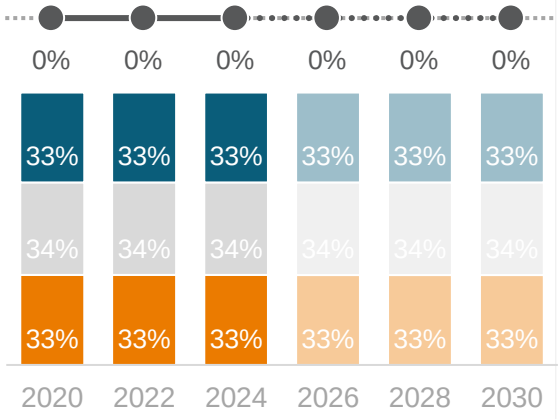


Source: xxx

Share of projects in which **sustainability** is **taken into account**



Willingness to **invest in sustainability** by clients



Source: xxx

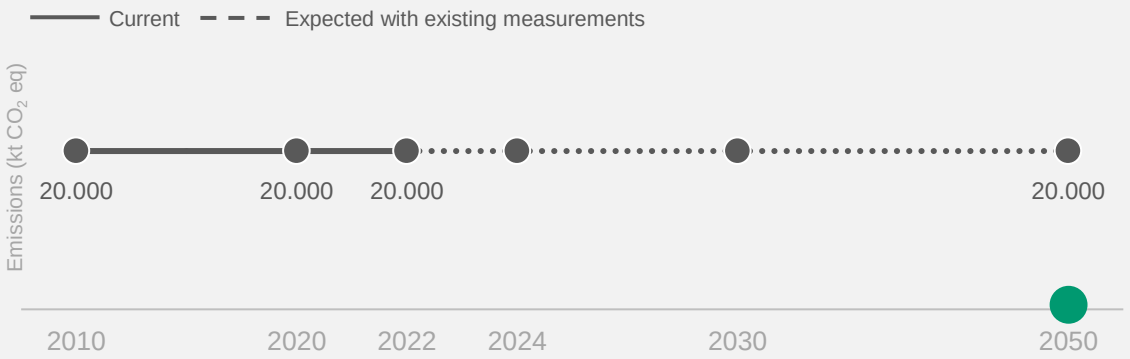
Conclusion

……..

Conclusion

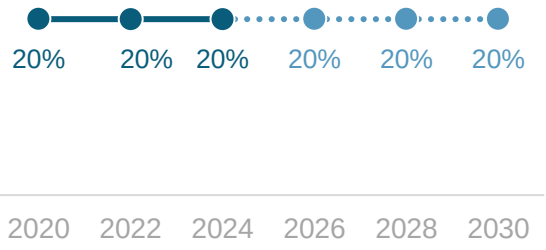
.....

Spanish' construction industry greenhouse gas emissions

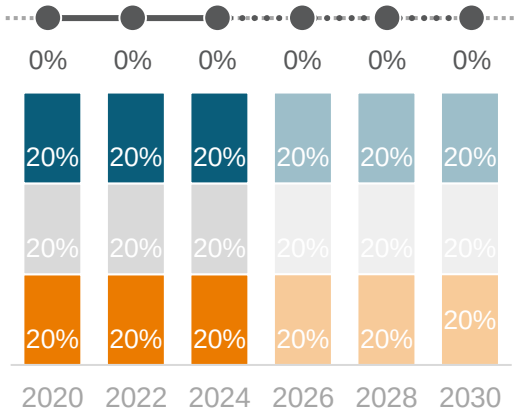


Source: xx

Share of projects in which **sustainability** is **taken into account**

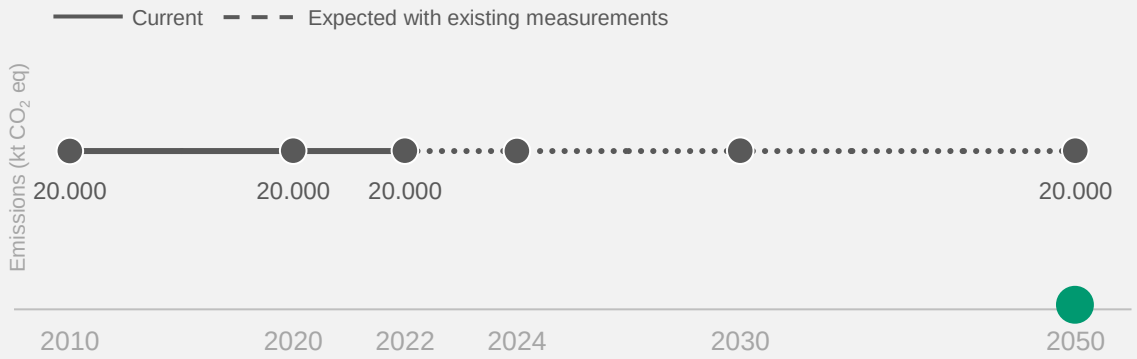


Willingness to **invest in sustainability** by clients



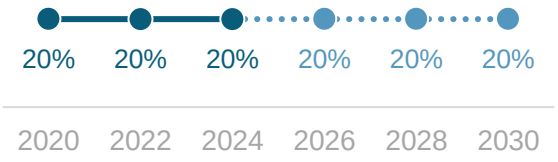
Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

Dutch' construction industry greenhouse gas emissions

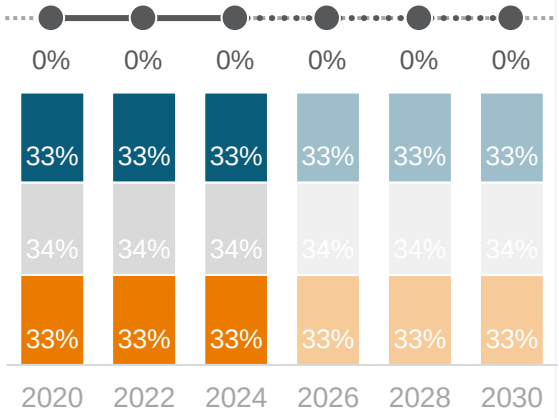


Source: xx

Share of projects in which **sustainability** is **taken into account**



Willingness to **invest in sustainability** by clients



Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

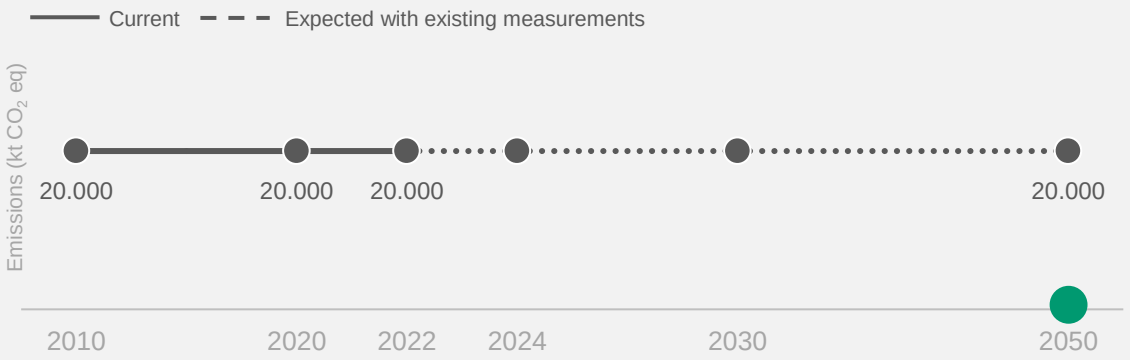
Conclusion

……

Conclusion

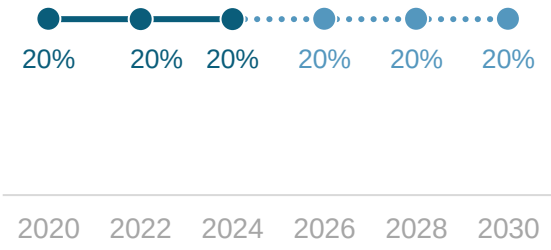
.....

French' construction industry greenhouse gas emissions

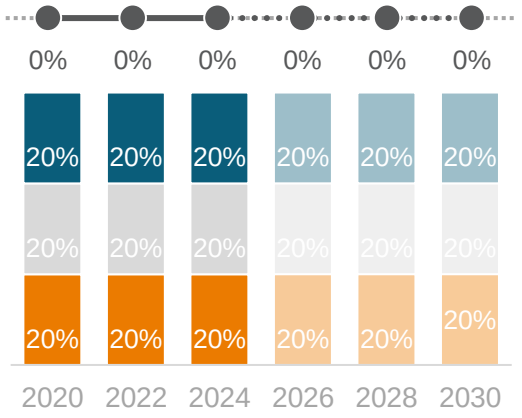


Source: xx

Share of projects in which sustainability is taken into account

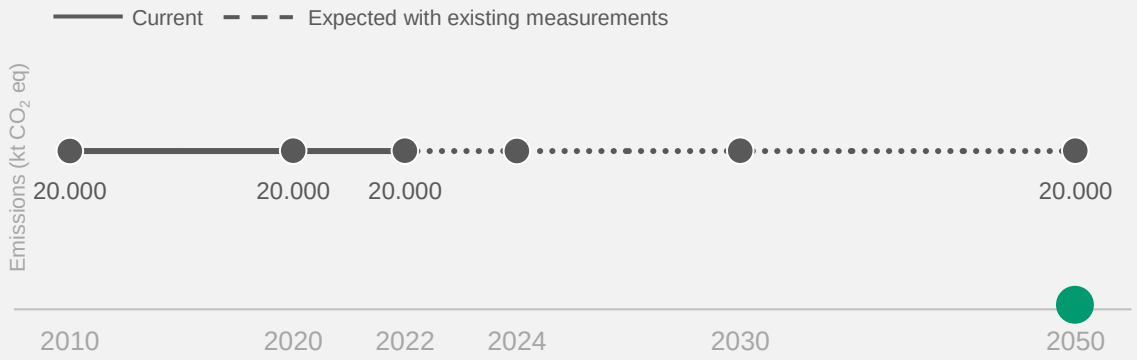


Willingness to invest in sustainability by clients



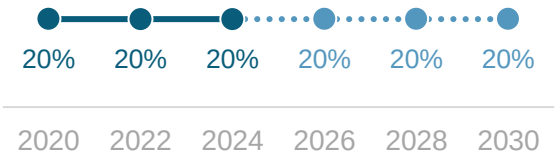
Source: USP Marketing Consultancy, analysis of architects, contractors, and installers

Belgians' construction industry greenhouse gas emissions

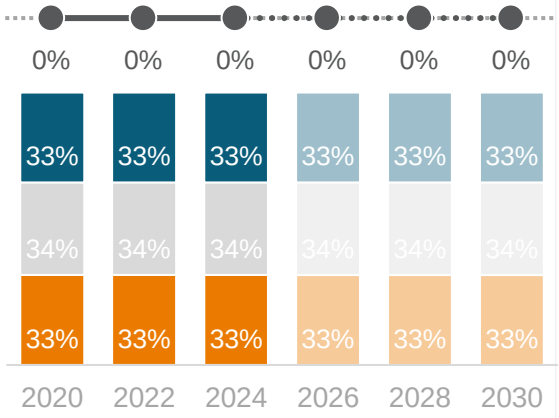


Source: xx

Share of projects in which **sustainability** is **taken into account**



Willingness to **invest in sustainability** by clients



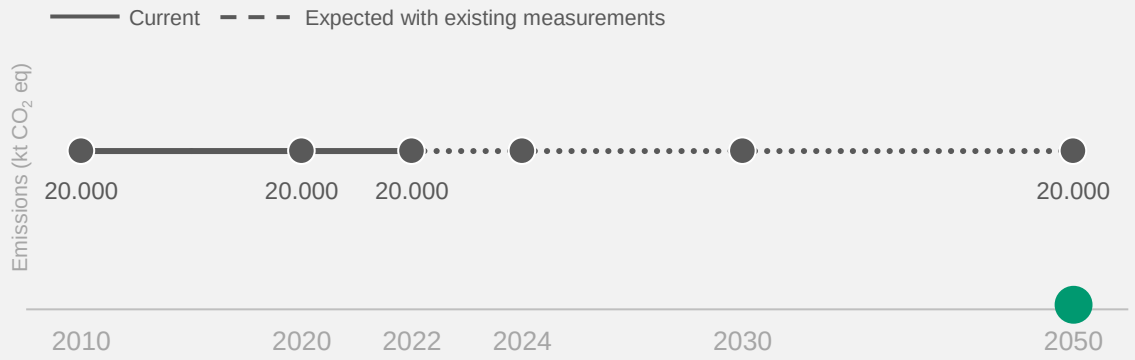
Source: USP Marketing Consultancy, analysis of architects, contractors, and installers

Conclusion

.....

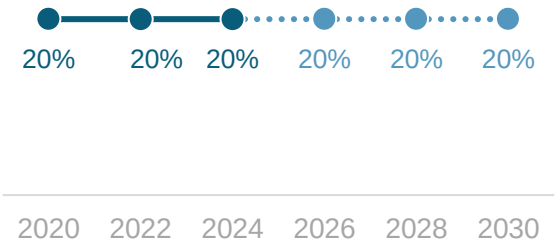
Conclusion

Italians' construction industry greenhouse gas emissions

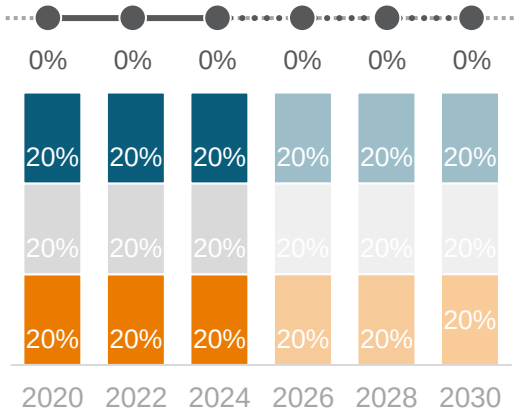


Source: xx

Share of projects in which **sustainability** is **taken into account**

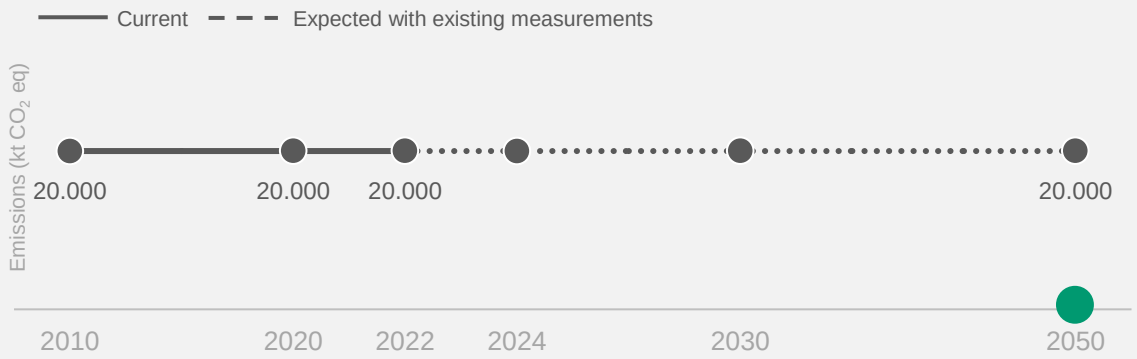


Willingness to **invest in sustainability** by clients



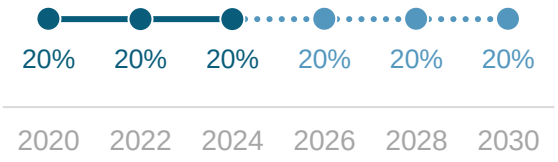
Source: USP Marketing Consultancy, analysis of architects, contractors, and installers

Polish' construction industry greenhouse gas emissions

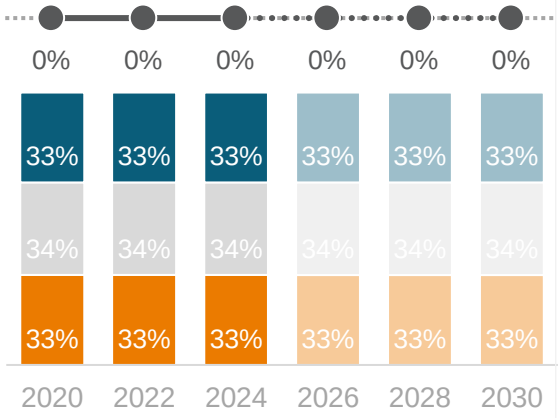


Source: xx

Share of projects in which sustainability is taken into account



Willingness to invest in sustainability by clients

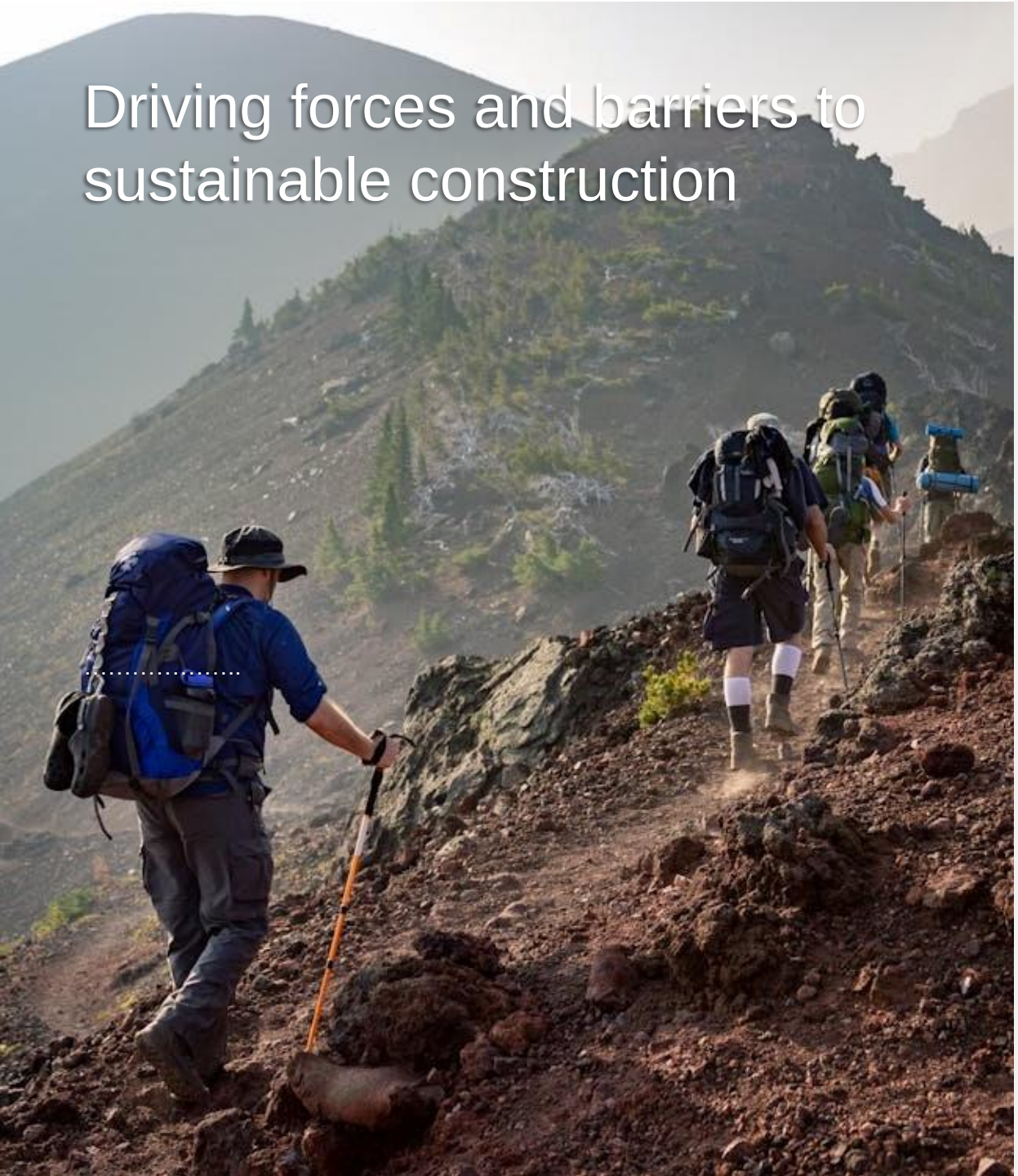


Source: USP Marketing Consultancy, analysis of architects, contractors, and installers

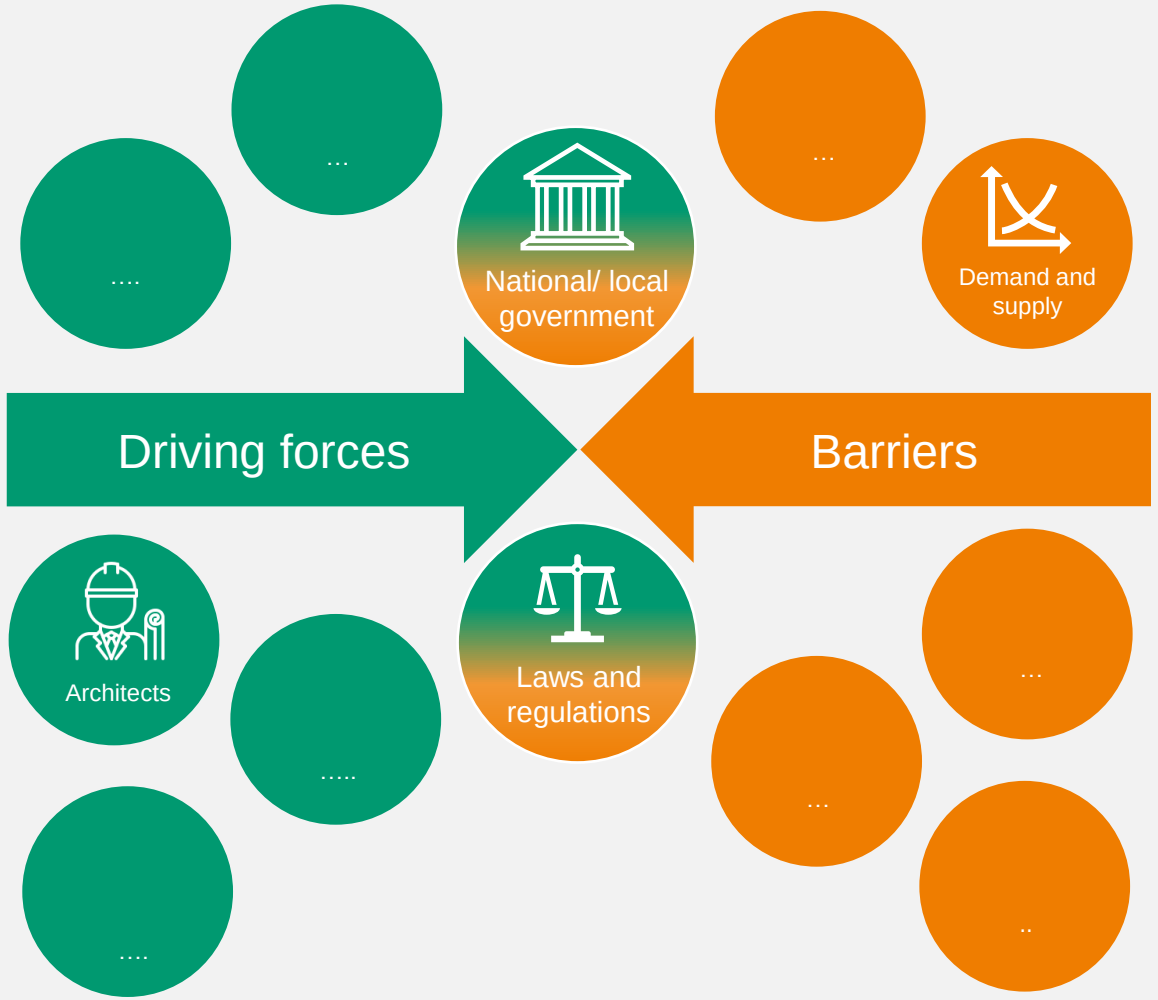
Conclusion

.....

Driving forces and barriers to sustainable construction

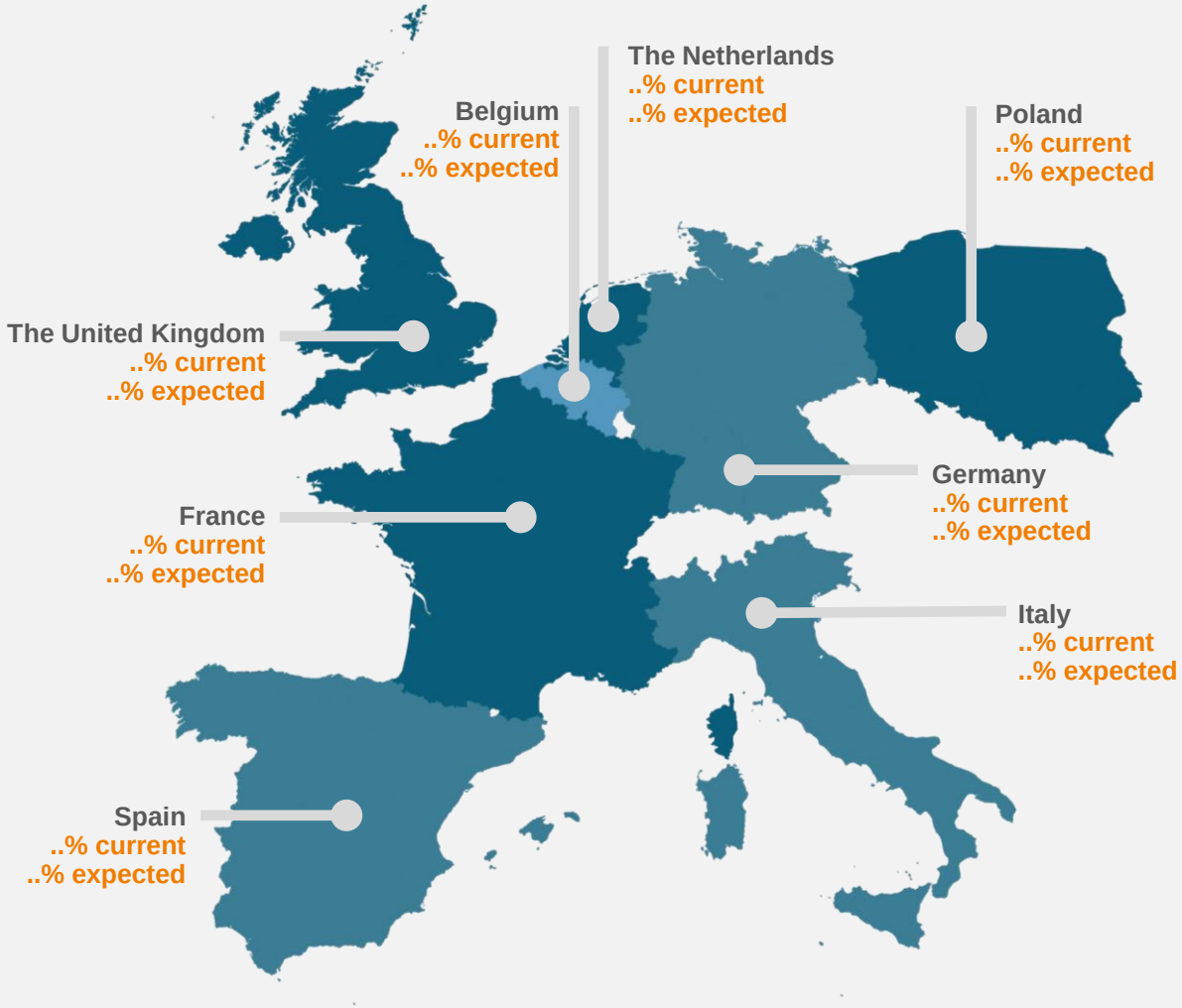


Key driving forces and **barriers** in **sustainable construction**



Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

Current and **expected** (in the coming five years) **labour shortage** in the **execution of projects**



Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

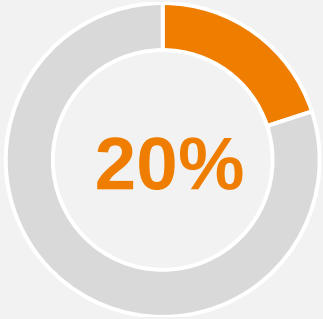
Conclusion

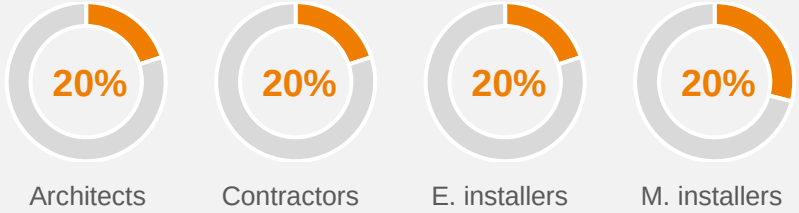
.....

Conclusion

……

It is **unclear** to many **actors** in the sector **what sustainability and/or circularity means**





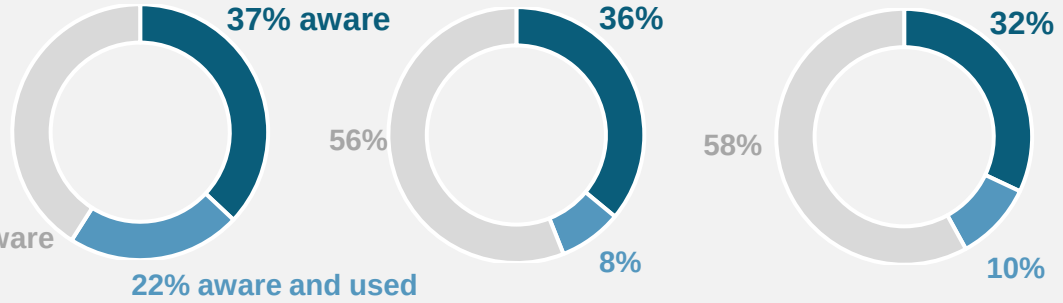
20% of the architects and contractors see **insufficient knowledge and awareness** as a **big problem** for the transition to a sustainable and circular construction sector.

Architects' and **contractor's unawareness** of the concept **sustainable construction economy**

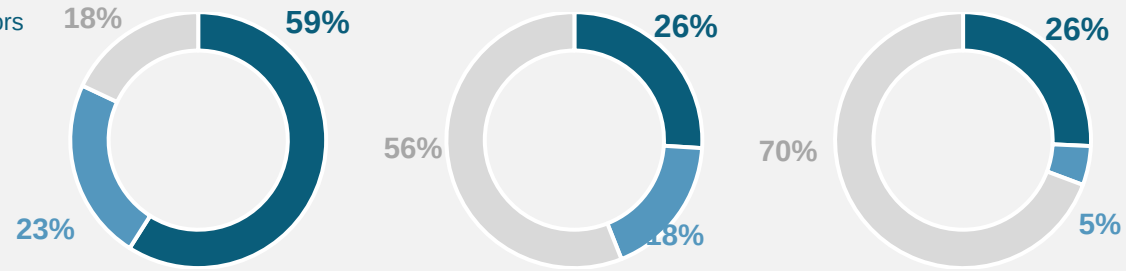
Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

Top 3 most familiar sustainability initiatives

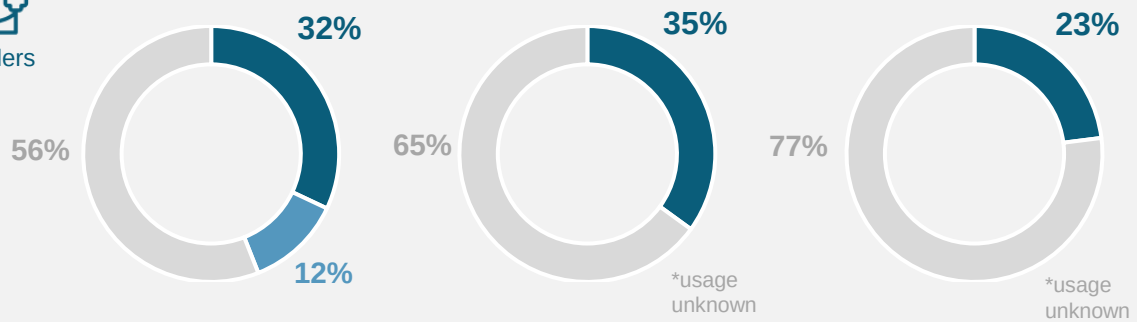
Architects



Contractors



E. installers



Source: USP Marketing Consultancy, analysis of architects, contractors, and electrical installers.

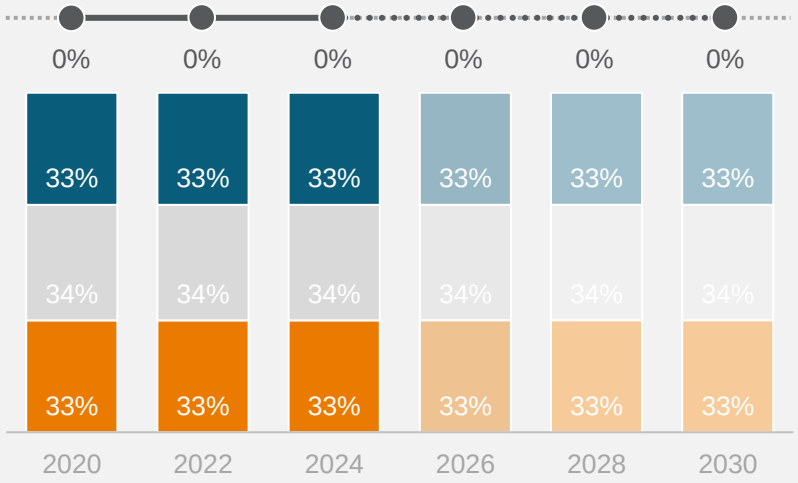
Conclusion

.....

Conclusion

……..

Willingness from **clients** to **invest** in **sustainability**



Asked and willing to invest
sustainability is asked for and the principal is willing to invest in it

Asked, but not invested
sustainability is asked for, but the principal is not willing to invest in it

Sustainability not asked

Don't know

Highest awareness of the concept sustainable construction (xx% of architects/ contractors) and **willingness to invest** by principals in sustainability (On average **+xx%** from 2026 onwards)

Lowest awareness of the concept sustainable construction (xx% of architects/ contractors) and **willingness to invest** by principals in sustainability (On average **-xx%** from 2026 onwards)

Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

Conclusion

……

Of the construction industry believe ……

Role of **building material suppliers**

1. ..
2. ..
3. ..
4. ..

Ways **manufacturers of building and installation materials** should **contribute** to create a **more sustainable and circular construction sector**

32%
xx

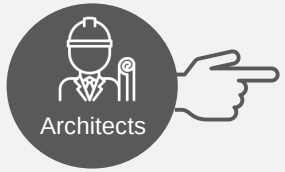
23%
xxx

13%
xxx

12%
xxx

Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

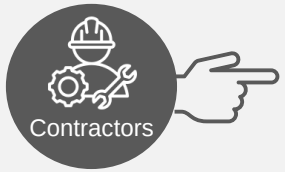
Most influential stakeholders in **promoting sustainable construction**



35%
…

20%
…

18%
Contractors



35%
…

28%
..

16%
…

36%
…

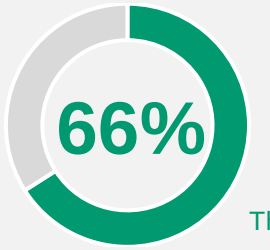
23%
..

17%
…

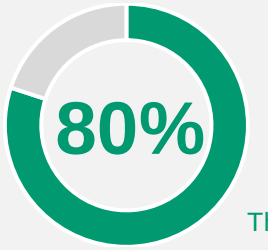
30%
…

21%
..

18%
..



Think …

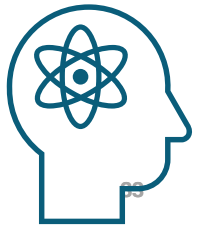


Think …

Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.

Conclusion

……..



Conclusion

.....

Architects

..% **end-decision maker** for materials ..%

..% **co-decision maker** for materials ..%

Contractors

20%	20%	20%	20%	20%	20%	20%	20%
20%	20%	20%	20%	20%	20%	20%	20%

End decision makers only

Other stakeholders involved in the building material/ product choice

20%

20%

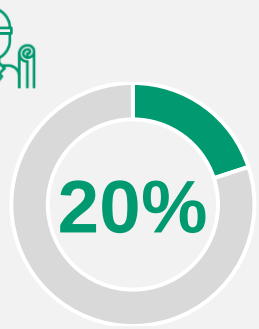
20%

20%

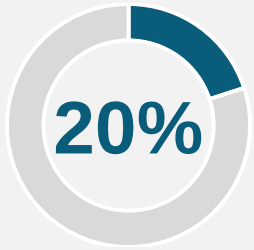
20%

20%

Source: USP Marketing Consultancy, analysis of architects and contractors.



of architects



of contractors

think that their role **has already increased** or **will increase** in the future because of the **demand for sustainable construction**

xx%		xx%
xx%		xx%
xx%		xx%
xx%		xx%
xx%		xx%
xx%		xx%
xx%		xx%
xx%		xx%

Source: USP Marketing Consultancy, analysis of architects and contractors

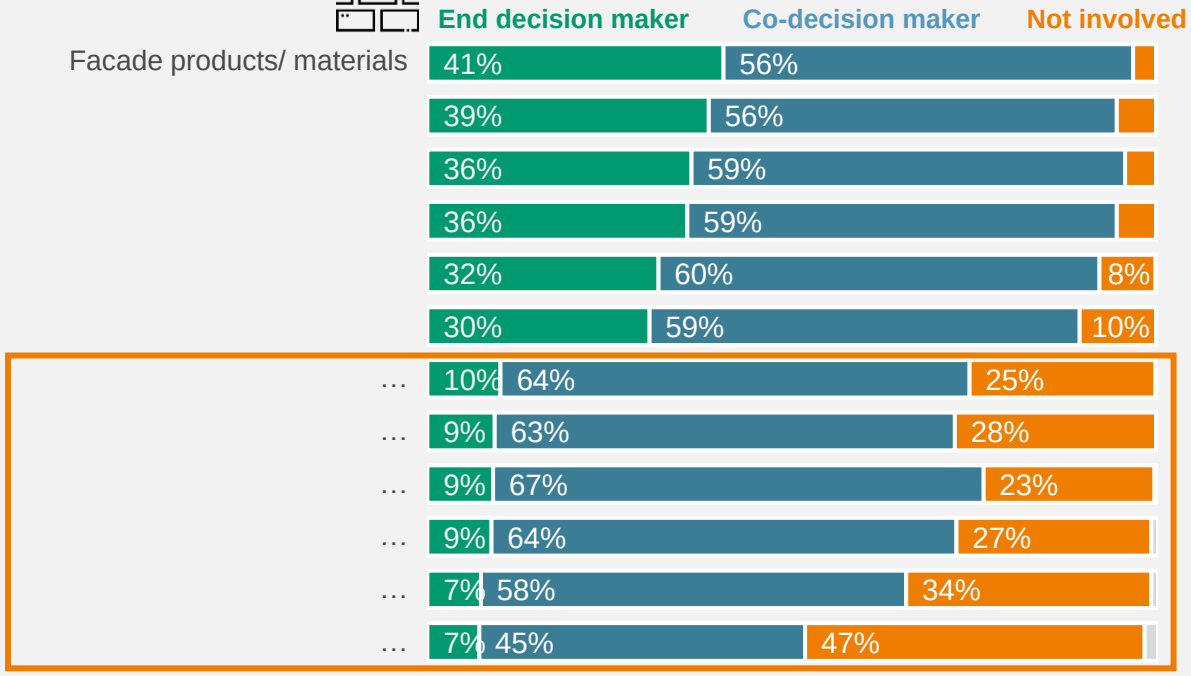
Conclusion

.....

Conclusion

……

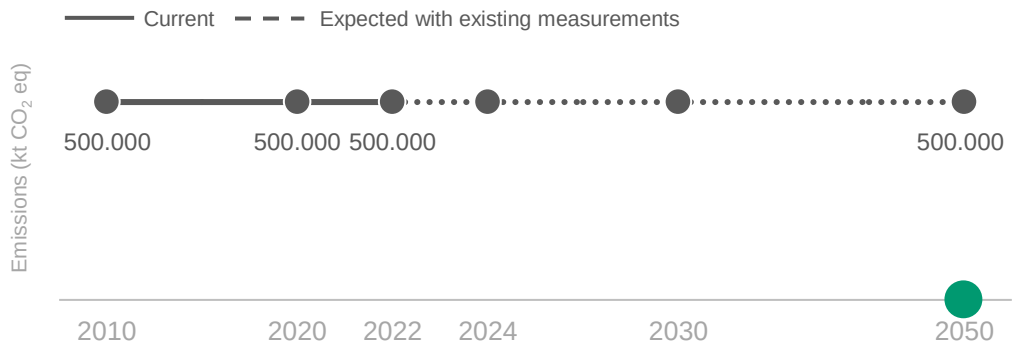
Building material choice



Source: USP Marketing Consultancy, analysis of architects

The future of sustainable construction

Europeans' construction industry greenhouse gas emissions

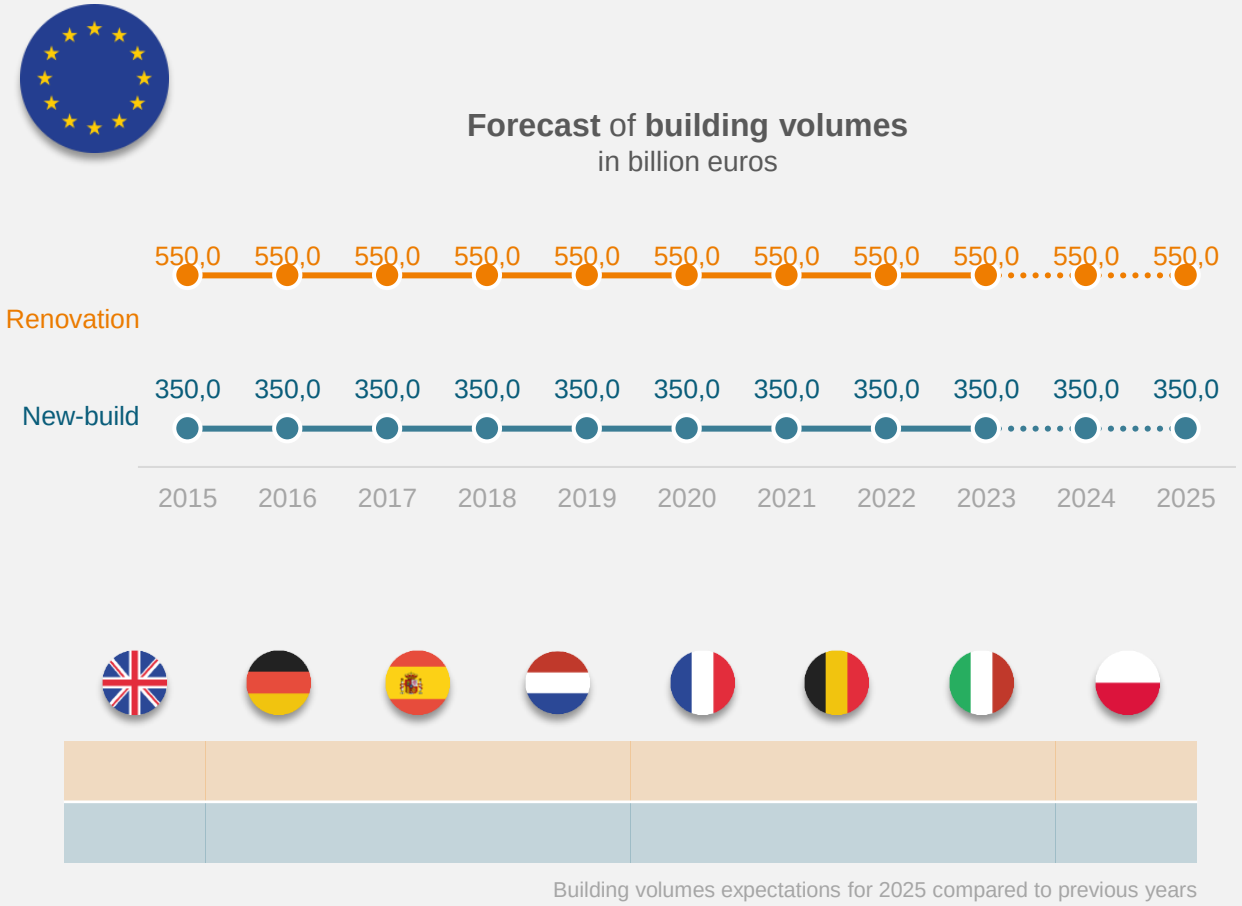


Government type

Thinks circularity will only succeed when the government will enforce it

Thinks circularity will succeed only if the construction and installation sector changes its mindset

Source: The European Environment Agency, “EEA greenhouse gas projections - data viewer”;
Source: USP Marketing Consultancy, analysis of architects, contractors, and installers.



Building volumes expectations for 2025 compared to previous years

Conclusion

.....

Source: USP Marketing Consultancy, European Architectural Barometer;
European Commission business and consumer indicators; Eurostat real GDP growth rate.

Conclusion

……..

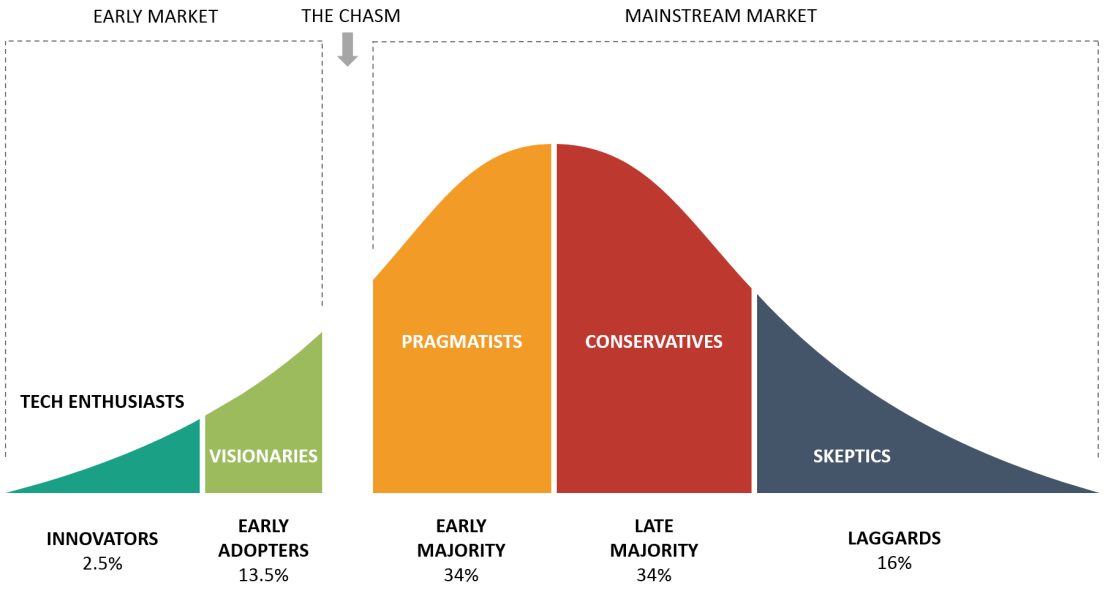
……

Source: ……

GDP growth annual 2023	-	-	-	-	-	-	-	-
Construction confidence indicator 2024	-	-	-	-	-	-	-	-
Sustainability within projects 2024	-	-	-	-	-	-	-	-
Consumer confidence indicator 2024	-	-	-	-	-	-	-	-
Willingness to invest by clients 2024	-	-	-	-	-	-	-	-

*Provisional

Roger's Innovation Adoption Curve



Source: European Commission business and consumer indicators; Eurostat real GDP growth rate; Business to you "Crossing the Chasm in the Technology Adoption Life Cycle".

Conclusion

.....

Appendix

I. Country-specific data United Kingdom
II. Country-specific data Germany
III. Country-specific data Spain
IV. Country-specific data Netherlands
V. Country-specific data France
VI. Country-specific data Belgium
VII. Country-specific data Italy
VIII. Country-specific data Poland

References

1. .....

USP Marketing Consultancy