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# The main EU impact on retail optimisation is money

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The EU's top concern is climate warming and the instrument is *general* EU GHG emissions targets: carbon neutrality by 2050 and a 50-55% reduction by 2030.

The top priority for reaching the targets is buildings as they represent 36% of EU GHG emissions. Even if a country manages to wean itself of dirty energy, that won't be enough to get to target without massive building renovation. Each member state must present the European Commission with a Long-term Renovation Strategy (LTRS).

There's nothing specifically retail in the LTRS's so far. For instance in France the worst-performing 25% of the housing stock will have to be renovated by 2028 and all commercial property above 1000 m² including retail will have to be more and more deeply renovated, while in the Netherlands it will no longer be possible to rent out offices with less than a 'C'-rated energy performance certificate as of 2023, 'A'-rated as of 2030.

***What's interesting is that this EU renovation pressure comes with a spectacular increase in EU funding.*** Most of it will go directly to the member states for their spending on green buildings and infrastructure, but there will also be a big increase in direct EU funding for energy efficient real estate projects.

Most of it will be front-loaded to the next two years to help boost the recovery. ***It is a one-off, extraordinary opportunity for the PRCH or a group of shopping centre companies to tender for a project financed without Polish government intervention or approval.***

It doesn't need to be a renovation project per se. It can be anything that fosters energy efficiency, for instance a common procurement scheme for a group of companies or an association.

Two winning factors will be innovation and scale:

- *Innovation* doesn't need to mean invention. It can be the funding-triggered take up of an existing process at scale.
- *Scale* no longer requires a multi-country project (though that remains a plus); it can be limited to a single country or even a region or town. The Commission and the EIB are interested in the *actual* scale of the project and the *potential* for later replication.

My advice: Don't wait to see specific funding programmes and then try to imagine a project that would fit. Think of what you really want to do and then it can be adapted to a funding programme.