

## Latest news: Germany's construction industry



Construction site in Duesseldorf, Germany | © Getty Images/Westend61

Here you can find recent news stories related to Germany's construction industry. Be sure to subscribe for monthly updates on energy efficiency in Germany using the link on the right.

· [Back to industry page](#) ▶

### May 2019: Federal Ministries Consult Each Other on Building Energy Act

#### May 2019

In response to an official question from the Alliance 90 / The Greens the Federal Government stated that the draft of the delayed Building Energy Act (GEG) is now in the interministerial coordination process. The draft was put forward by the Federal Ministry for Economic Affairs and Energy and the Federal Ministry of the Interior, Building and Community.

The act is intended to simplify the many regulations on climate protection in the building sector by bringing together in one law the Energy Conservation Act (EnEG), the Energy Conservation Ordinance (EnEV), and the Renewable Energy Heat Act (EEWärmeG).

Germany's federal government has set a target of reducing greenhouse gas emissions from the building sector by 66 to 67 percent on 1990 levels by 2030.

An attempt by the previous government to pass the act in 2017 was unsuccessful.

The current coalition agreement states that the parties wish to de-bureaucratize the regulations currently laid down by the EnEG, EnEV and EEWärmeG legislation by bringing them together under a new GEG act.

**Read more:**

- [Official Answer 19/9775](#) ▶ (in German)
- GTAI: [Germany's Building Industry](#) ▶
- GTAI: [Energy Efficiency in Buildings in Germany](#) ▶

## July 2018: Innovative Construction Companies Wanted For Serial Retrofits

### July 2018

The German Energy Agency dena and the German Real Estate Association GdW are looking for innovative construction companies that could develop retrofit solutions for the German market according to the "Energiesprong" principle. The objective of the program is to retrofit prototype buildings in a climate-neutral way with prefabricated elements throughout Germany in the next two years.

Nine German housing organizations are already involved and prototype solutions are being developed for 60 apartments. Solution providers are needed for 57 further apartments. Dena estimates that the market potential in apartment buildings amounts to EUR 120 billion and 500,000 buildings.

Energiesprong Germany is currently looking for general contractors and suppliers of prefabricated facade elements, solar roofs, heating, cooling and storage technologies as well as energy monitoring systems. The Energiesprong program will start with a "Challenge Day" in Berlin on September 20th, 2018, where housing organizations will present the projects they want to implement with solution developers. An "Innovation Day" will follow at the end of October in order to clarify questions regarding the building envelope, technical modules and other aspects. Finally, the solution developers will present their concepts during a "Pitch Event" at the end of the year in Berlin.

**Read more:**

- [GdW press release](#) ▶ (in German)
- [Energiesprong Germany](#) ▶
- [Register for Energiesprong Germany](#) ▶ (in German)
- GTAI: [Building Industry](#) ▶
- GTAI: [Energy Efficiency in Buildings](#) ▶

## June 18: German Construction Industry Association Raises Growth Expectations

### June 2018

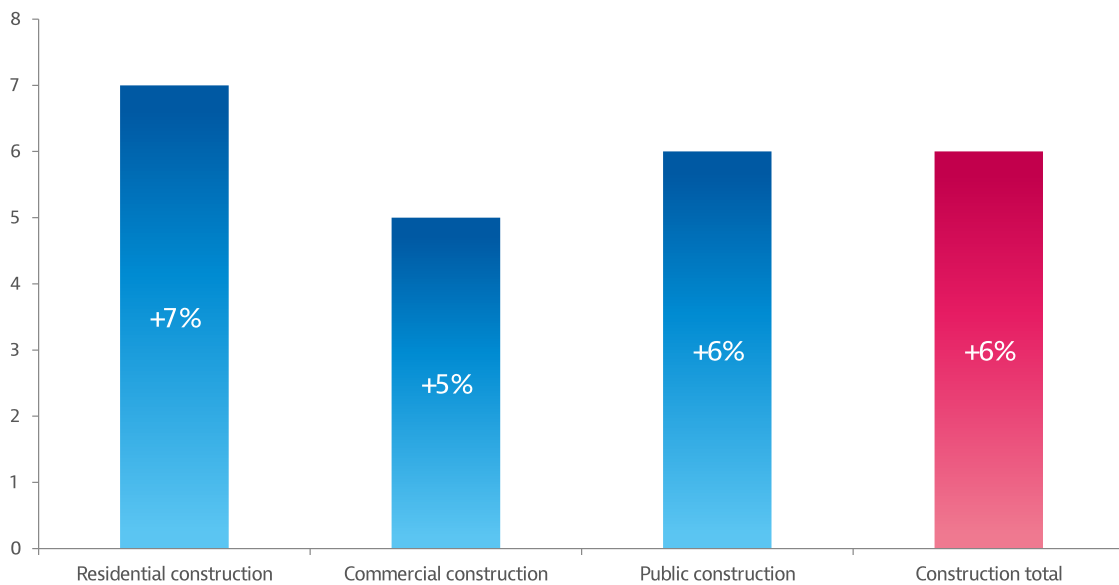
The German construction industry association HDB has upgraded its 2018 industry growth expectations from 4 to 6 percent and predicts 6 percent growth looking forward into 2019. With prices increasing more than in 2017, this could indicate real-terms growth of 2%, the association stated.

Residential construction remains the main driver of the industry in Germany. The HDB expects the number of completed dwellings to rise from 330,000 to 340,000, although this still lies behind the government's stated target of 375,000 annual completions.

The association also expects positive figures for commercial construction. HDB president Peter Hübner highlights manufacturing industries' continued willingness to invest, strong demand for office space, broadband roll-out and investments by Germany's national rail operator in new lines and station modernization.

Public construction was currently benefitting from federal investment in transportation infrastructure, which rose from EUR 10.3 billion in 2014 to EUR 13.4 billion in 2017, according to the report. Funds for investment are set to increase further to EUR 14.2 billion this year, according to Hübner. "Now it's about turning these funds into projects," he said, noting that many municipalities face an investment backlog.

## Turnover in Main Construction Trades in Germany Nominal change 2017-2018 in percent



Source: Hauptverband der Deutschen Bauindustrie, Umsatzprognose 2018

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**Read more:**

- [HDB Umsatzprognose 2018](#) ▶ (in German)
- [GTAI Building Industry](#) ▶

## June 18: Year starts with strong growth in construction investment

### June 2018

DIW Berlin's regular analysis of the German economy highlights especially strong growth in investment in construction at the beginning of the year.

"The big jump in orders at the end of 2017 made itself felt – especially in residential and commercial construction – temporarily causing a lot of bustle on the construction sites," the report states.

The author expects strong growth in the second quarter, in particular in residential and commercial construction: "The order books are full, the need for new housing continues to be high and interest rates low."

The report cautions that an acceleration in growth is not to be expected, citing stagnation in the number of approvals for new construction projects and the rising cost of construction due to capacity bottlenecks, rising raw material prices and higher wages.

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### Investment in construction in real terms (constant prices, change in percent)

	2017	2015	2016	2017	2018	2019
	Share in percent		Change on previous year			
Residential construction	60.8	-0.7	4.0	2.8	3.4	2.7
Non-residential construction	39.2	-2.5	0.8	2.7	3.4	2.5
Commercial construction	27.7	0.0	0.0	3.0	4.1	2.6
Public construction	11.8	-0.8	2.7	2.0	1.8	2.3
Construction investments	100.0	-1.4	2.7	2.8	3.4	2.6
Equipment investments		3.9	2.2	4.0	3.2	3.4

*Source: Federal Statistical Office; DIW Sommergrundlinien 2018*

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## Read more:

- [DIW Wochenbericht 2018 / 24](#) ▶ (see page 515, in German)

## Jan 18: New funding program for drain water heat recovery systems (DWHR)

### January 2018

The objective of the new “Small series for Environmental Products” funding program is to support the market entry of market-ready technologies. Module 3 of this program is dedicated to decentral units for heat recovery from waste water in buildings. Other units cover micro hydropower plants, local oxygen production systems, and drilling equipment for innovative ground storage heat exchangers.

The following decentral appliances or installations for DWHR in buildings are eligible for funding:

- a) Shower channels with heat exchanger;
- b) Shower trays with heat exchanger;
- c) Shower pipes with heat exchanger;
- d) Systems for heat recovery from a whole buildings' sewage or gray water.

Expenditure for the investment in and installation of the above technologies is eligible for funding up to a maximum of 30 percent of the eligible costs.

**For a) to c)**, the incentive is EUR 250 per DWHR device. Each funding application for a) to c) must be for a minimum of six appliances. In applications covering more than 20 DWHR devices, the incentive decreases to EUR 200 per device. The technology employed in a) to c) has to achieve 25% minimum efficiency at a balanced average flow rate of 12.5 liters per minute.

**For technology d)** the level of funding is EUR 250 per connected unit (e.g. per shower). In buildings with more than 20 units (e.g. showers), the incentive decreases to EUR 200 per unit. Where a secondary gray water network must be installed to enable heat recovery with technology d), additional funding of EUR 300 per connected unit may be granted.

This information is provided as a courtesy only. No claim is made to completeness, accuracy, or timeliness. Further terms and conditions apply. Refer to the original funding conditions for official information.

## Read more:

- [BAFA – Announcement](#) ▶ (in German)
- [National Climate Initiative – Program Information](#) ▶ (in German)
- [GTAI – Incentive Programs](#) ▶

## Oct 17: Energy efficient construction and renovation funding jumps 15 percent

### October 2017

Increased demand for certain KfW development bank loans and grants suggests that German building owners are investing more in the energy efficiency of their houses and apartment blocks. In the first half of 2017, the KfW issued around EUR 8.6 billion in low-interest loans and grants for the renovation and new construction of residential buildings. This represents an increase of around 15 percent on the same period last year (EUR 7.5 billion).

The largest share of the commitments were granted under the energy efficient construction program (approx. EUR 6.4 billion). The counterpart for energy efficient renovation issued around EUR 2 billion in loans and EUR 243 million in grants.

The federal government also supports the use of renewable energy for heat generation — in particular solar-thermal, biomass, and heat pumps — through a separate market incentive program.

German businesses are also investing heavily in energy efficiency and renewable energy. KfW loan commitments under the bank's energy efficiency programs, including a generous waste heat program, are already well above the high levels achieved in the same period last year, up from EUR 2.2 billion at EUR 2.9 billion.

In the first half of 2017, the KfW committed around EUR 489 million for the renovation and new construction of commercial buildings and energy-saving measures in social and municipal infrastructure. The figure for the same period last year was around EUR 346 million.

GTAI's industry experts would be happy to advise you on the opportunities for your company in Germany.

### Read more:

- BMWi: [Infographic and press release](#) ▶ (in German)

## Oct 17: Germany's "first Power-to-Heat / Power-to-Cool system" enters service

### October 19th, 2017

Renewables have priority in Germany's power grid. However, the growing share of renewable energy and the resulting frequency fluctuations mean grid operators are increasingly implementing so-called curtailment measures. This often involves requiring wind turbines to shut down temporarily. In 2016, 335 GWh of solar and wind power was curtailed in Brandenburg, the federal state surrounding Berlin. That would be enough to power Berlin for 10 days. Such measures are expensive and potential generation from clean sources goes unrealized. Sector coupling and demand-side management are two solutions, alongside energy storage and grid expansion.

One such technology, power-to-heat (P2H), is [increasingly common in Germany](#) ▶. However, a project carried out by GASAG Solution Plus has combined P2H with power-to-cool (P2C) technology and integrated it into the balancing energy market to offer a new storage solution. The system, which the company claims is the first of its kind in Germany, is based at Berlin's EUREF Campus and was opened on Friday October 13th by the Berlin Senator Ramona Pop.

The P2H/P2C system consists of two 22-cubic-meter storage tanks and a 550 kWel electric heater which uses excess power to heat water. This can then be fed into the EUREF campus' heating network as required. Two compression chillers provide local cooling according to the same principle, which enables excess electricity to be stored in summer when heating requirements are lower. A biomethane CHP unit is used to compensate should the mains frequency be too low. The system thus makes a valuable contribution to improving grid stability through the novel combination of existing technologies.

The P2H/P2C plant forms part of the emerging "energy workshop" project at the EUREF Campus within the WindNODE initiative, which in turn is part of the German Federal Ministry for Economic Affairs and Energy's SINTEG program.

**Read more:**

- GASAG: [Press release](#) ▶ (in German)

## [Aug 17: Updated climate data for energy-optimized construction](#)

### **August 2017**

Germany's Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR) and the national meteorological service, the Deutscher Wetterdienst (DWD), have updated their meteorological conditions database for Germany

The test reference year datasets describe the typical climatic conditions for every hour in a year for each square kilometer of Germany. In addition to typical values, there are also datasets for extremely cold winter and very hot summer conditions - information that is invaluable to HVAC designers and architects.

The new dataset offers greatly improved spatial resolution as well as future scenarios for 2031 through 2060.

"The new climate data make a comprehensive contribution to sustainable construction adapted to the local climate," says Dr. Robert Kaltenbrunner of the BBSR. "Ever more homeowners are choosing heating, cooling, and hot-water systems based on renewable energy sources, such as solar energy and photovoltaics. In order to economically exploit these energy sources in particular, you need an exact understanding of the local climatic conditions."

If you would like more information about the opportunities for your business in Germany's green building market, [get in touch](#) ▶ with Germany Trade & Invest's industry experts, who would be glad to support you.

**Read more:**

- BBSR: [Press release](#) ▶ (in German)

- [GTAI: Green building](#) ▶

## **Aug 17: 60 percent of residential buildings completed in Germany in 2016 wholly or partly heated by renewable energy**

### **August 2017**

Heating systems which use renewable energy were installed in 60.3 percent of the just under 110,000 residential buildings completed in 2016, the Federal Statistical Office Destatis reports. 37.6 percent of the residential buildings completed were primarily heated by energy from renewable sources.

Renewable energies ranked second among primary energy sources after gas, which was used for heating purposes in 52.9 percent of the new buildings. Together, the other energy sources (such as district heating, oil, and electricity) accounted for 9.5 percent.

Where new residential buildings were primarily heated by renewables, this was usually achieved with environmental heating (air or water-source heat pumps) or geothermal systems (ground-source heat pumps).

Where environmental heating, geothermal systems or gas were the primary energy source, these were also the sole source in 50 percent of new residential buildings. Where they were not the sole source they were most often supplemented with renewable sources. Wood was primarily installed to support environmental heating (22.9 percent) and geothermal systems (16.2 percent). Gas was most often combined with solar-thermal technologies (26.8 percent).

Renewable sources include environmental heating, geothermal systems, solar-thermal technologies, wood, biogas/biomethane and other biomass. Conventional energy sources include oil, gas, and electricity. District heating is a further energy source.

If you would like more information about the opportunities for your business in Germany's HVAC and green building markets, [get in touch](#) ▶ with Germany Trade & Invest's industry experts, who would be glad to support you.

### **Read more:**

- Destatis: [Press release](#) ▶

## **Aug 17: Super-efficient housing estate celebrates completion in Bavaria**

### **August 2017**

After nearly a year and a half of construction, an estate of 13 new super-efficient homes was opened in a ceremony near the southern German city of Augsburg on July 14th.



The estate, known as the "Effizienzhaus Plus-Siedlung", is located in the village of Hügelschart near the Bavarian city of Augsburg.

Over the course of a year, the nine detached and four semi-detached homes will produce more energy than their residents consume. The buildings were constructed according to the "Effizienzhaus Plus" criteria laid down by the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety.

The project is just one example in Germany of both energy-efficient and economical construction.

Franz Josef Pschierer, state secretary in the Bavarian Ministry of Economic Affairs and Media, Energy and Technology, considers the project a role model: "Germany's transition to renewable energy is not only an electricity transition. Heat also plays a big role. Modern construction techniques and innovative technologies - as we see here in Hügelschart - make an important contribution to the electricity and heat transitions."

The local mayor, Roland Eichmann, said: "The Effizienzhaus Plus-Siedlung is a trailblazer for energy efficient construction. The concept finds a way to optimally implement good construction and energy efficiency in architecture. For us, it's a reference project."

Part of the energy collected by the photovoltaic systems on the buildings' south-facing roofs is stored in lithium-ion batteries, while some is transformed into heat and stored in a thermal water storage system. An energy monitoring system controls all aspects of the system automatically and ensures the photovoltaic energy is used optimally.

Over the course of a year, the buildings predominantly generate the energy they need and feed excess power into the grid or charge an electric vehicle directly next to the house. The majority of excess energy is generated in the summer months. In winter, the photovoltaic systems won't generate quite enough to meet the buildings' needs and so some power will come from the grid. Nevertheless, over the course of a year, the buildings are around 70 percent self-sufficient.

At the heart of each of the buildings is a combination of an air-water heat pump, inverter technology, and a thermal water storage system. The heat pump, which is primarily powered with electricity from the photovoltaic system, heats water in the storage tank which is then used in the heating system. Hot water is also provided by the heat pump and stored in a 235 liter tank.

You can find further information and photos on the project homepage in the links below.

If you would like more information about the opportunities for your business in Germany's green building market, [get in touch](#) ▶ with Germany Trade & Invest's industry experts, who would be glad to support you.

**Read more:**

- Die Effizienzhaus Plus-Siedlung: [Project homepage](#) ▶ (in German)

## **June 17: New funding strategy for energy efficiency and renewable heating published**

**June 2017**

Germany's Federal Ministry for Economic Affairs and Energy has published a [new strategy](#) ▶ for federal funding and incentives for energy efficiency and renewable heating. The document lays down a number of modifications such as the bundling of major programs and a new user-focussed approach. The various programs will be reformed by 2020.

Hybrid heating systems that use renewable energy sources will continue to be funded to support the transition to renewables in the heating sector. However, support for systems based solely on fossil fuels will be phased out by 2019.

The strategy also defines a number of core areas, namely energy consulting, energy efficiency in buildings, energy efficiency in industry and trades, and heating infrastructure. All of the programs will be provided as combinable modules in each of the four areas. As a consequence, a number of existing programs will be merged. For example, the two large programs in the building sector (KfW energy efficient construction and renovation and the MAP renewable heating program) are to be fused under "energy efficient building", according to the document.

**Read more:**

- Federal Ministry for Economic Affairs and Energy (BMWi): [Press release](#) ▶ (in German)
- BMWi: [Funding strategy for energy efficiency and heating with renewable energy](#) ▶ (in German)

## **June 17: One third of new residential buildings in Germany included a heat pump in 2016**

### **June 2017**

The share of heat pumps in newly constructed residential buildings in Germany grew slightly in 2016 to 31.8 percent, up 0.4 percent on 2015, figures released by the country's Federal Statistical Office show.

The BWP heat pump industry association reports that buildings with one or two residential units were particularly well represented (34.0 percent), while heat pumps maintained their market share in multi-unit buildings (16.0 percent) and non-residential buildings (13.6 percent).

A total of 36,500 new buildings were equipped with heat pumps, around 2000 more than the previous year, in part due to Germany's strong construction sector, the BWP notes.

The south-western federal state of Baden-Württemberg was a clear leader, where heat pumps took a 47.9 percent share - up 6.6 percent.

The official statistics differentiate between geothermal and so-called "environmental heat" systems, the latter denoting air- and groundwater-source heat pumps. Environmental heat source systems were by far the most popular choice, with the vast majority of these being air-source systems, according to the BWP. Geothermal sources accounted for 6.8 percent of the heat pumps installed with strong regional variations in the technology employed.

The BWP expects a strong 2017 after the share of heat pumps in new residential buildings granted a construction permit in 2016 rose to 37.4 percent. Buildings permitted in 2016 (and thus likely to be completed in 2017) must fulfill tighter efficiency regulations than those permitted in 2015.

#### Read more:

- BWP: [Press release](#) ▶ (in German)

## May 17: Germany's window and door branch expects solid growth in 2017

### May 2017

Germany's window and door branch expects to sell 14.4 million units in 2017 with turnover increasing by 3.9 percent, [a study](#) ▶ published by four related industry associations finds. The expected growth is supported by the overall positive economic situation and continued demand for both residential and non-residential construction.

The prognosis follows a positive bottom line in 2016, which saw sales grow by 3.3 percent year on year to 13.8 million units.

The study expects 56.1 percent of windows to be used in building stock renovation, albeit with only slight growth of the market volume of 0.2 percent. However, 9 percent growth is predicted for new-build applications, accounting for the remaining 43.9 percent market share.

In terms of building types, 66.5 percent of windows are expected to be installed in residential and 33.5 percent in non-residential buildings – a 0.7 percent swing towards residential from 2016.

In terms of frame materials, plastics are most popular (57.8 percent) followed by metal (18 percent), and wood (15 percent), the associations report.

#### Read more:

- [Window.de: Press release](#) (in German) ▶

## May 17: New building energy efficiency law put on ice

### May 2017

[We reported](#) ▶ last month that the GEG Building Energy Act had stalled with only a slim window of opportunity remaining for the law to pass before the federal elections this Fall.

However in the past month the legislation, which defines Germany's implementation of the European Union's nearly zero energy standard for public buildings, was not voted on by the federal cabinet and no agreement was reached in the coalition committee. It is now expected that the act will be considered again after the federal elections in September.

Under article 9 of the [European Union's Energy Performance of Buildings Directive](#) ▶, all new buildings must be nearly zero energy buildings by December 31st, 2020 and new public buildings after December 31st, 2018.

We will of course keep you informed about the developments in Germany as they happen.

**Read more:**

[BMUB: GEG Building Energy Act \(in German\)](#) ▶

## **April 17: Growing demand for energy-efficient construction funding**

### **April 2017**

Germany's KfW development bank supports energy-efficient construction and renovation in residential buildings with a range of funding programs. In the last ten years, the programs have disbursed almost EUR 100 billion in loans and grants for more than four million housing units, leveraging investments of more than EUR 260 billion and securing an average of 320,000 jobs annually, the bank [reports](#) ▶.

2016 saw more records broken, with every second newly constructed housing unit in Germany receiving KfW funding and 290,000 units undergoing energy-efficient renovation. Total funding granted rose 46 percent on the previous year to EUR 15.5 billion.

The Federal Ministry for Economic Affairs and Energy (BMWi) currently funds the programs with over EUR 2 billion annually.

**Read more:**

· [KfW homepage](#) ▶

## **April 17: New construction orders in Germany hit 20-year high**

### **April 2017**

The Federal Statistical Office [reports](#) ▶ that new orders in Germany's main construction industry in December 2016 increased 0.5 percent on November 2016 (price-, season-, and working-day-adjusted). The more stable three-month comparison for orders from October to December 2016 showed adjusted growth of 8.9 percent over July to September 2016. For the entire year, adjusted orders were up 13.0 percent over 2015.

In nominal terms, orders in December 2016 were up 7.5 percent on December 2015, while over the entire year, orders were up 14.6 percent on 2015. 2016 saw new orders worth EUR 67.8 billion, the highest level in 20 years (1996: EUR 72.3 billion).

**Read more:**

## March 17: Record KfW energy efficiency funding in 2016

### March 2017

Much of the financial support and incentives for energy efficiency in buildings and industry in Germany is issued by the KfW development bank. Demand for the promotion of energy efficiency in the home and in businesses was particularly high in 2016, the bank [reports](#) ▶.

Growth was particularly strong in the bank's housing priority, where commitments reached a volume of EUR 20.8 billion (2015: EUR 16.5 billion), with more than EUR 11 billion disbursed in the energy-efficient construction programme alone (2015: EUR 7.0 billion). The strength of the new construction sector and low interest rates have provided a strong and lasting boost to demand. The bank reports that the tighter KfW efficiency house standards have been very well received. 290,000 existing housing units underwent energy efficient refurbishment in 2016 with KfW funding.

The overall increase in funding issued to businesses under the bank's environment and energy priority was largely due to the energy efficiency program, which was restructured and significantly improved in 2015 and through which a total of EUR 5.2 billion (2015: EUR 3.8 billion) was issued. The expansion of the energy efficiency program has leveraged energy-saving potential in companies, for example through the promotion of systems aimed at avoiding or using exhaust heat, which was launched in May 2016.

### Read more:

- [GTAI: Press release - "Germany's Energy Efficiency Drive Accelerates"](#) ▶

## March 17: 2016 a bumper year for construction permits in Germany

### March 2017

340,000 housing units were granted a construction permit between January and November 2016, the Federal Statistical Office [reports](#) ▶.

The figure represents an impressive increase of 63,000 (+23.0%) on the same period in 2015 and 26,700 (8.5%) more permits than in all 12 months of 2015. This level was last seen when 403,000 permits were issued from January to November 1999.

Of the new permits issued in the first 11 months of 2016, 286,200 were for new housing units in residential buildings (+20.8% YOY). The growth was mainly seen in multi-unit buildings (+27.4% / 33,500). The strongest growth in percentage terms was seen in residential homes (+125.4% / 12,400) - a category that includes refugee accommodation. If this category is ignored, the number of permits for housing units in new residential buildings was up 16.2%.

Permits were also issued for 47,800 housing units created through conversions and extensions to existing buildings - the highest such figure for the first 11 months since 1998 (51,600).

Construction permits for new non-residential buildings increased in the same time period by 15.6% to 196.9 million cubic meters. This growth was seen in both public (+29.5%) and private construction (+14.4%).



## CONTACT US

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