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# Vienna bans gas heating systems in new buildings

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## ► Heating systems in real estate sector

### Comment

According to Vienna's administration, almost 90% of building emissions are currently caused by gas heating. In order to curb carbon dioxide emissions, the city has issued energy zone plans for 15 districts – the plans for the remaining districts are to be published by the end of the year. Landlords and homeowners will need to take these plans into account when investing in new property or extending and converting existing property.

### Heating systems in real estate sector

The energy zone plans designate areas in which high-efficiency heating systems must be installed in all new buildings, extensions and conversions, as well as in case of modifications and renovations affecting at least 25% of the building envelope.

High-efficiency heating systems include the following:

- decentralised energy supply systems based on energy from renewable sources;
- combined heat and power plants;
- district and local heating or district and local cooling, in particular if they are based in whole or in part on energy from renewable sources or come from high-efficiency combined heat and power plants; and
- heat pumps.

Existing buildings are not affected. Thus, if an existing gas heating systems breaks down, it may be replaced with a new gas system.

### Comment

This initiative is certainly a step in the right direction. However, upon analysing the energy zone plans in detail, it can be observed that – outside the city centre – these plans concern only a small part of the city area. Therefore, these plans can be seen as a means to an end, to encourage a move to energy efficiency in the real estate sector as much as possible.

Prospective buyers and renters are advised to consider whether to opt for a property that is subject to these plans or a property running on existing gas heating systems, which, in the long run, might need to be replaced as well.

It should be noted that the regulations are expected to bring a big boost to district heating. Particularly in the densely populated parts of the city, there is not enough space for most of the other types of highly efficient heating systems, so district heating is likely to be the preferred choice. Additionally, where the property is rented out, the landowner will be reluctant to invest in an expensive alternative heating system, as they cannot recover the costs of this investment from the tenant.

As there are only limited providers of district heating, it remains to be seen what effect this will have on pricing, particularly as the infrastructure for district heating will need to be significantly enhanced.

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