Global Sustainable Buildings Guide - Austria

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# Authors

# Green Certification

## Is there a nationally adopted and recognized form of certification for buildings? What is it and is it mandatory for all new buildings and refurbished buildings?

In Austria, there are various initiatives, guidelines and certification systems that promote sustainable construction. The following are particularly worth mentioning:

**The Austrian certification system**, by the Austrian Society for Sustainable Real Estate Management (Österreichische Gesellschaft für Nachhaltige Immobilienwirtschaft — ÖGNI). The assessment method corresponds to that of the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen — DGNB) and its Seal of Quality for Sustainable Building. It considers all essential aspects of sustainable construction, covering the subject areas of ecology, economy, socio-cultural and functional aspects, technology, processes, and location across the entire building life cycle.

**Klimaaktiv**, an initiative of the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology (Bundesministerium für Klimaschutz, Umwelt, Energie, Mobilität, Innovation und Technologie — BMK). This program specifically aims to promote the use of energy-efficient technologies and practices, and thus reduce CO2 emissions in the construction sector. In the area of construction and renovation (one of the core topics of the initiative), a certification-system was developed, which covers the criteria of energy efficiency, ecological quality, comfort and quality of workmanship and offers an indication of high-quality new buildings and renovations.

**The ÖGNB-certification** (Gütesiegel der Österreichischen Gesellschaft für Nachhaltiges Bauen — ÖGNB). In the overall assessment, ÖGNB certification represents a comprehensive building assessment system in terms of both content and technology. The relevant criteria include resource conservation, reduction of the burden on people and the environment, comfort for users, longevity, security, planning quality, furnishing quality, infrastructure and equipment, and cost.

Certification for new buildings and refurbished buildings is not mandatory in Austria.

# Energy Performance Certificates and Minimum Energy Standards

## Is there a mandatory form of energy performance certification? When does it apply and are there any prescribed minimum standards?

In Austria, there is a mandatory form of energy performance certification for buildings, known as the "**Energieausweis**." This certification was introduced with the Energieausweis-Vorlage-Gesetz 2012 (EAVG 2012), which implements the Energy Performance of Buildings Directive. It is required whenever a building is constructed, sold, rented out, or undergoes major renovations. It provides information about the energy efficiency of the building to potential buyers or tenants. The "Energieausweis" includes details about the building's energy consumption, such as heating and cooling systems, insulation and overall energy efficiency rating. It helps individuals make informed decisions regarding energy usage and costs associated with a particular building.

Regarding prescribed minimum standards, Austria's federal states have building codes/regulations in place to ensure that buildings meet certain energy efficiency criteria. Certain standards have been outlined by the Austrian Institute for Structural Engineering (Österreichisches Institut für Bautechnik — OIB) — a coordination platform of the Austrian federal states — in the OIB guidelines ("**OIB-Richtlinien**"), which are periodically updated to reflect advancements in technology and changes in energy efficiency requirements. The federal states can declare the OIB-Richtlinien to be binding in their building regulations, which is already the case in a few.

# Incentives for Green Retrofit

## Are there any government-funded or sponsored schemes for improving the energy efficiency of existing buildings and, broadly, how do they work?

With a commitment to reducing energy consumption and carbon emissions, the Austrian government has implemented various initiatives and schemes to encourage homeowners to improve the energy efficiency of existing buildings. The most significant initiatives include the following:

"**Sanierungsbonus**" — the Sanierungsbonus is a flagship initiative aimed at incentivizing energy-efficient renovations of existing buildings. Under this scheme, homeowners and landlords can receive financial support for a wide range of renovation measures, including insulation, window replacements, heating-system upgrades, and the installation of renewable energy technologies. The bonus provides a subsidy of up to 50% of eligible renovation costs, with higher rates available for low-income households. To qualify for the Sanierungsbonus, applicants must meet certain energy efficiency criteria and comply with relevant building regulations.

"**Raus aus Öl und Gas**" — this initiative focuses on phasing out the use of oil and gas for heating in residential buildings and transitioning to more sustainable alternatives. Homeowners who replace their oil or gas heating systems with energy-efficient alternatives, such as heat pumps, biomass boilers or district heating, can benefit from financial incentives and subsidies provided by the government. The Raus aus Öl und Gas program aims to reduce dependency on fossil fuels, improve air quality and promote the adoption of renewable energy sources for heating.

"**Mustersanierung**" — as part of this program, comprehensive renovation projects of public or commercially used buildings are funded. The subsidies originate from a public fund called the Klima-und Energiefonds. It includes measures to improve thermal insulation, and measures to use renewable energy sources and increase energy efficiency.

Additionally, there are also a variety of sponsored schemes for improving the energy efficiency of existing buildings available at the state level.

# CO2 and Energy Targets

## Are there any national targets for CO2 reduction and/or energy use reduction from buildings? If there are, are there any exclusions?

To comply with international agreements, the EU's target to stop releasing greenhouse gas emissions by 2050 and the "Fit for 55" package, which is designed to reduce the European Union's greenhouse gas emissions by 55% by 2030, Austria's federal government has adopted multiple measures in recent years:

Three Climate Strategies (2002, 2007 and 2018)

Climate Protection Act (Klimaschutzgesetz — KSG 2011)

Two Programs of Measures (2013/14 and 2015-2018)

Two amendments to the Climate Protection Act (2015 and 2018).

In the government agreement for the years 2020 to 2024, the federal government has committed to achieving climate neutrality by 2040. This goal means that Austria-wide emissions of greenhouse gases (GHG) and their reduction through carbon sinks according to the national GHG inventory will be balanced out by 2040 at the latest. To achieve this, far-reaching measures must be taken in every sector to reduce GHG emissions to zero. Residual emissions that cannot be reduced by 2040 will be compensated for within the physically foreseeable limits by storing carbon.

Regarding the reduction of CO2 emissions from buildings, Austria plans to significantly increase energy efficiency in the building sector, particularly in renovation, and to make optimization potential for energy efficiency visible. As the current annual renovation rate of around 0.8% is too low to achieve Austria's climate targets and corresponds to the level of 10 years ago, it is to be increased at least 2.5 times by 2030. This initiative runs under the name "#Mission 2030."

# Renewable Energy

## Are there any regulations requiring a percentage of energy consumption to come from renewable sources?

One of Austria's federal government's key energy and climate policy goals is to convert the country's electricity supply to 100% renewable energy sources by 2030 and to make Austria climate-neutral by 2040. The necessary legal and organizational framework conditions were created with the Renewable Energies Expansion Act (Erneuerbaren-Ausbau-Gesetz — EAG), which entered into force in 2022 and replaced the previous Green Electricity Act (Ökostromgesetz — ÖSG).

To achieve the target value for 2030, annual electricity generation from renewable sources must be increased by 27 terawatt-hours by 2030, based on production in 2020. Of this, 11 terawatt-hours are to come from photovoltaics, 10 terawatt-hours from wind, 5 terawatt-hours from hydropower and 1 terawatt-hour from biomass. The contribution from photovoltaics in particular is to be achieved through the target of equipping 1 million roofs with photovoltaics.

# Regulation

## What other national regulatory measures are there, such as taxes on energy consumption and/or tax reliefs on energy-saving measures, that can encourage more efficient use of energy in buildings?

Energy taxation in Austria is to be paid for electricity, natural gas coal and aviation. There is a tax exemption for self-generated and self-consumed electrical energy from renewable energy sources from electricity producers, including communal generation plants and renewable energy communities ("Erneuerbare-Energie-Gemeinschaften").

Most notably, since 2022, certain measures to improve the energy efficiency of buildings have been tax-privileged ("Öko-Sonderausgabenpauschale"). The following expenses are considered for tax purposes as special expenses, provided that federal funding under the Environmental Promotion Act (Umweltförderungsgesetz) has been paid out for them:

The thermal-energetic refurbishment of buildings (e.g., insulation of exterior walls and roofs, or replacement of windows and exterior doors) with the aim of improving the energy and thermal efficiency of the building

The replacement of a fossil heating system with a climate-friendly heating system, a so-called "boiler replacement," e.g., replacing oil, gas or coal with a new climate-friendly heating system such as a heat pump, district heating or pellets

Since October 2022, a CO2 price (CO2 tax) of EUR 30 per ton of CO2 has been levied in Austria. It must be paid by companies that produce or import fuels in Austria. This will increase the cost of fuel prices and heating oil. The CO2 taxes are offset by a climate bonus of up to EUR 220 per person per year.

The Federal Act on Renewable Heat Supply in New Buildings (Erneuerbare-Wärme-Gesetz — EWG), which entered into force on 29 February 2024, is intended to generally prohibit the installation of heat-supply systems based on fossil fuels for space heating and/or hot water preparation in new buildings (with corresponding transitional provisions for projects under construction). Regarding the replacement of fossil-fuel heating systems with climate-friendly alternatives in existing buildings, various funding programs have been introduced (see topic "Incentives for green retrofit").

# Financing

## Are there any public or private “green” financing initiatives for sustainable real estate projects?

In Austria, there are several public and private green financing initiatives available for sustainable real estate projects. These include, for instance, the following:

**Green Finance Initiative (GFI)**: The GFI is a public-private partnership that promotes sustainable finance in Austria. It aims to increase awareness and knowledge about green finance among financial institutions, businesses, and investors. The GFI provides resources, training and networking opportunities to support the integration of environmental criteria into financing decisions, including those related to real estate projects.

**Austrian green bond**: Austrian companies, including real estate developers, may issue green bonds to finance sustainable projects. These bonds adhere to international green bond standards and are used to fund environmentally friendly initiatives, including energy-efficient building construction or renovation.

**Sustainable real estate loans**: Austrian banks, such as Bank Austria or Erste Bank – Sparkasse, as well as financial institutions, offer financing options tailored to sustainable real estate projects. These loans may come with preferential terms or interest rates for developments that meet specific environmental criteria, such as energy efficiency or green building certifications.

# Planning

## Is the national or local/state government able to mandate green initiatives via the planning/zoning regime (e.g., district heating systems on large developments)?

Yes, in Austria, the state governments have the authority to mandate green initiatives through planning and zoning regulations.

The federal states' building codes and the planning/zoning regimes based on them often include requirements for energy efficiency, renewable energy usage and sustainable building materials. These regulations may mandate specific standards for insulation, heating systems, lighting and overall building design to reduce environmental impact. For instance, Vienna's Building Code stipulates that, when determining and amending zoning plans and development plans, consideration must be given, among other things, to the preservation or creation of environmental conditions that ensure healthy living conditions. The climate and the use of energy resources must also be considered. When determining the zoning plan, the Vienna City Council (Gemeinderat) provides a summary statement about the environmental considerations taken.

To further promote climate protection goals, the federal states' building codes may permit certain exemptions from mandatory requirements in local development plans. Projects that would otherwise be illegal under a development plan might become permissible if they include additional "green" features, such as energy efficiency measures like generating energy using photovoltaic systems. In Vienna, deviations from the development plan are permitted, provided they serve climate protection or adaptation to climate change in a long-term manner.

# Green Leases

## Are green leases or green lease provisions mandatory or optional? If mandatory, to whom do they apply? If optional, is there significant take up?

In Austria, generally, there are no legal regulations that oblige landlords and tenants to include certain sustainability measures or provisions in their rental agreements, meaning green leases or green lease provisions are not mandatory but optional. While green leases played a rather subordinate role until a few years ago, their importance and prevalence has been increasing recently. This is particularly the case in large residential, office or commercial real estate projects, where clauses with a sustainability dimension are steadily being included in rental agreements.

However, there are some statutory provisions that include "green" considerations. As such, under the Austrian Tenancy Act (Mietrechtsgesetz — MRG), the main tenant must notify the landlord of any significant change or improvement they intend to make to the rented property. The latter may generally refuse, but not if the change serves to reduce energy consumption or if it concerns the installation or redesign of water pipes, lighting, gas pipes or heating (including the installation of central heating supply systems, § 9 of the MRG). Furthermore, under certain circumstances, landlords are entitled to raise the rent if they carry out measures for energy efficiency (§ 18 of the MRG).

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