



REDUCING
HOUSING
INEQUALITIES

Balancing Environmental and Social Goals

Energy refurbishment policies and practices in Switzerland's rental housing stock

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Paris, 1 July 2025



Co-funded by
the European Union



UK Research
and Innovation

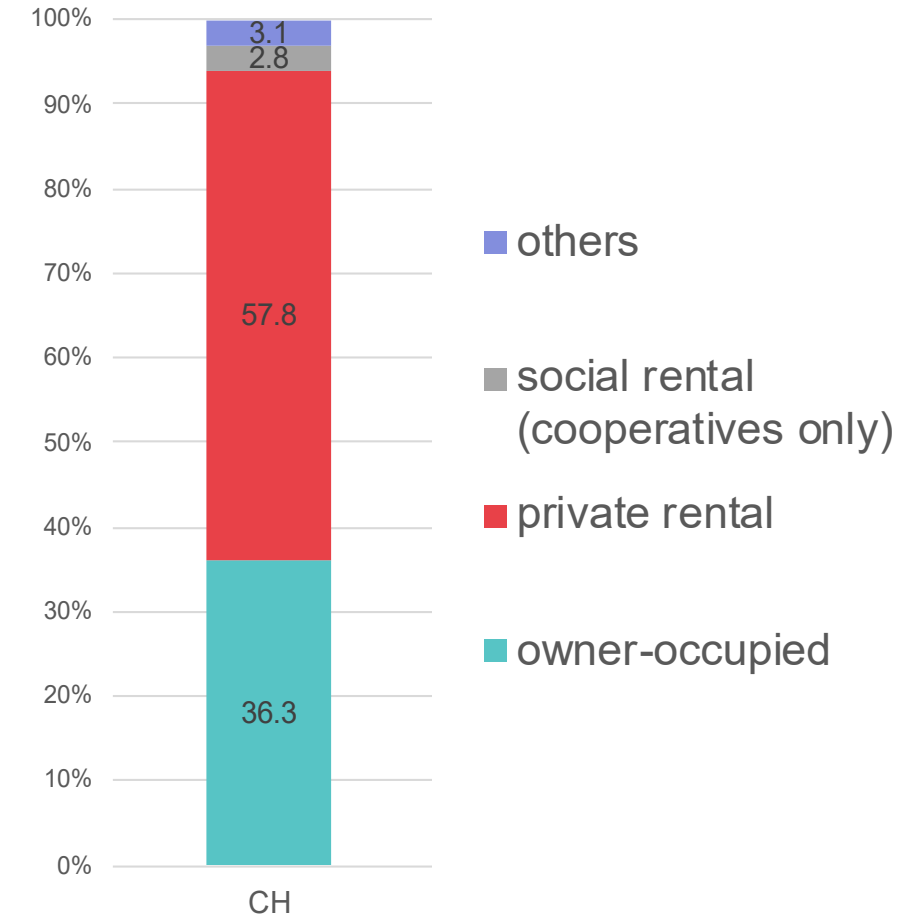


State Secretariat for Education,
Research and Innovation SERI

The ReHousIn project is co-funded by the European Union. The UCL's work on this project is funded by UK Research and Innovation (UKRI) under the UK government's Horizon Europe funding guarantee. The ETH work on this project is funded by the Swiss State Secretariat for Education, Research and Innovation (SERI) under the Swiss government's Horizon Europe funding guarantee. Views and opinions expressed are those of the author(s) only and do not necessarily reflect those of the European Union, European Research Executive Agency (REA) and other granting authorities. Neither the European Union nor the granting authorities can be held responsible for them.

The context Switzerland

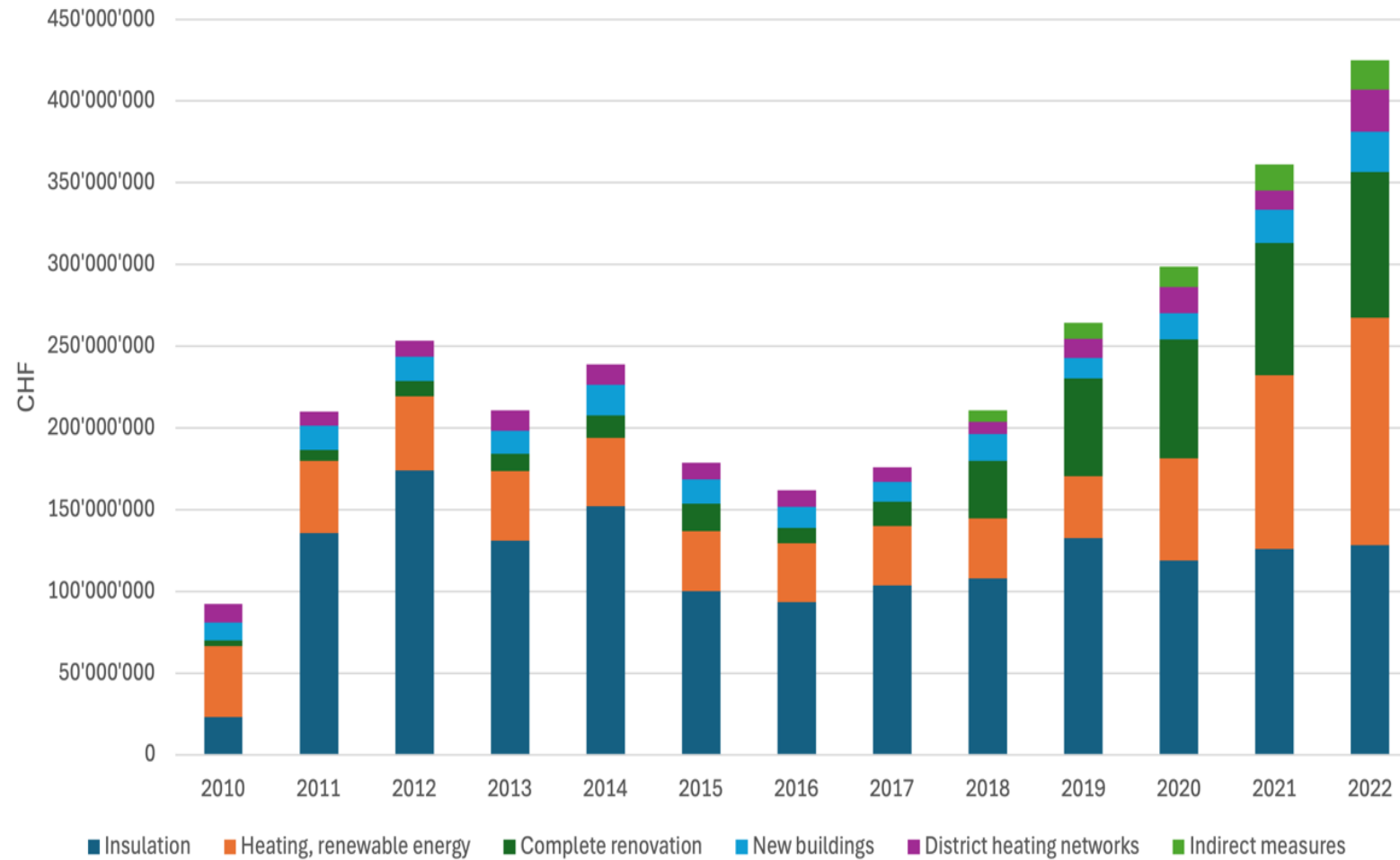
- Population: 9 million (84.8% urban)
- GDP per capita: USD 92'000
- Housing system is dominated by tenancy
- High housing demand and high capacity to pay lead to housing shortage in cities
- Moderate tenant protection (rent regulations, rent contracts can be cancelled without reason)
- Federalist state structure and weak national housing policy; responsibilities for housing lies with the cantons and municipalities



Energy Refurbishments in Switzerland

- The building sector **consumes 44.4 % of energy and causes 23.9 % of CO₂**
- 1.5 mio **buildings need energy retrofitting** (30% of the Swiss housing stock built before 1946; particularly many in urban areas)
- **Low renovation rate** (ca.1%; to reach 2050 climate goals it should be 2-3%)
 - Switzerland has a refurbishment backlog
 - Retrofitting buildings is the key component of Switzerland's energy and climate policies
 - 2010: Buildings Programme launched as main national instrument to promote energy refurbishments through subsidies

Payments from the Buildings Program, according to measure type



SOURCE: Federal payments for the Buildings Programme by measure type, in CHF. Source: MURE Database (2023).

Research Questions

- What are the impacts of Switzerland's energy refurbishment policies on the access to adequate and affordable housing?
- How are the tensions between energy refurbishments and an equitable access to housing perceived and tackled by different stakeholders at national, cantonal, and local level?
- What refurbishment practices are emerging in response to the growing awareness on the negative social impacts of energy refurbishments? What are their achievements and challenges?

Social Impacts of Refurbishments

- Swiss tenancy law permits landlords to **transfer 50–70% of renovation costs to tenants**, making energy retrofits financially viable primarily when combined with value-enhancing upgrades
 - **Rent increases** typically exceed energy cost savings
 - Displacement: Retrofitted housing becomes **unaffordable** for low-income groups
- Conditions for obtaining subsidies for refurbishments are purely technical and **not based on social or economic criteria**

Perceptions of and Measures for the Social Sustainability of Energy Refurbishments

- Debates in national parliament show awareness on social consequences, but **no measures have been introduced at the national level** to mitigate negative impacts
- **Local discourses and practices** reflect awareness of unintended social costs of refurbishment
- Some **municipal policy initiatives**, and **new practices** of refurbishing by landlords
- Concept of '**socially sustainable refurbishment**': normative ideal and practical agenda among some owners

Emerging Approaches

Three types of socially sustainable approaches in retrofits

1. Renovating in occupied condition
2. Phased renovation with option to move into new flats
3. Renovating with 'return guarantee' and provision of alternative flat during renovation

→ these can be combined

Case Study: Phased Renovation

Frohbургstrasse in Zurich (Helvetia Insurance)



SOURCE: Salome Rohner, November 2022



SOURCE: WT Partner AG / Ettinger Partner AG

Reflections and Emerging Issues

- **Growing awareness** and opposition to displacement caused by urban renewal and housing refurbishments.
- Promising ways to **mitigate the social risks** of housing upgrades
- Concerns about **social washing** and the instrumentalization of ‘socially responsible refurbishment’ as a public relations tool, particularly where **costs are ultimately borne by tenants**.
- **Innovative policy instruments** to mitigate negative social impacts are needed