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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Presentation by Strabag SE (agenda item 2) at the Working Party on
Competitiveness and Growth (High Level) on 07 May 2026

Delegations will find attached a presentation by Strabag SE, with a view to the discussion by the Working Party on Competitiveness and Growth (High Level) at its meeting on 07 May 2026.

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Affordable Housing for Europe

How the construction industry and
policymakers can deliver together



STRABAG
WORK ON PROGRESS

Ranked 5th in Europe

89,000 EMPLOYEES WORLDWIDE

€ 20.4 BN OUTPUT VOLUME
€ 31.4 BN ORDER BACKLOG

> 2,400 LOCATIONS
IN > 50 COUNTRIES

Market-leading positions in core markets & No. 1 in CEE



180 YEARS

OF COMPANY HISTORY

LARGEST PROJECT



HARP IN UK

Order backlog € 2.6 bn

WORK ON PROGRESS



VISION

The construction industry is responsible for 38% of CO₂ emissions worldwide. That's why our industry must be part of the solution. Because we have one of the longest levers for a better future. And if we move this lever, a lot will change. STRABAG is rethinking construction. Our clear goal, perhaps the most important in our company's history: **We will become climate neutral by 2040.**

250 INNOVATION PROJECTS

400 SUSTAINABILITY PROJECTS

STRABAG
WORK ON PROGRESS

PROBLEM

European housing crisis

**10 MILLION
HOUSING UNITS MISSING
ACROSS THE EU**

The housing shortage is particularly acute in urban areas.

The EU needed **2.25 million additional housing units** in 2025 alone.

**> 2 MILLION
NEW HOMES NEED TO BE
BUILT ANNUALLY UNTIL 2035
TO MEET DEMAND**

Despite clear annual construction targets and economic stimulus packages in many European countries, actual **construction output falls short**.

By 2027, construction output is projected to reach only **64%** of the planned level.

**OVER 40%
OF MONTHLY INCOME GOES
TO HOUSING FOR AROUND 10%
OF URBAN HOUSEHOLDS**

Between 2015 and 2024, house prices across the EU rose on average by 53%.

OUR APPROACH

Two approaches, one goal: creating housing

Reconstruction, conversion and refurbishment: reusing the existing building stock

Existing buildings are reused, adapted or increased in height. This creates additional housing without sealing additional land.



Serial construction

Serial construction works with standardised designs and prefabricated components. This enables housing to be delivered quickly, cost-effectively and at scale.





Reusing the existing building stock is...

...more than just renovation.
It is active urban development.

Revitalising existing buildings creates new living and working spaces, strengthens **neighbourhoods** and improves social infrastructure.

STRABAG looks beyond the individual building and develops **holistic concepts** for liveable urban environments.

Densification within existing neighbourhoods creates urgently needed housing without consuming additional land.

Reusing existing buildings also makes a significant contribution to **climate change mitigation**, as extending building life cycles reduces CO₂ emissions and conserves valuable resources.

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RECONSTRUCTION, CONVERSION & REFURBISHMENT

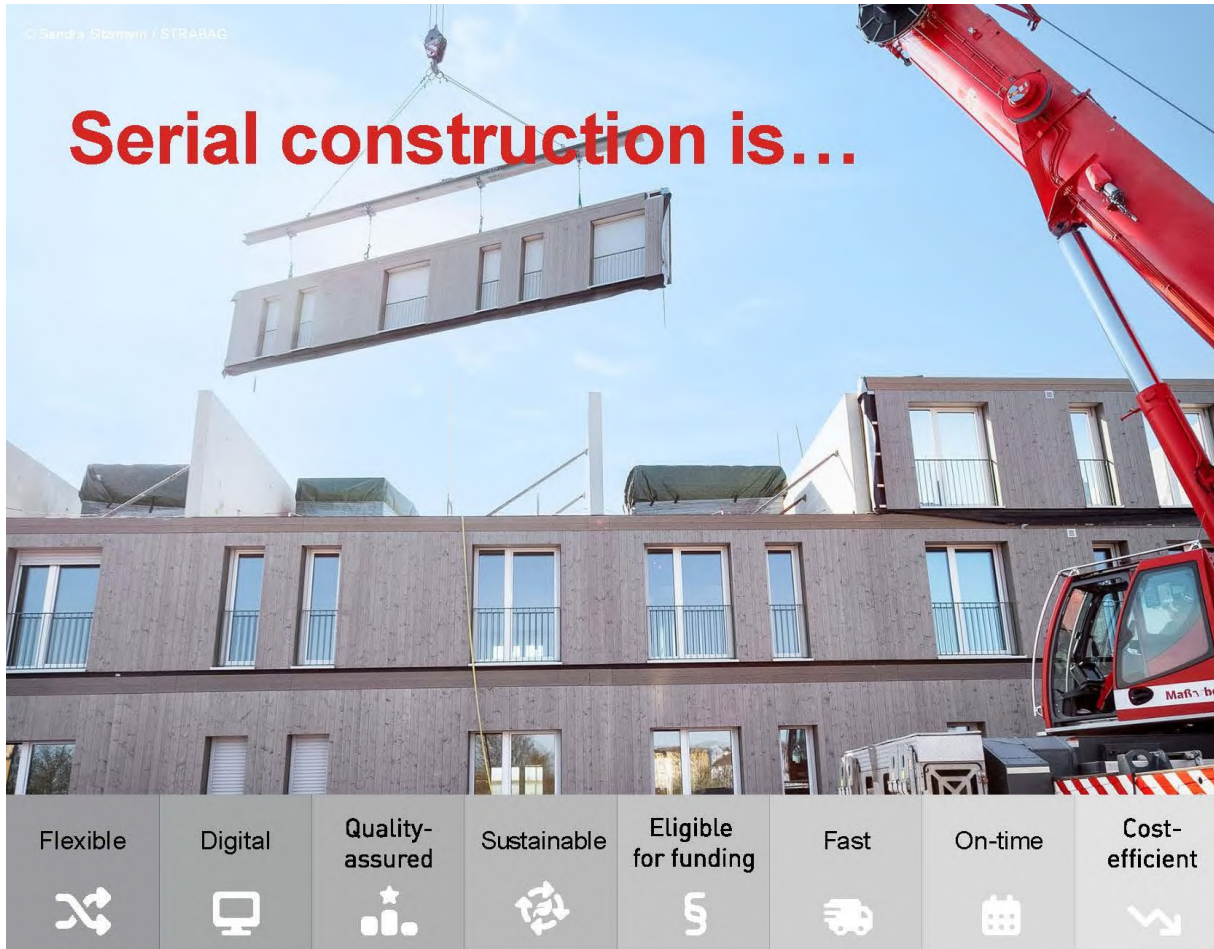
STRABAG's path forward

The aim is to transform urban spaces, reduce CO₂ emissions, promote social diversity and preserve cultural heritage. STRABAG sees itself as a driving force for a construction industry that takes responsibility and shapes the future.

In concrete terms, this means:

- **Delivering end-to-end solutions – from existing asset assessment, planning and design through to construction and climate-neutral building operation**
- **Developing new business models (e.g. refurbishment partnerships, redevelopment, energy consultancy, ESG advisory)**
- **Digitalising the existing building stock and identifying densification potential as well as decarbonisation measures**
- **Minimising risk through comprehensive building diagnostics**
- **Promoting innovation and research partnerships**





...the key to new affordable housing – built quickly and to a high standard of quality.

Speed:

Serial construction methods can reduce construction and overall project timelines by up to 50%, enabling faster delivery of more housing units.

Lower costs:

Standardised, repeatable systems reduce planning and execution effort, minimise variations and enable economies of scale in production.

More usable space:

Slim construction components can achieve approximately 5% more usable/living space.

Improved funding eligibility:

Serial, sustainable concepts are often easier to align with funding criteria in terms of cost and timelines, increasing the likelihood of funding and permitting.

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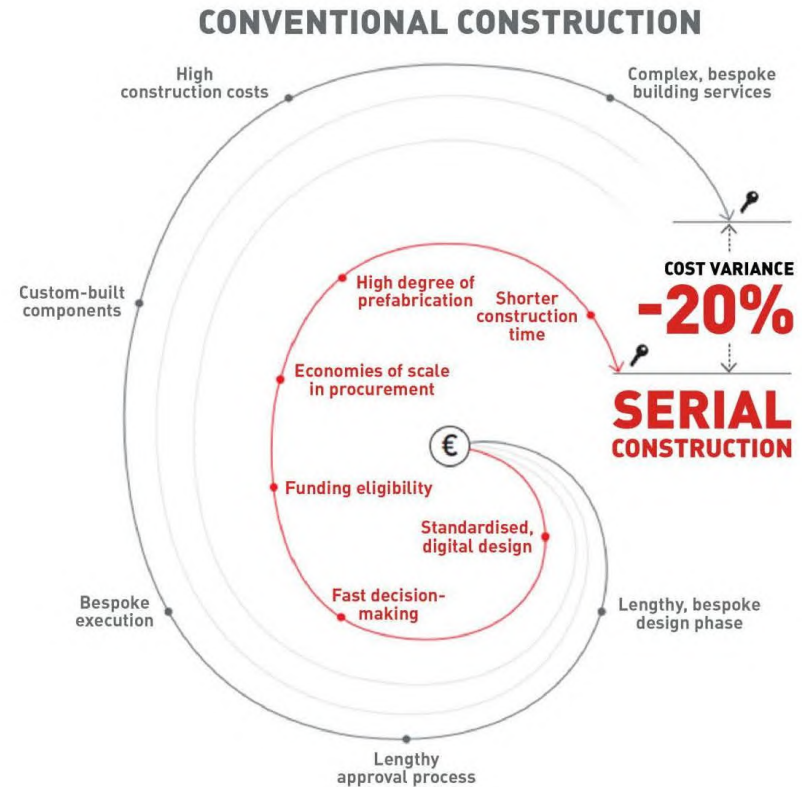
SERIAL CONSTRUCTION

STRABAG's path forward

The objective is to achieve significantly faster, more cost-efficient delivery compared to conventional construction methods, while maintaining a high level of functional, economic and architectural quality.

In concrete terms, this means:

- **Standardised and optimised planning, design, production and construction phases capable of reducing total construction costs by up to 20%**
- **Shortened project timelines so that buildings are ready for occupation much earlier**
- **Flexible serial construction systems allowing for a wide range of building types (residential, educational and care facilities, etc.)**
- **Additional economies of scale through a sustainable and reliable project pipeline**



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Serial construction illustrated by two European examples

Serial construction with STRABAG

Fast delivery:

- Up to 50% reduction in project timelines

Affordable housing:

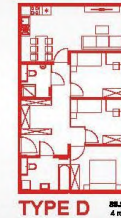
- Affordable rents through optimised construction costs
- Optimised energy costs during operation
- Tetriqx: three fixed floorplans
Moleno: flexible floorplans

Highest quality:

- High-quality fittings and durable materials
- Up to 50% CO₂ reduction



TETRIQX (AT)



MOLENO (DE)



Policy recommendations



Accelerated permitting procedures and binding deadlines

Reliable planning – instead of delays



Harmonisation of technical standards

Approve once – build across Europe



Funding and investment

No industrialisation – without sufficient scale

Reliable planning – instead of delays

Practical challenges

- Permitting procedures are **slow, analogue, inconsistent (fragmented building regulations) and uncertain**.
- Complex **permitting procedures** for existing buildings (e.g. heritage protection, existing-use rights, fire safety) create **legal uncertainty** for developers and planners.
- According to the EU, permitting can account for up to 16% of construction costs.

What can the EU do?

- **Introduce binding decision deadlines** for building and conversion permits
- **Establish prioritised and simplified procedures** – including for the reuse of existing buildings
- **Ease regulatory constraints** for existing buildings to enable conversion and densification (e.g. parking mandates)
- **Introduce digital permitting standards**, including digital building files and product passports
- **Reduce special national rules** and duplicate documentation requirements

Approve once – build across Europe

Practical challenges

- Parallel and sometimes conflicting national regulations **increase costs and uncertainty and prevent scalable construction.**
 - Serial construction therefore only **functions across borders** – not within regulatory silos.
- Existing buildings often deviate from current building codes due to historical development.

What can the EU do?

- **Introduce EU-wide recognition** of serial and modular construction methods
- Support type and system approvals (building types, modules, component systems) for serial housing and refurbishment
 - Define realistic, harmonised **load assumptions** (e.g. for fire safety)
 - Allow for differentiated rules for building-specific standards in existing structures (e.g. sound insulation, parking mandates)
- Use the **revised Construction Products Regulation** to establish harmonised performance criteria, documentation procedures and digital product and system passports

No industrialisation – without sufficient scale



Practical challenges

- Funding commitments are often **unpredictable** (1–2 years between application and approval).
- Fragmented programmes prevent **economies of scale**.
- Investments in production capacity fail due to a lack of **demand certainty**.



What can the EU do?

- Align public housing programmes specifically with serial construction methods
- Introduce multi-year funding and tender programmes with **high, guaranteed volumes**
- **Promote densification** and serial refurbishment as a combination of reusing existing building stock and serial construction (urban areas, mixed-use neighbourhood models)
- Extend funding for the **adaptive reuse** of vacant commercial properties as residential space (commercial-to-residential conversion)
- Design energy refurbishment funding to address the building as a whole system (building envelope and mechanical, electrical and plumbing), rather than individual measures
- Establish regional housing and production clusters through targeted funding; serial, industrially prefabricated housing combined with industrial policy (production clusters) creates long-term employment and stable regions

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