



**GOVERNEMENT**

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# Comprehensive review & benchmark study of the public real estate management in Europe



Union européenne



Direction  
de l'immobilier de l'Etat





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*As European member states, including France, face significant challenges, new opportunities arise to become more resilient and implement reforms that will help achieve the green and digital transition.*

*It is within this framework that the European Commission, through the Directorate General for Support to Structural Reforms (DG REFORM), is cooperating with the State Real Estate Directorate (DIE) of the Ministry of Economy, Finance and Industrial and Digital Sovereignty (MEFSIN), in its efforts to improve the French real estate management model, through the launch of a comparative study on European public real estate, financed by the European Union.*

*Public real estate management is a major area of reform for every member state: improving it not only supports the green transition and digital transformation of the administration, but also leads to better management of public finances.*

*This study is at the heart of the structural reforms encouraged by the European Union, as part of the European Semester and the Green Pact for Europe. It is also a key issue in the NextGenerationEU Recovery Plan, which directs funding to projects that contribute to climate change adaptation.*

*The Director of State Real Estate Directorate is pleased to share today the main results of the European benchmark on public real estate as we enter the final days of the French Presidency of the European Union. With the support of the European network PuRE-Net, which brings together all the national real estate agencies and the ministries responsible for public real estate, this study has made it possible to take stock of the public real estate policies of each European country.*

*This initiative was taken to share common European knowledge: we need - more than ever - to work together on all public policy issues. In fact, all countries share common trends and objectives to rationalize their real estate footprint, and have decided to carry out deep structural reforms over the last decade to manage their real estate more efficiently - regardless of their differences (size, history, governmental organization, ...).*

*In France, the State's real estate represents nearly 100 million square meters of buildings. While the allocation of public resources is very important in a context of economic constraints, public accounts should not be the only reason to reform public real estate management. It is also a way to improve the working environment and the quality of service offered to civil servants, agents working in our buildings and users.*

*Finally, we must obviously adapt our buildings to climate change. The study emphasizes that this is one of the main priorities in all our countries, even if much remains to be done. In France, the ecological transition is at the heart of our recovery plan. More specifically, the government has devoted €4 billion to the energy renovation of public buildings, including €2.7 billion financed by the European Union for public buildings of the State and higher education, a component led by the DIE with the Ministry of Higher Education, Research and Innovation (MESRI).*

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- 3 Asset, property and facility management policies and typologies
- 4 Fight against climate change, digitalization and new ways of working

# 1

## Objectives and methodology of the study

The benchmarking conducted from September 2021 to April 2022 covered 20 countries and had 4 major objectives:



**Increase knowledge and comparability of data** between European practices in public real estate management



**Promote European public policies** relating to the transition to green energy and digitalisation



**Facilitate the exchanges of good practices** between European countries and EU Member States (15-20 countries)



**Identify initiatives** to achieve more efficient management of state-owned real estate in Europe



**77**

**Interviews with European stakeholders**



**20**

**Countries covered** (17 studied in the comparative analysis and 3 in the questionnaire)



**+100**

**Documents analysed**



**1**

**Kick-off webinar** (to present the study to a European audience)



**PURE-net**  
Public Real Estate Network

**The PuRE-Net Network (The Public Real Estate Network)**

*an European organization bringing together the national directorates/agencies in charge of public real estate in the various European countries, has collaborated extensively on this study.*

<https://www.pure-net.org/>

# 2





## Overview of public real estate management in Europe

There are **many commonalities** in the management of public real estate in European countries, both in terms of priorities and problems encountered:

### Aligning strategic priorities...

-  Improved efficiency of public real estate management
-  Reduced burden on public finances
-  Improved service to employees and users
-  Adaptation to climate change
-  More modern public real estate

### ... and difficulties that are often shared

-  Difficulty in conducting an exhaustive inventory of assets and obtaining an overall view
-  Lower priority given to property in relation to other public policies
-  Existence of administrative constraints specific to the public sector
-  Public users not fully aware of property management costs

## European countries have generally organised their property functions around one or two major stakeholders

Countries have consolidated their real estate management for simplification and efficiency reasons

In countries with "integrated" management, the agencies have authority over the users (ministries, operators, local authorities, etc.) in property matters (rents, rules)

Real estate organisations usually have a semi-autonomous status, meaning that they are at least responsible for their own budget



Netherlands

**2014: RVB** is created by merging 4 agencies in order to simplify property management, make it more efficient and achieve economies of scale



Denmark

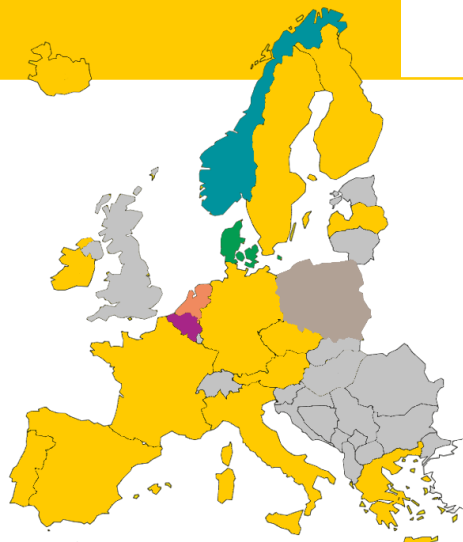
The expert support of **BYGST** is mandatory to manage asset management and property management for all public users



Finland

**Senate Group** is a wholly State-owned organisation, which is not a separate legal entity from the State but is responsible for balancing its own budget

The real estate organisations are mostly under the authority of the **Ministry of Finance**, although some countries have historical specificities



-  Ministry of Local Government
-  Ministry of Finance
-  Ministry of Interior
-  Prime Minister
-  Ministry of Transport
-  No management agency
-  No information on this country

# The public real estate reforms carried out in the studied countries highlight five key success factors

1

Reforms are often **incremental**

4

Managing relationships with **suppliers and service providers** has been essential

2

Successful reforms are based on an already **positive foundation**

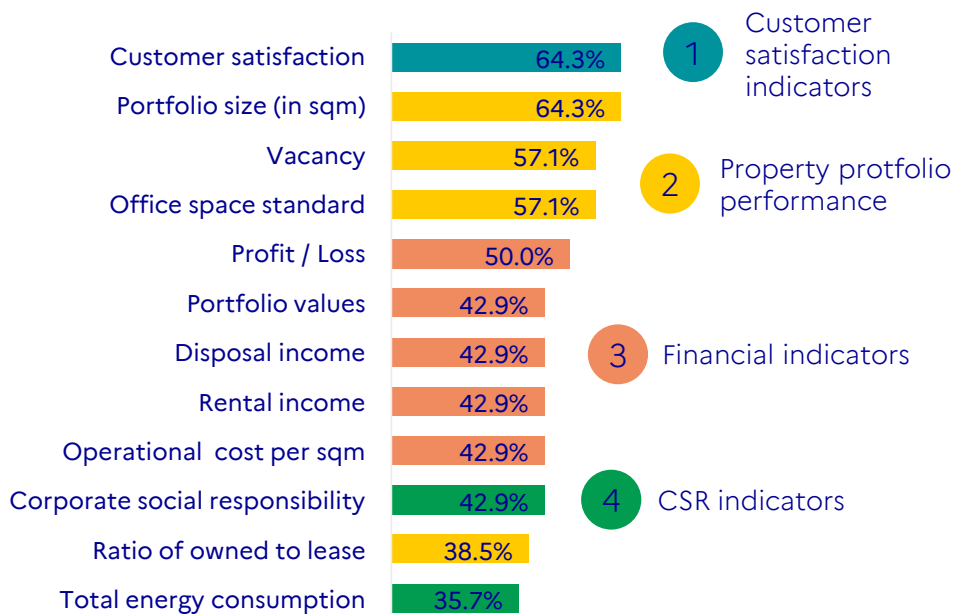
5

**Communication with users** was also essential in order to prevent disruptions to their activity

3

Successful reforms have been **carried out with existing teams** by reassuring them (job preservation, salaries...) and creating a positive dynamic

## Indicators used by PuRE-Net countries to support their strategies and decisions\*



\* % of countries using the indicator, 2021. The 14 responding countries are Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Iceland, Ireland, Latvia, Lithuania, Norway, Sweden and the Netherlands. These responses are provided by the organisations themselves.

The indicators monitored focus on the property and **financial performance** of the portfolio, although two new categories are emerging

The majority of existing indicators relate to the performance of the property portfolio and financial indicators.

CSR indicators are more disparate and vary greatly from one country to another. They are also the least monitored indicators.

# 3

## Asset, property and facility management policies and typologies

For the past 10 to 15 years, the priority of asset management policies has been to increase the efficiency of the portfolio to optimise costs

### Trend accelerators

-  Recent or anticipated economic crisis
-  High debt and public budget cuts
-  Publication of reports (parliamentary, surveys, etc.)
-  Health crisis that transformed working methods

### Example in Finland



Finland

**2014:** Establishment of the 2014-2020 real estate strategy to address the rising public deficit

#### Generating events

Public debt: €100bn in 2013 following 5 consecutive years of deficit  
High public accommodation costs: about €7,200 per capita

#### Examples of actions and results

Target of 18 sqm / FTE for acquired and renovated buildings (reached in 2021)

To increase the efficiency of the public property portfolio, most countries have introduced rent systems, which distinguish between 3 ownership models

#### State owner


The State owns the majority of the property it occupies  
As a rule, no rent system is in place towards the occupying users

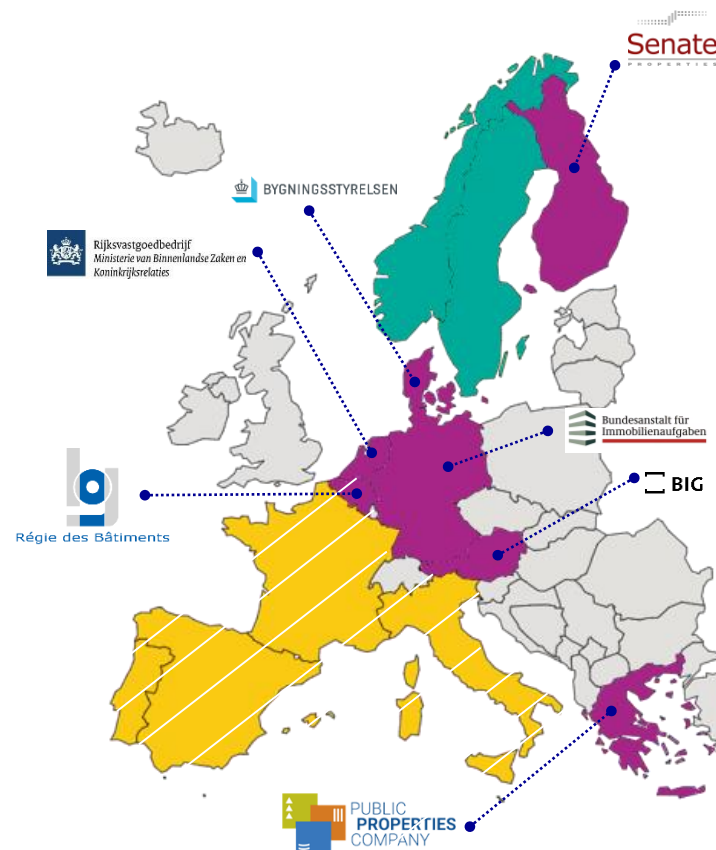
#### Public landholding

Most property is owned by the main state-owned property organisation  
Users pay a rent to it, giving it a role similar of that of a public property holding company

#### Private market

The majority of asset are leased by public users from private operators  
A minority of strategic assets are held by a public agency which also as a public property holding company

 No rent system (no rent for the occupiers)



# The management of the daily operation and maintenance of buildings is often entrusted to private operators, with nuances depending on the type of services

- 1 Hard FM\* missions are generally overseen by the building owner (State, public property management agency, private operator, etc.) and its possible service providers
- 2 Few public management agencies position themselves on day-to-day operations and Soft FM\* tasks
- 3 Soft FM\* missions are often delegated by users to private operators



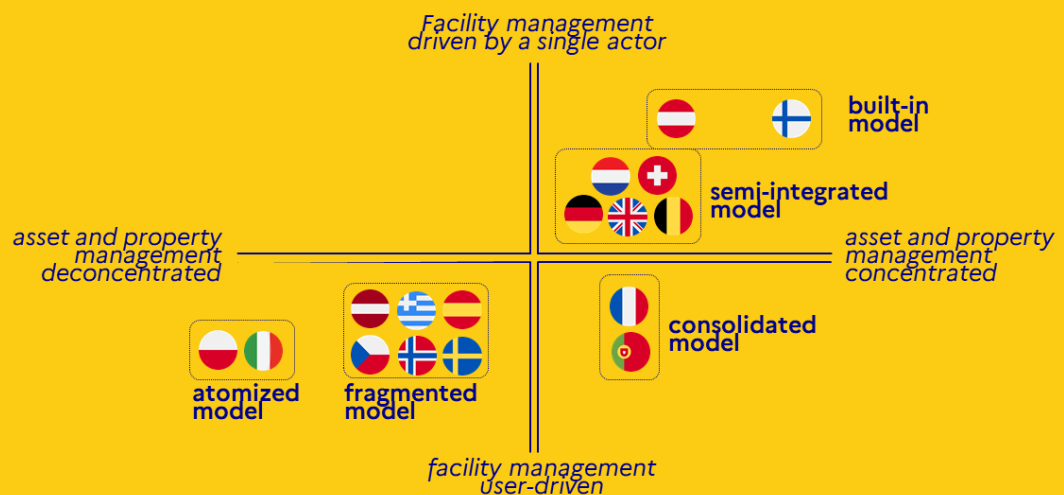
## examples

	hard facility management	soft facility management
Austria	BIG + subcontractors	BIG and subcontractors + private contractors managed by BIG
Finland	Senate Group + subcontractors	Private contractors managed by Senate Group + Defence Properties for some military assets
France	Users (except AGILE experimentation) + subcontractors	Users + subcontractors
Netherlands	RVB + subcontractors	4 public operators

# Some countries have chosen to centralise the management of operation and maintenance tasks for reasons of clarity, simplicity and efficiency

- Improve the level of service provided to users and determine a target level to be achieved at all sites
- Strengthen the readability for users and customers
- Simplify and harmonise the services provided to users throughout the country
- Ensuring the economic performance of operation and maintenance missions to preserve public finances

## 4 Four main types of governance and management of public property are identified on a European scale





# 4

## Fight against climate change, digitalization and new ways of working

### Fight against climate change, digitalization and new ways of working

Although most European countries have adopted **carbon neutrality objectives**, the ambitions, actions and results in terms of ecological transition remain **heterogeneous**.

Initiatives in this area were identified during the benchmark in the vast majority of the countries studied (15 out of 17 countries).

#### Initiatives in the field of energy



France

Launch of the "France Relance" recovery plan in September 2020: Selection of 4,000 projects to improve the energy renovation of State buildings (reductions of 600 M kWh) with a budget of €2.7 billion



Iceland

Use of geothermal energy and BREEAM certifications on all new projects



Netherlands

The installation of solar panels on public buildings as a service by RVB

#### Initiatives in the field of sustainable construction



Denmark

BYGST is constructing a new office complex, which will be entirely made of wood, and is scheduled for 2025. The building aims to embody the future of buildings in Denmark



Norway

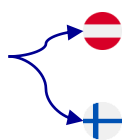
Statsbygg is building new carbon-neutral office buildings close to public transport and without parking spaces



Sweden

One of the main tasks given to SFV by the government is to reinstate more wetlands in the country (more than 30 areas concerned)

However, few quantified objectives and measurable results are reported by the countries studied, with the exception of Finland and Austria.



Senate Group reduced building lifecycle emissions by **70%** between 2012 and 2020

BIG has created an independent "**Sustainable Minimum Standard**" label (more ambitious than that of the Austrian Ministry of the Environment)

#### Carbon neutrality objectives

2035

The Finnish government aims to achieve carbon neutrality by 2035 with zero emissions from its public building stock

2040

Austria aims to be carbon neutral by 2040

2050

The French government and the Dutch government aim to be carbon neutral by 2050

# In the majority of cases, digitalisation aims to improve the operation of buildings by providing tools to better monitor the portfolio and energy consumption

## Understanding the property portfolio

The monitoring and analysis of the data collected enables the countries studied to optimize the performance of the portfolio, improve the user experience, and ensure predictive maintenance of equipment

The data collected is also increasingly relevant to users (comfort, health, flow, etc.)

## Examples



Czechia

Launch of the Central database of administrative buildings in 2010 to identify key performance indicators



Portugal

Creation of a digital portal centralizing data on the building portfolio

## Ability to implement energy reduction programs

## Examples



Denmark

Implementation of an IT tool to monitor buildings, for example square meters and energy consumption



Austria

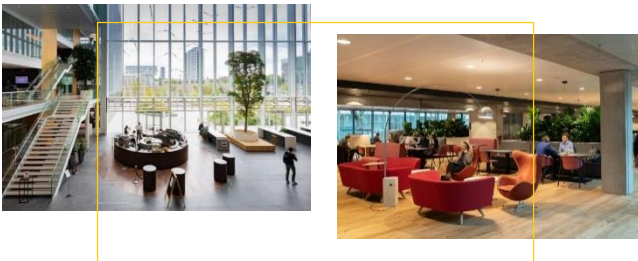
Development of a digital scoring tool to facilitate the achievement of sustainable building objectives (Holistic Building Program)

# The deployment of multi-occupancy sites and innovative shared spaces is emerging in some countries



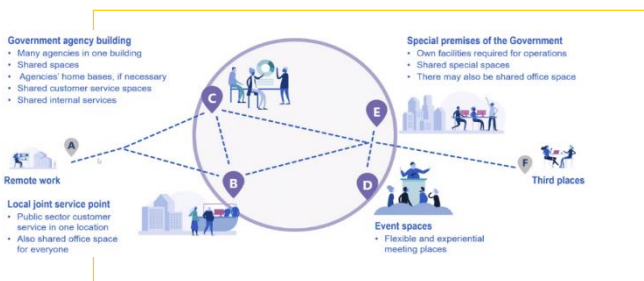
Netherlands

Development of multi-occupancy sites and the creation of large meeting areas at the entrance of Government buildings



Finland

Finland's ambition to develop and manage network of shared working environments



## Trend accelerators



Desire for the optimal performance and reduction of the property portfolio



Changes in working methods, amplified by the health crisis



Ambition to have high quality, modern buildings for employees and users



Improving the attractiveness of the public sector as a place to work



[https://ec.europa.eu/info/departments/structural-reform-support\\_fr](https://ec.europa.eu/info/departments/structural-reform-support_fr)



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