POLICY INSIGHT | JUNE 2026

Why the Push to Make Buildings Energy Efficient Isn't Taking Off

Relevant For:
Federal, state, and local policymakers; urban development agencies; real estate developers; utilities

Policy Question

What are the barriers to the deployment of technologies that make buildings more energy efficient, and how can adoption be accelerated?

Key Evidence

Buildings account for nearly 40% of global energy-related greenhouse gas emissions, as found in this UNFCCC Technology Executive Committee policy brief, developed in collaboration with the CPC and the Global Alliance for Buildings and Construction.

Established, cost-effective, and market-ready technologies to reduce emissions—and improve resilience to heat, flooding, and extreme weather—already exist. However, adoption remains a problem due to high upfront costs, outdated building codes, financing gaps, and limited stakeholder engagement. Approaches that combine traditional knowledge (such as passive cooling and bamboo construction) with modern technologies (such as heat pumps and energy management systems) have the strongest impact on acceptance.

Policy Implications:

Updated building codes, new financing mechanisms, increased technical capacity, and effective enforcement are among the solutions that would expand adoption and deployment. Supportive policies and capacity building are critical to overcoming the barriers.

Policy Actions:

1. **Modernize building energy codes** to incorporate energy efficiency standards for new construction and retrofits.
2. **Expand financing tools** such as green bonds, public-private partnerships, and targeted subsidies for low-income households to reduce upfront cost barriers for households and developers.
3. **Support locally adapted solutions and capacity building** through integrating traditional knowledge, region-specific materials, and workforce training programs to avoid installer shortages.

What to Watch

Emerging building-energy standards, growing a green workforce, FERC and state utility commission action on building electrification and demand flexibility, expansion of public financing for retrofits and heat pumps, and growing electricity demand from urbanization and cooling needs.