Europe Net-Zero Energy Buildings Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> **Industry:** Green Buildings & Sustainable Construction (Real Estate & Construction)
> **Source:** https://www.mordorintelligence.com/industry-reports/europe-net-zero-energy-buildings-market
> **Scraped Date:** 2026-09-17

Executive Market Summary

Market Metric	Details
Base Market Size	USD 11.52 billion
Projected Forecast (2031)	USD 11.52 billion
Growth Rate (CAGR)	13.31 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

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![Major players in Europe Net-Zero Energy Buildings industry](images/chart_2.png)

![Europe Net-Zero Energy Buildings Market Size](images/chart_3.png)

![Europe Net-Zero Energy Buildings Market Share by Building Type, 2025](images/chart_4.png)

![Europe Net-Zero Energy Buildings Market Share by Construction Type, 2025](images/chart_5.png)

![Europe Net-Zero Energy Buildings Market Concentration](images/chart_6.png)

![Icon](images/chart_7.png)

![footer background image](images/chart_9.png)

![Mordor Intelligence on Facebook](images/chart_11.svg)

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![ESOMAR](images/chart_16.png)

![GPTW](images/chart_18.png)
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Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market Overview

Study Period | 2020 - 2031 |
Forecast Data Period | 2026 - 2031 |
Base Year Market Size (2025) | USD 10.95 Billion |
Market Size (2026) | USD 11.52 Billion |
Market Size (2031) | USD 21.52 Billion |
Growth Rate (2026 - 2031) | 13.31 % |

Market Concentration | Medium |
Major Players*Disclaimer: Major Players sorted in no particular order

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Market Overview

Europe Net-Zero Energy Buildings Market Analysis by Mordor IntelligenceThe Europe Net-Zero Energy Buildings Market size is projected to be USD 10.95 billion in 2025, USD 11.52 billion in 2026, and reach USD 21.52 billion by 2031, growing at a CAGR of 13.31% from 2026 to 2031.

The recast Energy Performance of Buildings Directive (EPBD) is setting the main regulatory timetable for investment across the region. Member states had to transpose the directive into national law by May 29, 2026, while public and private new buildings face later zero-emission deadlines[1]European Commission, “Energy Performance of Buildings Directive,” European Commission, energy.ec.europa.eu. Public funds support the Europe net-zero energy buildings market, but the investment need remains far larger than the funding currently identified. The European Commission reported more than EUR 80 billion from the Recovery and Resilience Facility and EUR 17 billion from Cohesion Policy Funds for building energy performance from 2021 to 2027. This gap makes project finance, consistent installation capacity, and reliable delivery important competitive factors. Building owners are also placing more value on energy resilience, operational data, and measured performance, which increases demand for integrated technology and long-term services.

Key Report Takeaways

* By building type, commercial buildings led with 44.6% of the Europe net-zero energy buildings market share in 2025, while institutional buildings are forecast to grow at a 14.2% CAGR through 2031.
* By offerings, solutions held 67.8% of the Europe net-zero energy buildings market share in 2025, while services are projected to advance at a 14.1% CAGR through 2031.
* By construction type, new construction accounted for 66.8% of the Europe net-zero energy buildings market size in 2025, while renovation is expected to expand at a 14.6% CAGR through 2031.
* By geography, Germany held 22.8% of the Europe net-zero energy buildings market size in 2025, while the United Kingdom is forecast to grow at a 14.9% CAGR through 2031.

Key Market Trends

Europe Net-Zero Energy Buildings Market Trends and InsightsDrivers Impact Analysis*

Drivers	(~) % Impact on CAGR Forecast	Geographic Relevance	Impact Timeline
Revised EPBD and Zero-Emission Building Deadlines Accelerate Adoption	+3.2%	EU-wide, strongest in Germany, France, Italy, and Spain	Short term (≤ 2 years)
Renovation Wave Funding Drives Deep Energy Retrofit Activity	+2.5%	EU-wide, concentrated in Southern and Central and Eastern Europe	Medium term (2-4 years)
Energy Cost Volatility Increases Demand For Building Energy Resilience	+1.8%	Europe, most acute in Southern and Eastern Europe	Short term (≤ 2 years)
Green Finance and ESG Reporting Support Net-Zero Building Investments	+1.5%	Northern and Western Europe, extending to Southern Europe	Medium term (2-4 years)

Grid-Interactive Buildings Generate Demand Response Revenue Opportunities | +1.2% | Northern and Western Europe, with growth in Germany and France | Medium term (2-4 years) |
Verified Energy Performance Increases Green Building Rental Premiums | +0.8% | United Kingdom, Netherlands, and Germany | Long term (≥ 4 years) |
Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

The Europe net-zero energy buildings market is moderately concentrated in automation and energy management solutions. Siemens, Schneider Electric, Johnson Controls, and ABB compete for large building portfolios and complex digital upgrades. Services and commissioning remain fragmented across local engineering firms, retrofit contractors, and energy service companies. This structure gives regional providers defensible positions where local delivery skills and permitting knowledge are important. It also leaves large technology suppliers dependent on partners for installation and ongoing building support. Competition is therefore based on integration depth, geographic reach, and the ability to develop credible retrofit financing structures.

ABB introduced Ability Building Pro Suites in March 2026, combining building and Internet of Things systems across energy, operations, comfort, asset health, space, and grid interaction. Kingspan commissioned a EUR 30 million (USD 33 million) mineral wool insulated-panel facility in Hradec Králové, Czech Republic, in May 2026[3]Czech Green Building Council, “Kingspan Opens a New Plant in Hradec Králové,” Czech Green Building Council, czgbc.org. The site provides a supply base for Central and Eastern European renovation demand. Johnson Controls launched a Pan-European Innovation Studio tour across 44 cities in March 2026. The initiative presents HVAC decarbonization, OpenBlue digital platforms, and mission-critical cooling technologies. These moves show that leading firms are combining products, digital platforms, and local market access.

Cybersecurity and interoperability are increasingly important in smart building procurement. The Cyber Resilience Act entered into force on December 10, 2024, and establishes security requirements for products with digital elements. This affects building management systems, connected sensors, and automation controllers. Providers with security-by-design systems can offer a clearer compliance position to larger property owners. Smaller installers may find it more difficult to match this capability across multiple equipment brands. The Europe net-zero energy buildings market remains competitive because customers can choose among global technology suppliers, local specialists, and construction-led integrators.

Europe Net-Zero Energy Buildings Industry Leaders* Siemens AG

* Schneider Electric SE

* Johnson Controls International plc

* ABB Ltd.

* Honeywell International Inc.

* *Disclaimer: Major Players sorted in no particular order

Component Component 3 Scope Of The Report Bottom

Europe Net-Zero Energy Buildings Market Report ScopeBy Building TypeResidential |
Commercial |

Institutional |
Industrial |

Segmentation Accordion Item

By GeographyUnited Kingdom |
Germany |
France |
Italy |
Spain |
Rest of Europe |

Frequently Asked Questions

What is the projected value of Europe net-zero energy buildings by 2031?

The Europe net-zero energy buildings market is forecast to reach USD 21.52 billion by 2031, from USD 11.52 billion in 2026, at a 13.31% CAGR.

Which building type leads demand in Europe?

Commercial buildings led with 44.6% share in 2025, supported by non-residential compliance requirements and corporate reporting needs.

Which construction activity is growing fastest?

Renovation is expected to grow at a 14.6% CAGR through 2031 as older buildings move into the compliance and asset-protection upgrade pipeline.

Why are institutional buildings expanding quickly?

Institutional buildings are projected to grow at a 14.2% CAGR, supported by the January 1, 2028 zero-emission deadline for new public buildings.

Which country holds the largest regional position?

Germany held 22.8% share in 2025, supported by its large building stock and established energy-efficiency supplier base.