

Replace or retrofit: when each option is worth it

Replace with new construction or retrofit your current home. Five technical, economic and legal criteria that decide which option makes more sense in each case.

The two options in one sentence

To retrofit means to preserve the existing structure and improve its performance. To replace means to demolish the current home and build a new one on the same plot. Both options are legitimate, and neither is intrinsically better than the other. The validity of each one depends on the specific case.

The five criteria that decide

Structural condition

When the structure is compromised, retrofitting is unviable. The indicators of a compromised structure are persistent damp that has affected foundations or walls, structural cracks (not superficial), differential foundation settlements, an unfavourable Building Technical Inspection (ITE), and load-bearing walls with serious deterioration. If the technical assessment detects two or more of these indicators simultaneously, retrofitting may be technically possible but economically absurd.

Relative cost

There is an indicative rule of thumb in the sector: if retrofitting costs more than 70% of what new construction would cost, replacement is usually better. This rule has logic for three reasons. Retrofitting carries structural and layout limitations that new construction does not have. New construction starts from scratch with built-in optimisations (energy efficiency, optimal layout, materials selectable from the very first moment). And new construction allows you to take advantage of the residual buildable capacity of the local urban plan (POUM), which is often greater than the existing square metres. This 70% ratio comes from public sector studies (Catalan Institute of Construction Technology (ITeC), Catalan Architects Association (COAC)), but it is not a rigid rule and each specific case must be evaluated individually.

Final energy efficiency

A retrofit can reach energy class A or B, the EnerPHit standard (Passivhaus equivalent for retrofitting), and a consumption reduction of 50% to 70% compared to the original situation. New construction can more easily reach energy class A or A+, the full Passivhaus standard (Standard, Plus or Premium), nearly zero consumption (nZEB) or even a positive energy balance, and a consumption reduction of 80% to 90% compared to a conventional equivalent. If the goal is maximum efficiency, new construction has a clear advantage. If the goal is to improve significantly without reaching the absolute maximum, retrofitting works.

Urban planning compatibility

The local urban plan (POUM) may favour one option or the other depending on the specific configuration of the plot and the existing building. Replacing has the advantage when the residual buildable capacity of the plot is greater than the existing square metres (a frequent case in houses from the sixties to the eighties on large plots), when the current typology does not make good use of the plot (low height, suboptimal layout), or when the ordinance allows more floors or occupation than the home currently has. Retrofitting has the advantage when the home has partial or total heritage protection included in the heritage catalogue, when planning heavily restricts new construction on the plot (for example, in rural areas with strict restrictions), or when the building is part of a protected ensemble that requires preserving the original façade. Each plot has its own urban planning record, which is why this assessment is essential before deciding.

Schedule

Retrofitting can be done in phases (living inside in some cases), can be extended over time if convenient, and offers operational flexibility. Replacement requires leaving the plot during the entire process, has a more rigid schedule (between 14 and 24 months), and does not allow operational pauses. If the family has flexible schedules, either option works. If you need to be in the house urgently or have nowhere to live in the meantime, retrofitting may be the more practical path.

Summary table: when to choose which option

Situation	Option usually recommended
Compromised structure	Replace
Heritage protected by ordinance	Retrofit
Retrofit cost above 70% of new construction	Replace
Partially habitable home	Retrofit in phases
Urgent schedule (move in quickly)	Retrofit
Full Passivhaus objective	Replace
Underutilised buildable capacity on the plot	Replace
Tight budget	Variable, calculate case by case

Subsidies and aid

Retrofitting has Next Generation EU programmes in force until December 2026. Programme 3 covers multi-family buildings with up to 80% subsidy on the subsidisable cost. Programme 4 offers specific aid for single-family homes depending on the type of intervention. Programme 5 specifically finances the improvement of the thermal envelope.

Replacement can access green mortgages with specific bonuses for homes with energy class A or equivalent, municipal tax bonuses according to the current ordinance of each municipality, and specific aid for renovation in some municipal urban planning schemes. Each option opens different doors, and individualised assessment makes it possible to identify the optimal combination for each case.

Our recommendation in three typical scenarios

A home from the sixties to the seventies with a partially preserved structure tends to be a case-by-case matter. Often replacement wins for three combined reasons: residual buildable capacity is usually underutilised, the costs of regularising the existing home (habitability certificate, ITE, electrical regulations) accumulate, and the difficulty of reaching Passivhaus in an old structure means that the efficiency ceiling is significantly lower than that of new construction.

A home from the eighties or more recent in good condition tends to be a clear case for retrofitting with an EnerPHit objective. The structure is recent and in good condition, retrofitting is technically viable, and the relative cost is usually below 70% of an equivalent new construction.

A flat in a multi-family building is always a retrofit case. You cannot demolish a single flat in an entire building, and the intervention must be framed within horizontal property and its limitations.

Frequently asked questions

What if the house has sentimental value?

The technical-economic decision and the emotional decision are parallel. Our role is to inform honestly without imposing any criterion. Some families opt for retrofitting for sentimental reasons even though the numbers recommend replacement, and that is perfectly legitimate. The final decision belongs to the owner.

Can you start with retrofitting and end with replacement?

Not usually. They are different processes with different permits. If structural problems appear during retrofitting that make it unviable, the project may need to be redirected towards replacement, but with all new documentation and a significant additional cost derived from duplicating the process.

Which option appreciates the property more?

Usually replacement for a new home with class A or Passivhaus. Real estate sector studies (Sociedad de Tasación, Idealista Data) indicate revaluations of 15% to 25% for class A homes in the secondary market, compared to class E or F equivalents.

Can furniture or structures be reused?

If you decide to replace, some elements can be recovered as decorative elements in the new project (noble wood, period ceramics, singular decorative pieces). Most furniture leaves with the moving service, but prior planning makes it possible to identify the elements that are worth preserving.

If you want a specific assessment of your home, a free technical visit covering everything we have described here lets you decide with data.

Request an assessment without commitment:

[Bellaterra: if the property is in the municipality](#)

[General retrofit](#)

[New construction](#)

Read also:

[Demolish an old house and build a new one: practical steps](#)

[Demolition permit process in Cerdanyola del Vallès and Bellaterra](#)

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