

Wednesday 18th September 2013

E3SoHo Final European Workshop: ICT-enabling Energy Efficiency in European Social Housing



Opening Speech by Mr Kurt Eliasson, President of CECODHAS Housing Europe

Dear colleagues,

This conference is concluding a long collaboration between different partners and reached its principal objective : to identify solutions based on ICT for decreasing energy bills of social tenants. Other projects which will present their conclusion too, offers a wide range of tested solutions. This conference is a tool box for public, social and cooperative housing providers, hope you will take the most of it to transfer it into the stock you manage.

It is important that our sector delivers on energy efficiency for tenants, as there is a challenging policy context

In 2009 the European Union gave itself a framework to steer its energy and climate policies up to 2020. This framework integrates different policy objectives such as preserving our ability to grow in a sustainable way, securing energy supply and supporting the competitiveness of the energy sector. These policy objectives have been so far delivered by three headline targets for GHG emission reductions, renewable energy and energy savings. It seems now almost certain that the objective of reducing the overall final energy demand in the EU by 20% in 2020 compared to 2007 will not be met. This brings some policy makers to wonder what kind of measures the EU should take to meet the collectively agreed objectives, while others wonder whether those objectives are still worth the efforts. This article will look at the evolution of the affordable housing sector in this context and what would be needed to scale-up energy efficiency investments in the social housing sector.

Energy efficiency at the core of CECODHAS Housing Europe members's activities

First of all, let's determine what we are talking about: Despite the variety of traditions and organisations of social housing provision in the EU member states, they all have in common the following elements: a mission of general interest, the objective of increasing the supply of affordable housing, and specific targets defined in terms of socio-economic status or the presence of vulnerabilities .The affordable housing stock in the EU makes around 12% of the total housing stock. Especially since the middle of the 2000s, the reduction of energy consumption has emerged as one of the key missions of social housing organisations, not only because the preservation of the natural resources and climate is now considered an area of general interest but also because it is an obvious way for providers to improve the quality of life of their tenants and prevent them from living in a situation of energy poverty, a phenomenon that has grown since 2008, because of the conjunction of

poorly insulated homes, rise of the price of energy paid by the final consumers, and stagnation of disposable income due to the general economic situation (Bouzarovski (2011)).

Social housing providers have therefore been very active over the last decade in this field in particular, because they manage a considerable housing stock compared to a private landlord; they have a much better decision-making capacity than condominiums (even though they may be limited by financial resources and local governance problems); and they manage in the long term (30-50 years) the housing they build, which is an incentive to reduce future operational and maintenance costs.

If we take the example of Germany, from 1990 to 2011, housing and real estate enterprises have modernised more than 60 % of their stock and from 1990 to 2050 the total average consumption of final energy in the affordable housing stock will decrease by 57% if the current trend is pursued; 77% decrease for the primary energy demand and 83% of reduction of Green House Gas emissions (GdW (2013))

Towards the age of “massification”?

However, from a public policy point of view at the EU level, things are not going far enough and quickly enough if the huge potential of energy efficiency (in terms of jobs, decrease of energy dependency and improvement of living conditions) is to be fully exploited, in particular as a way to contribute to the economic recovery of the EU and its Member States. From the point of view of social housing providers, after the adoption and implementation of the Energy Performance of Buildings Directive in 2010 and the Energy Efficiency Directive in 2012, the main instruments of any new energy or climate policy objectives should not be related to further energy performance requirements nor to a “stress” scenario for the refurbishment rates. Rather it should be related to the appropriate framework and resources to scale up (“massify”) energy efficiency investments in and around housing. How would this appropriate framework look like?

The good ingredients

After years of building up real expertise in technical and non-technical aspects – legal, financial, stakeholders’ involvement, project management, it is time to pursue a new phase for energy efficiency in social housing: the era of scaling-up and “massification” from now on to 2020 and beyond. The right ingredients are in place, but it needs a bit of cooking to gain momentum.

The instruments we propose:

- The first instrument could be called an aggregation hub for low-carbon finance)
- A second instrument would be the pooling of expertise and skills through the development of clusters of actors (housing providers, municipalities, finance aggregation hubs, training centres, universities, and renovation and energy companies) for the energy transition
- And lastly an instrument for the continuation of applied research to develop low-cost technologies for the improvement of energy efficiency in social housing.

This momentum can only be driven by local actors (in particular social housing providers, SMEs, energy agencies and urban and regional authorities) and adapted to local specificities. The European Union should continue to support those local actors through the various programmes it offers, in particular by helping them to set up the appropriate (and sometimes complex) financing schemes to deliver more affordable and energy efficient homes. I thank you for your attention and wish you a successful conference!

Kurt Eliasson
President of CECODHAS Housing Europe