

National Landlords Association

The Green Deal

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Pre-Green Deal Position

- **The 'Split Incentive'**
 - **Property Owners pay for the improvements**
 - **Occupiers benefits from reduced fuel bills and a warmer homes**
 - **Property Owners unlikely to recoup costs**
- **Previous Schemes**
 - **Not been effective in multi-occupancy buildings**
 - **Funding incorrectly targeted at occupiers rather than owners**
 - **Locating eligible occupants has proved extremely difficult**
- **The Green Deal = NO up-front cost to property owners**
 - **Government supported but utilising private finance**
 - **Launched January 2013**

How does the Green Deal work?

- **Property Owners approach a Green Deal Provider who:**
 - **Assess the property as a whole**
 - **All parties agree on the necessary improvements**
 - **Organise for improvements to be completed**
 - **Pays for the energy efficiency upgrades**
- **The improvement costs are then repaid by whoever pays the utility bills**
- **GOLDEN RULE:** The cost of the new utility bills + the loan repayment must be lower than if nothing had been undertaken (Pay As You Save)

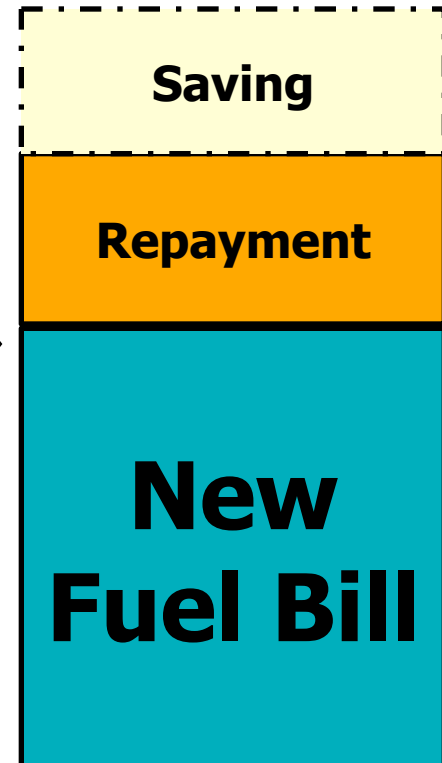
Golden Rule Explained

Before



**Green Deal
Improvement**

After



Energy Efficiency Measures

- **45 different measures included under the Green Deal**
- **Measures definitely included in the Green Deal:**
 - **Loft insulation**
 - **Cavity wall insulation**
 - **Floor insulation**
 - **Draught proofing**
 - **Water-pipe lagging**
 - **Thermostatic Radiator Valves**
- **Measures likely to break the Golden Rule:**
 - **Solid wall insulation**
 - **New Boilers**
 - **Double Glazing**
 - **Micro-generation**

Energy Company Obligation (ECO)

- **Subsidy commitment placed on the 7 largest energy companies**
 - Valued at approximately £1.3bn per year
 - Will create three subsidy streams
- **Carbon Saving Obligation (£760m)**
 - High cost measures that will break the Golden Rule
 - A need for Solid Wall Insulation will trigger funding
- **Affordable Warmth Obligation (£350m)**
 - Designed to tackle fuel poverty
 - Occupiers on certain benefits will be eligible
- **Carbon Saving Communities Obligation (£190m)**
 - Targeted support towards low-income communities
 - Geographically based on Index of Multiple Deprivation

Multi-Occupancy Properties

- **Green Deal will be much harder in multi-occupancy properties**
 - **Every electricity meter will need a Green Deal Assessment**
 - **Gaining 100% consent will be extremely difficult**
- **Solution: Separate the Building from the Apartments**
 - **Freeholder: Owns the Building Envelope**
 - **Leaseholders: Own individual apartments**
- **Building Envelope**
 - **Undertake loft and Cavity/Solid Wall Insulation on the building**
 - **Finance through Green Deal and ECO or Building Reserve Fund**
 - **Attach costs to communal meter and re-charge through the Service Charge**
- **Individual Apartments**
 - **Finance the internal measures for each apartment separately**

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Green Deal Information:

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