

**SHALFER Final event
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Retrofit financing schemes for social housing

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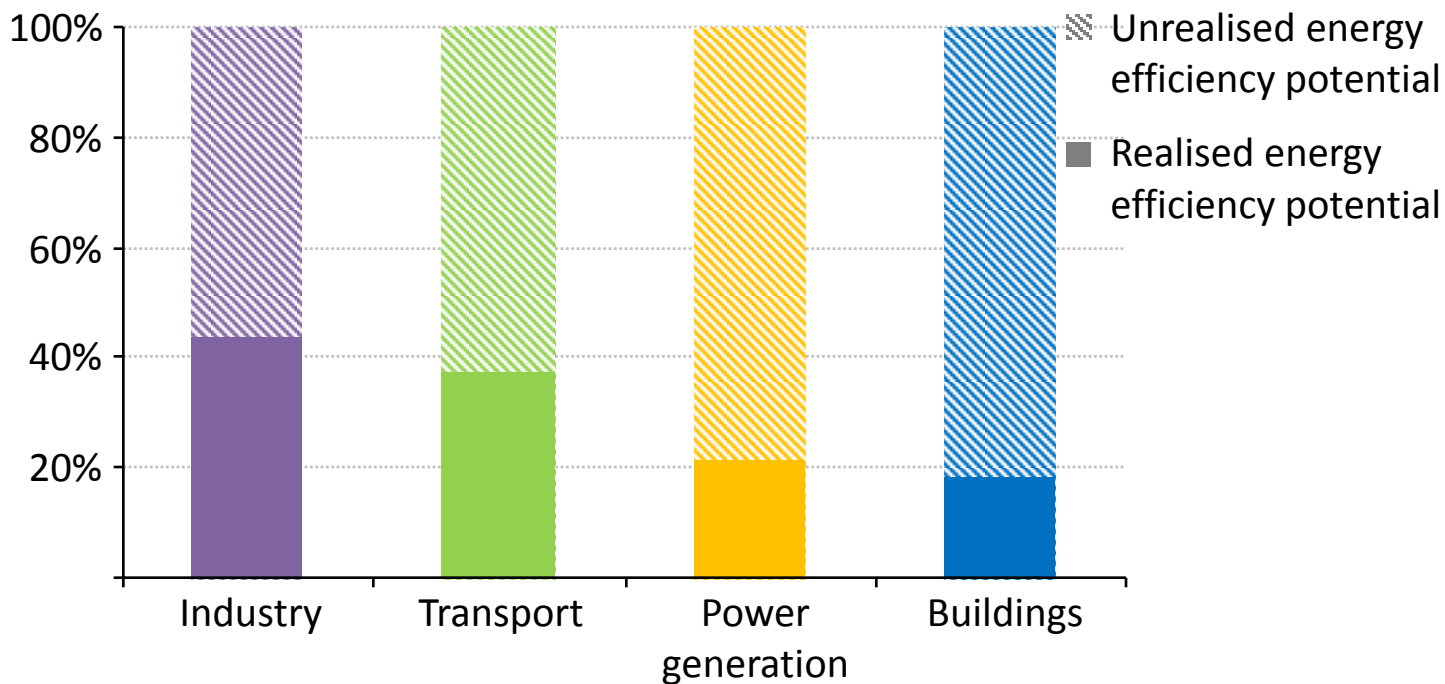
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**International
Energy Agency**

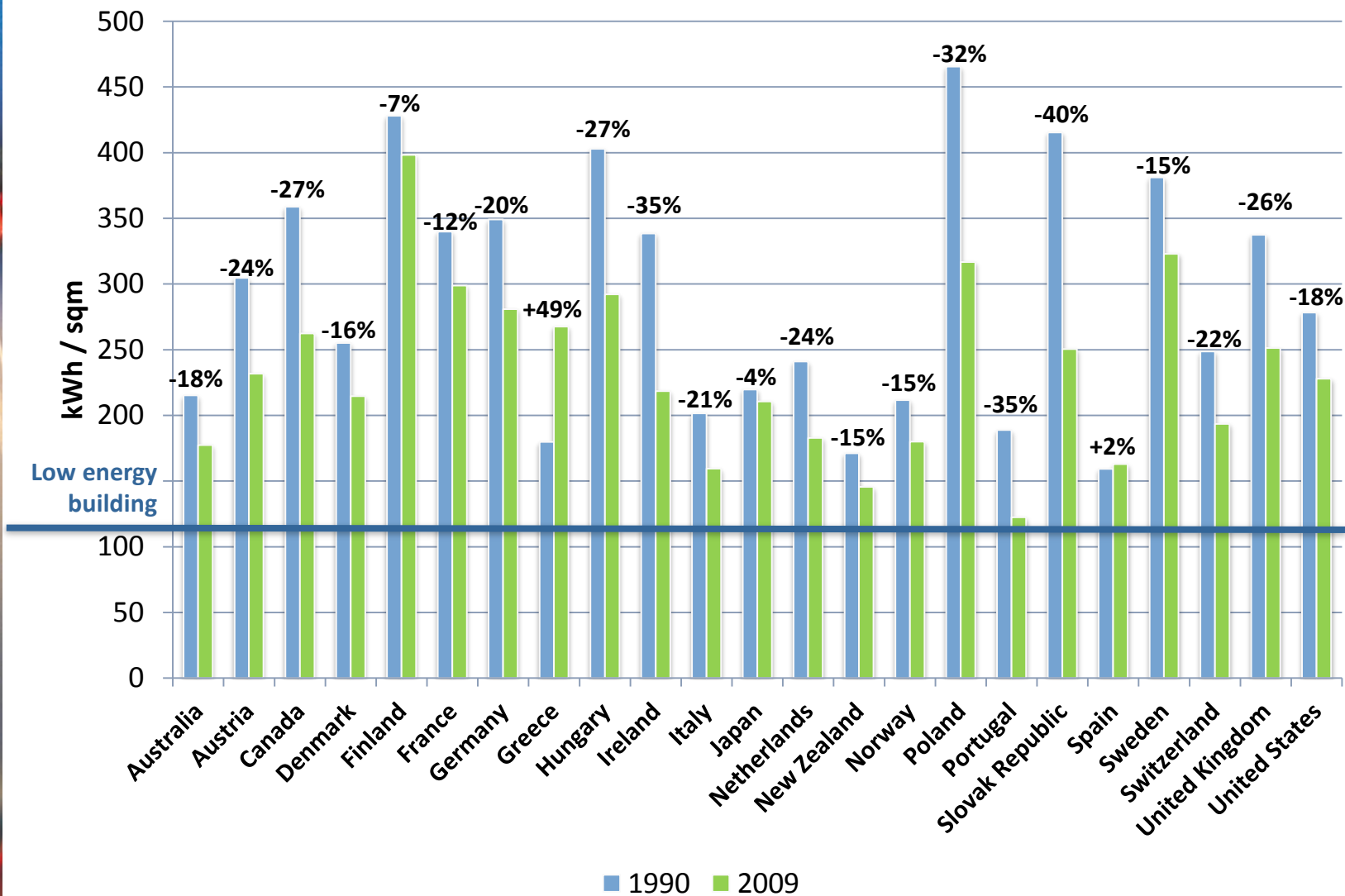
Energy efficiency: a huge opportunity going unrealised

Energy efficiency potential used by sector in the New Policies Scenario

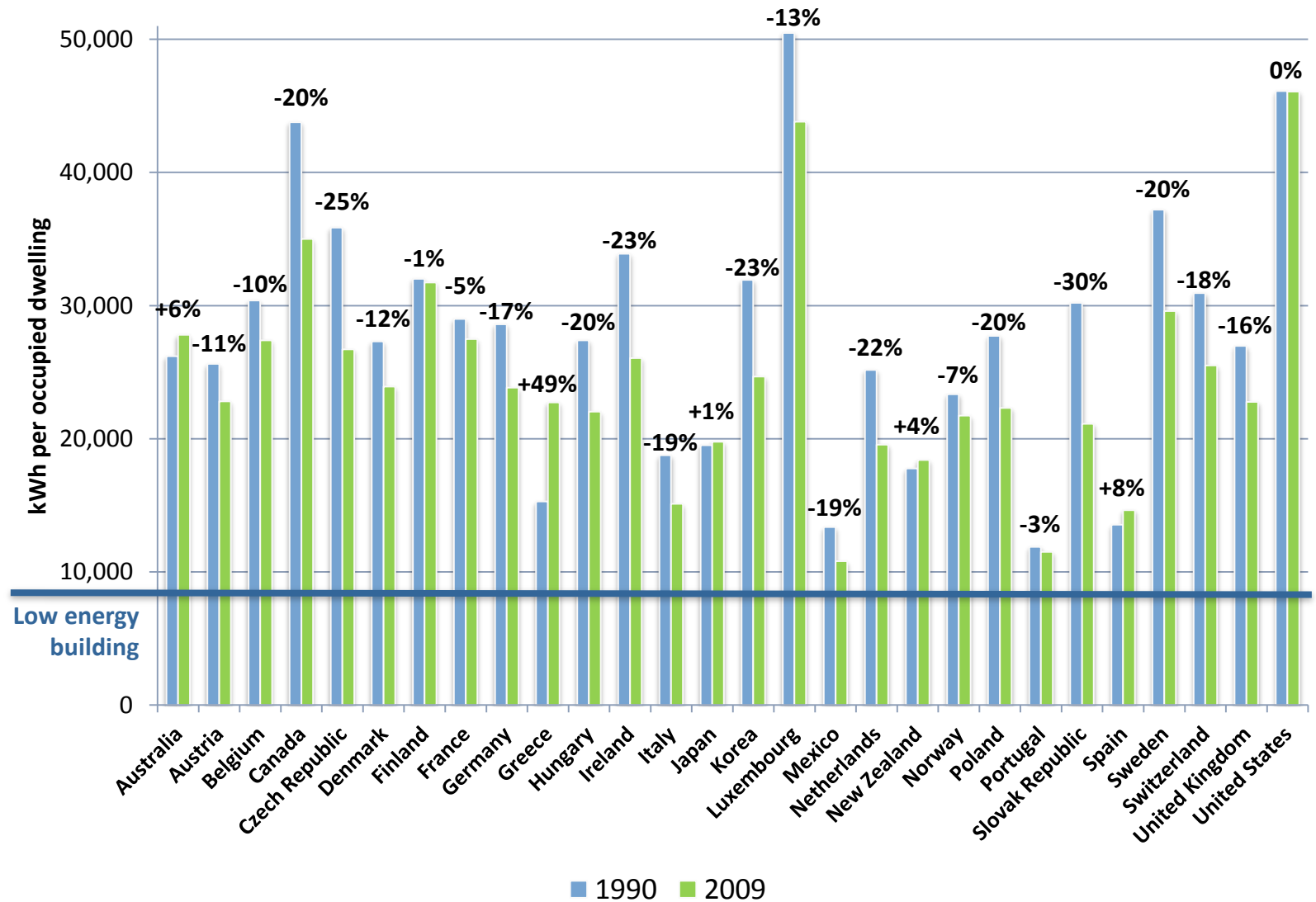


Two-thirds of the economic potential to improve energy efficiency remains untapped in the period to 2035

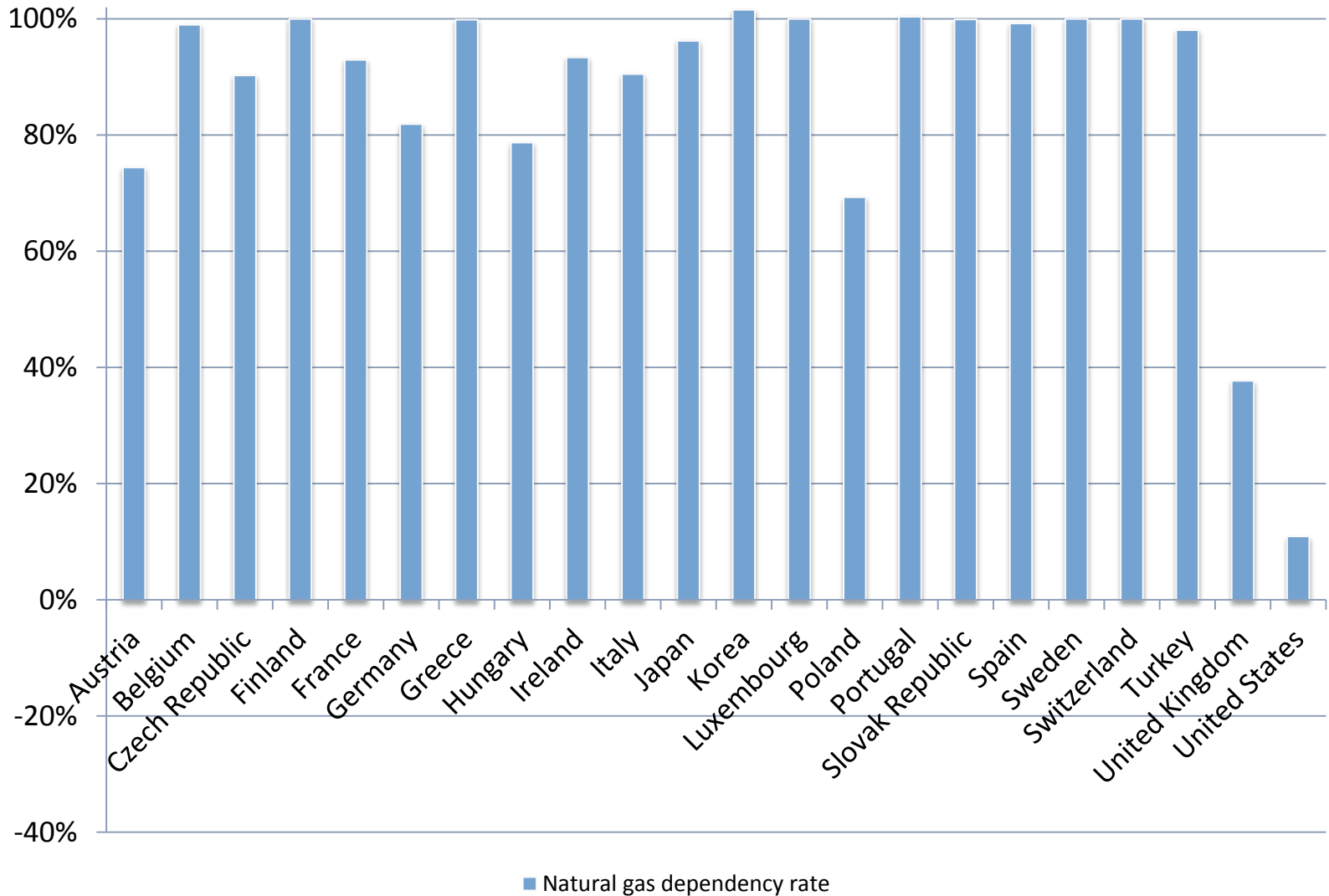
Residential primary energy consumption per square meter in IEA countries since 1990



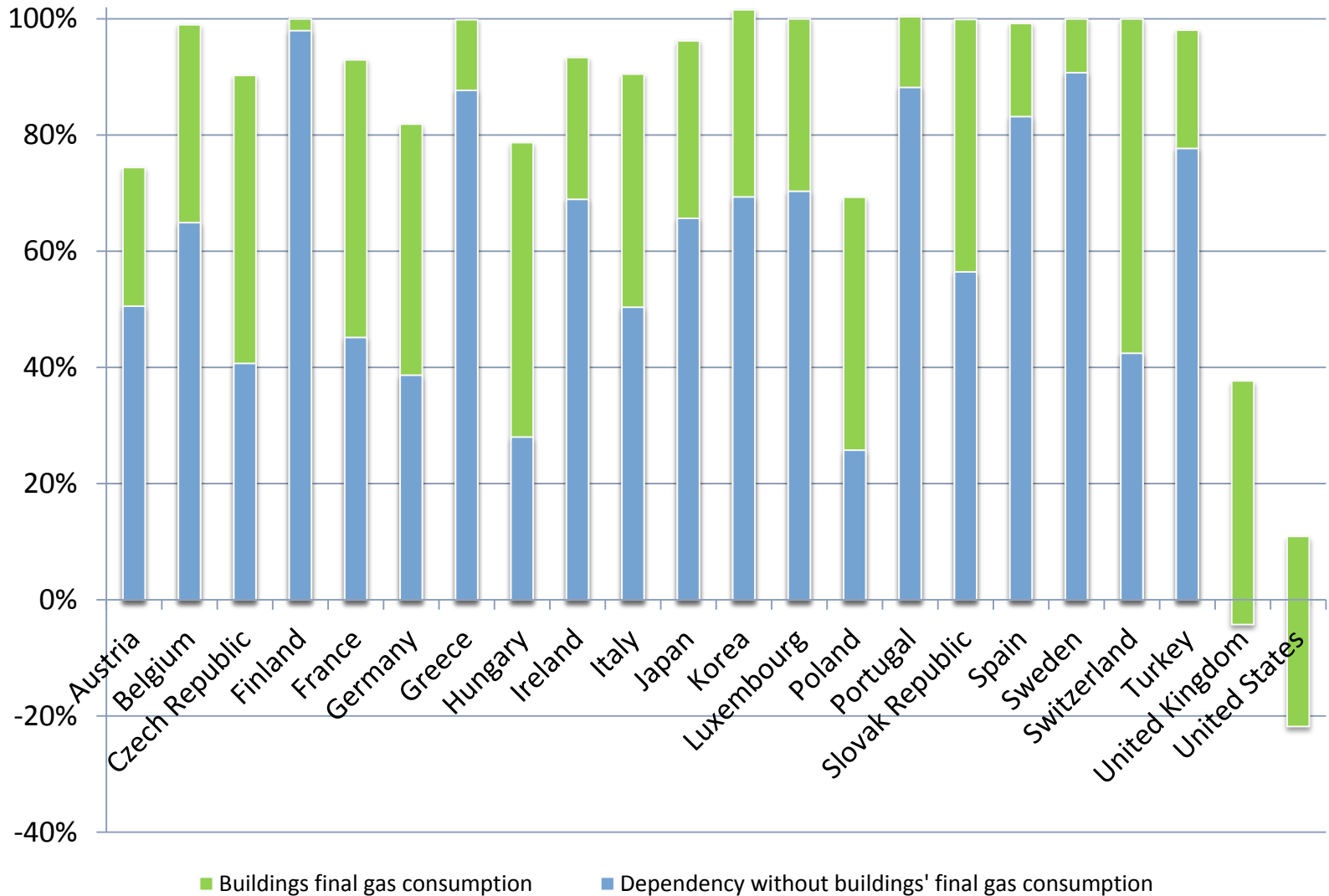
Residential primary energy consumption per dwelling in IEA countries since 1990



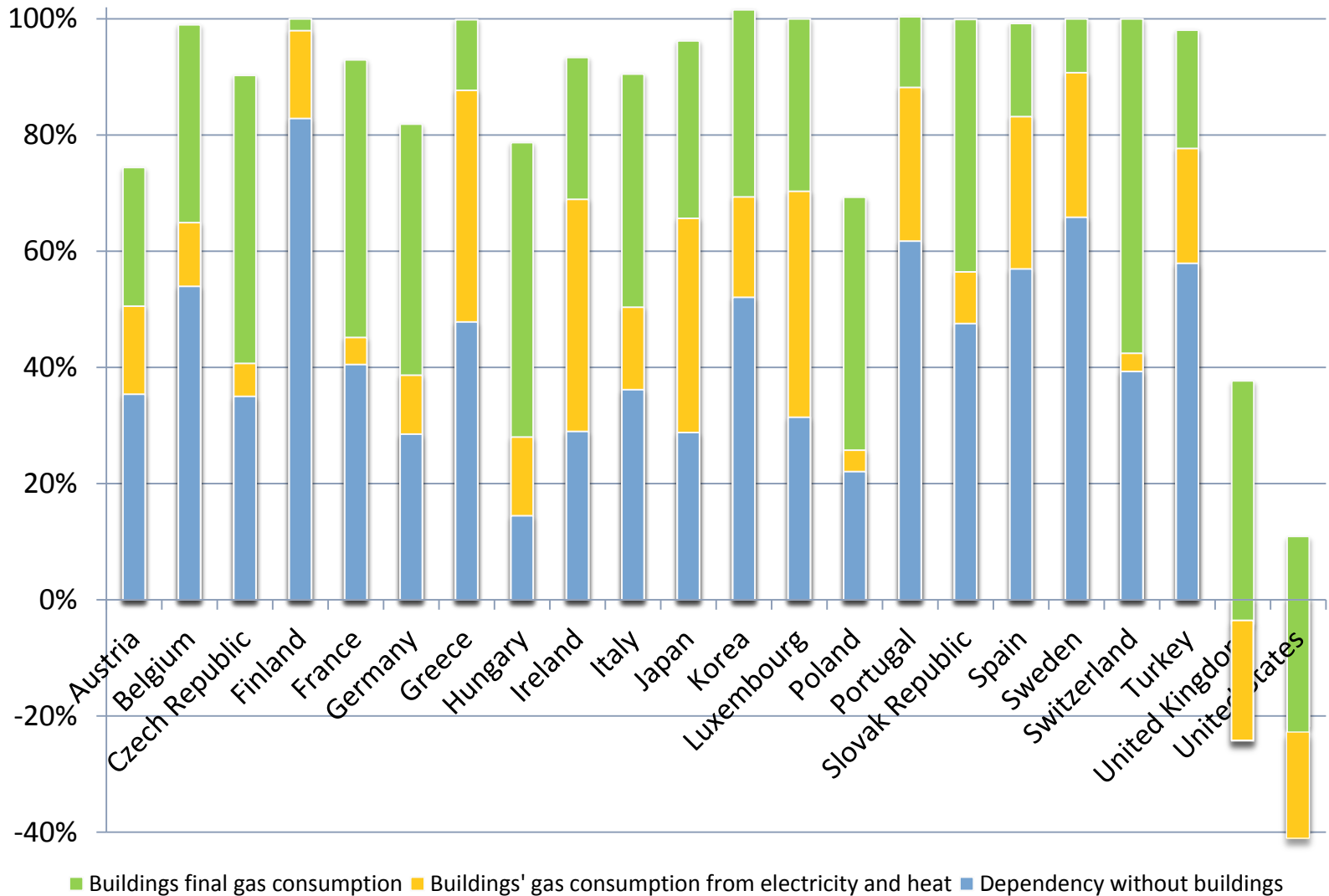
IEA natural gas dependency rate...



...is heavily impacted by buildings' final natural consumption...



... and even more when considering gas used by buildings' electricity and heat



Multi-storey residential buildings in Bucharest

- Large scale **thermal renovation** of 300 multi-storey blocks (25.000 apartments)
- Funding through **grant from Romanian Govt and loan from EIB to the municipality** (market interest rate for a period up to 15 years)
- 80% grant provided to **home owner association** and 20% loan pre-finance by the municipality
- **Multiple benefits:** increased property value, increased comfort, creation of local renovation market, decrease of energy bills

Multi-storey residential buildings in Bucharest

- Part of the **loan is repaid through energy savings**
- A **consortium of home owners** lower the risk compared to individual applicants
- **Third party (municipality) guarantee** the repayment of EIB's loan
- Programme coordinated by the municipality: **Local One Stop Shop** to minimise administrative burden
- Standard EE measures to implement : **replicable solutions** per construction period
- **Energy renovation was part of urban renewal programme** of the municipality

French Social Housing Energy Efficiency Investment project

- **Political will**; stringent energy reduction targets in social housing to tackle fuel poverty
- **Social housing organisation** contributed to the development of a loan for social housing
- Preferential loans (1.9%) subsidised by Govt + reduced council tax rates
- Bundling funding in **one single fund dedicated to energy renovation**
 - Grant from ERDF: Use structural funds for social housing
 - Eco-loan from CDC: preferential loans (1.9%) subsidised by Govt
 - Higher rent for some tenants
 - Income from sale of white certificates to energy providers
 - Reduced council tax rates

French Social Housing Energy Efficiency Investment project

- ERDF funding to support stakeholders' coordination and communication
- Public guarantee of financial risk
- MEPS requirements: moving from class E, F, G to A, B, C. **Avoid the lock-in effect**
- In some regions, the social housing association acts as the **local One Stop Shop**
- Call for tenders to select the **Best Available Solutions**
- **Multiple benefits:** reduced fuel poverty, increased local employment, improved standard of living, protection from fuel price volatility...

Energy savings obligations in the UK

- Energy providers are obliged to meet Carbon and energy reduction targets, otherwise they pay a penalty (up to 10% of their global turnover)
- Energy services contracting: Energy providers pay the up-front cost, householder repays through charges on their energy bill (on-bill financing)
- Partnerships with different stakeholders (housing corporations, municipalities, manufacturers...)
- Multiple benefits: reduced fuel poverty, increased comfort, reduced health expenditures

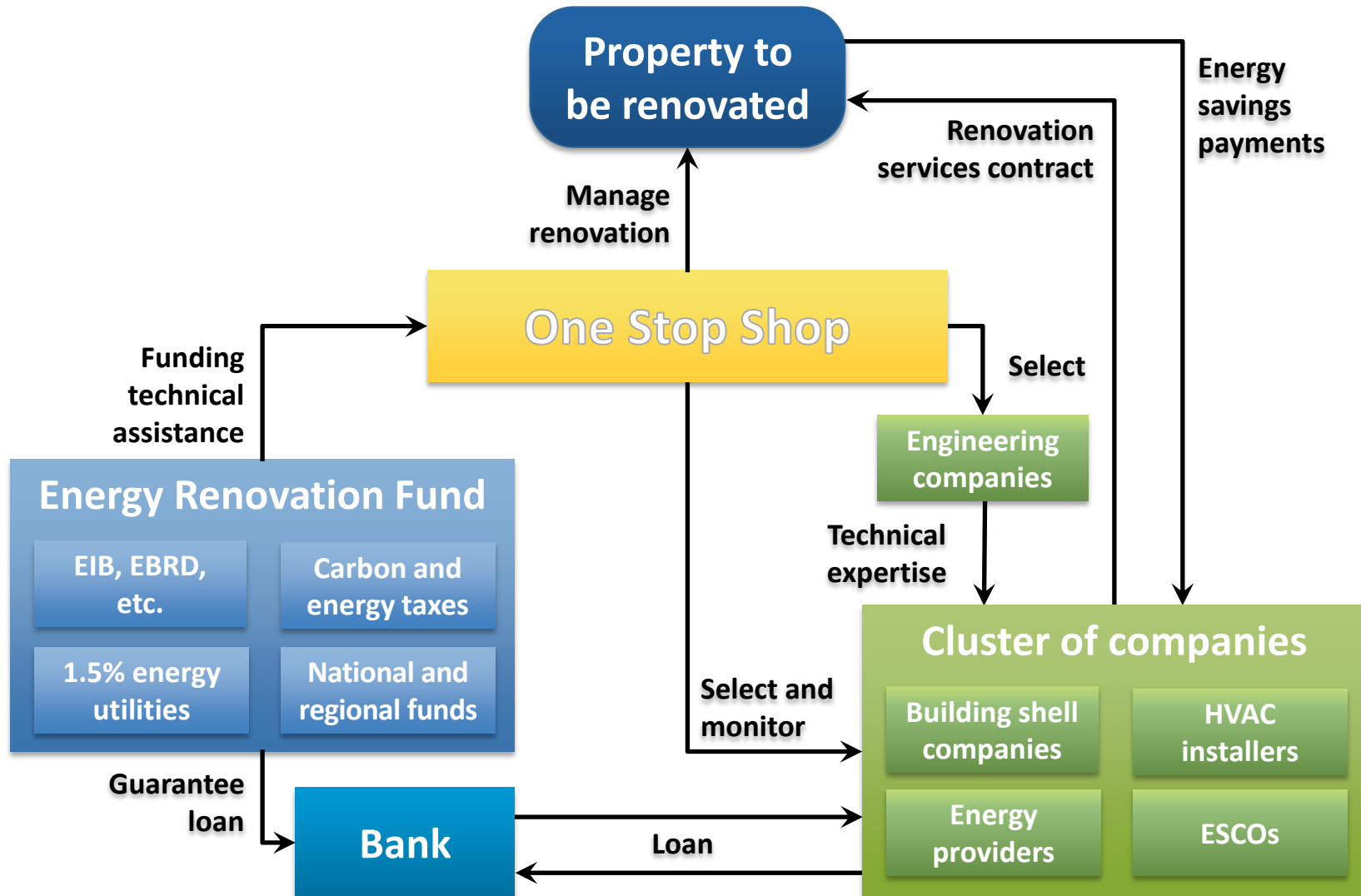
Energy savings obligations in the UK

- Risk for government to **not meet its obligations** when all low-hanging fruits solutions are implemented.
- Risk Financial solvency of energy producers as benefits from **energy savings are long-term**
- **Lack of transparency** on the cost of the measures and the savings
- **Lack of trust** of energy supply companies by consumers
- **New business model** for energy renovation

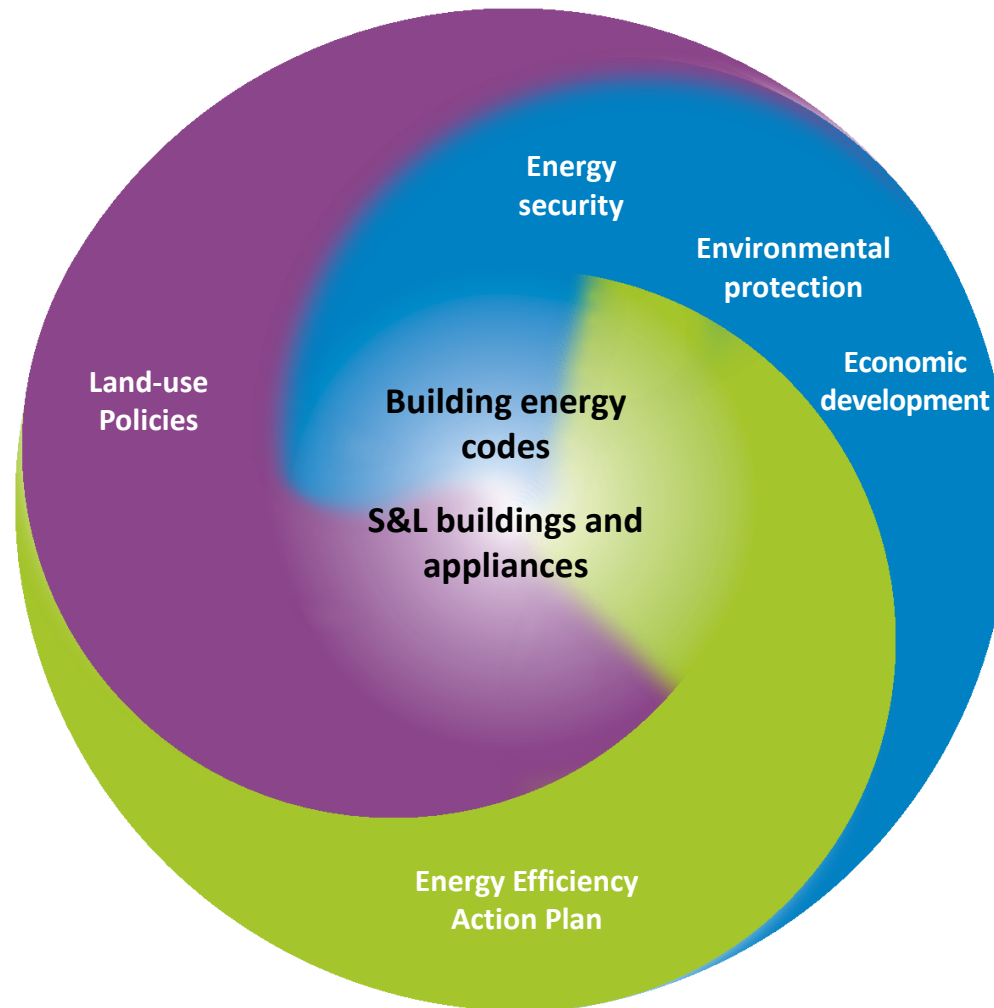
Low energy buildings meet essential needs and secure our energy future

- **Shift from single building to overall building stock to achieve low energy building stock by 2050**
- **Mandatory energy renovation each time renovation is conducted**
- **Binding annual energy renovation rate targets**
- **European energy renovation guarantee fund**
 - Technical assistance
 - Establishing guarantee systems
 - Stimulating private sector
- **Renovation services contracting**
 - One-stop shop
 - Overall performance-based approach to estimate renovation deepness
 - Consortium of companies
 - Guaranteed results
- **Monitoring and compliance-checking**

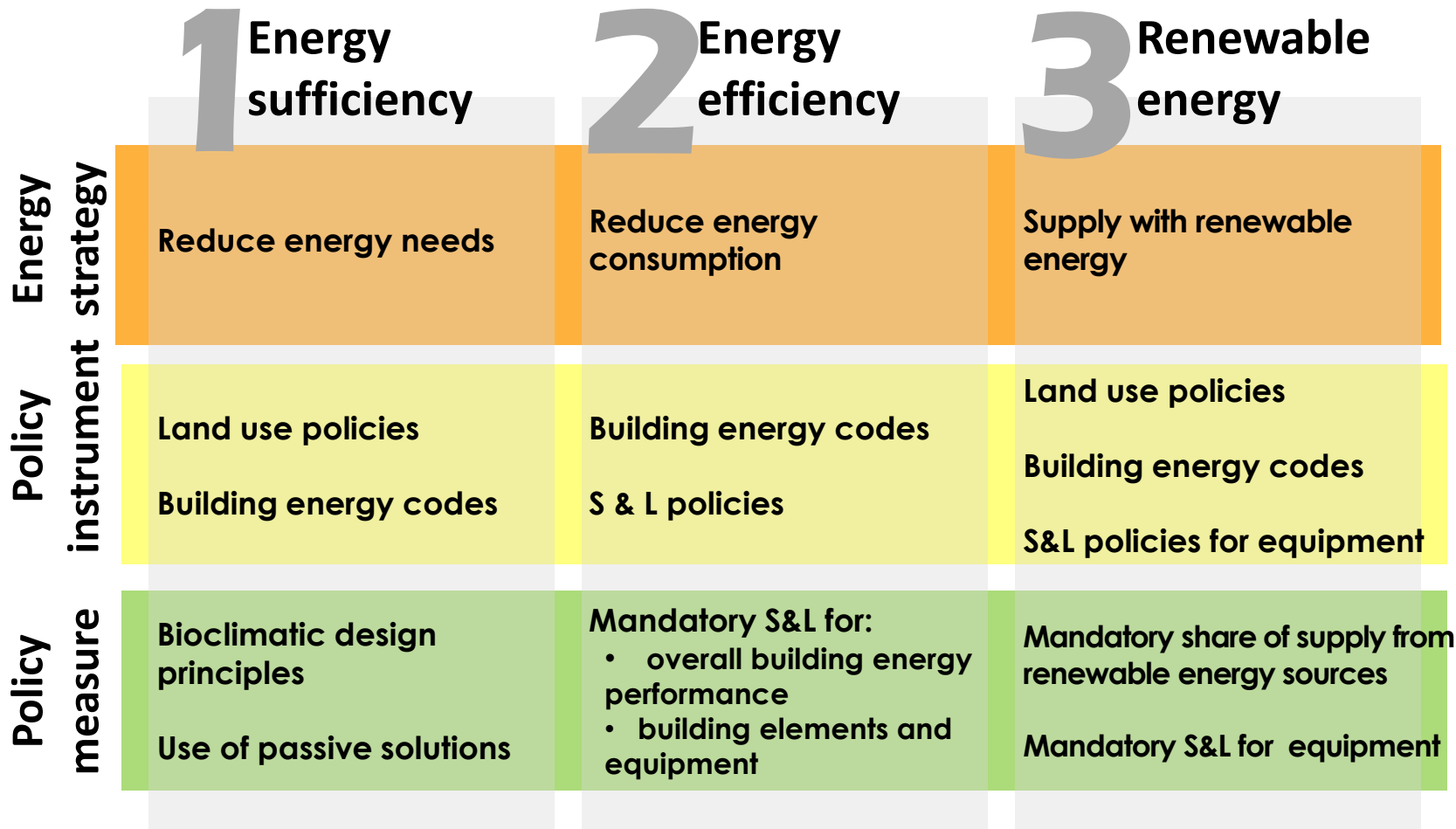
SBC Market framework proposal to enable deep renovation



Buildings require a holistic approach that goes beyond energy savings



The pathway to low energy buildings



The IEA's global hub for low energy buildings

Sustainable Buildings Centre

Web platform

SBC website

BEEP database

Analysis

Policy analysis

Modelling
renovation

Engagement

Industry partners

Multilateral
organisations

IEA Partners