



Situation Highlights of Danish Social Housing Sector

InoFin

Progress meeting

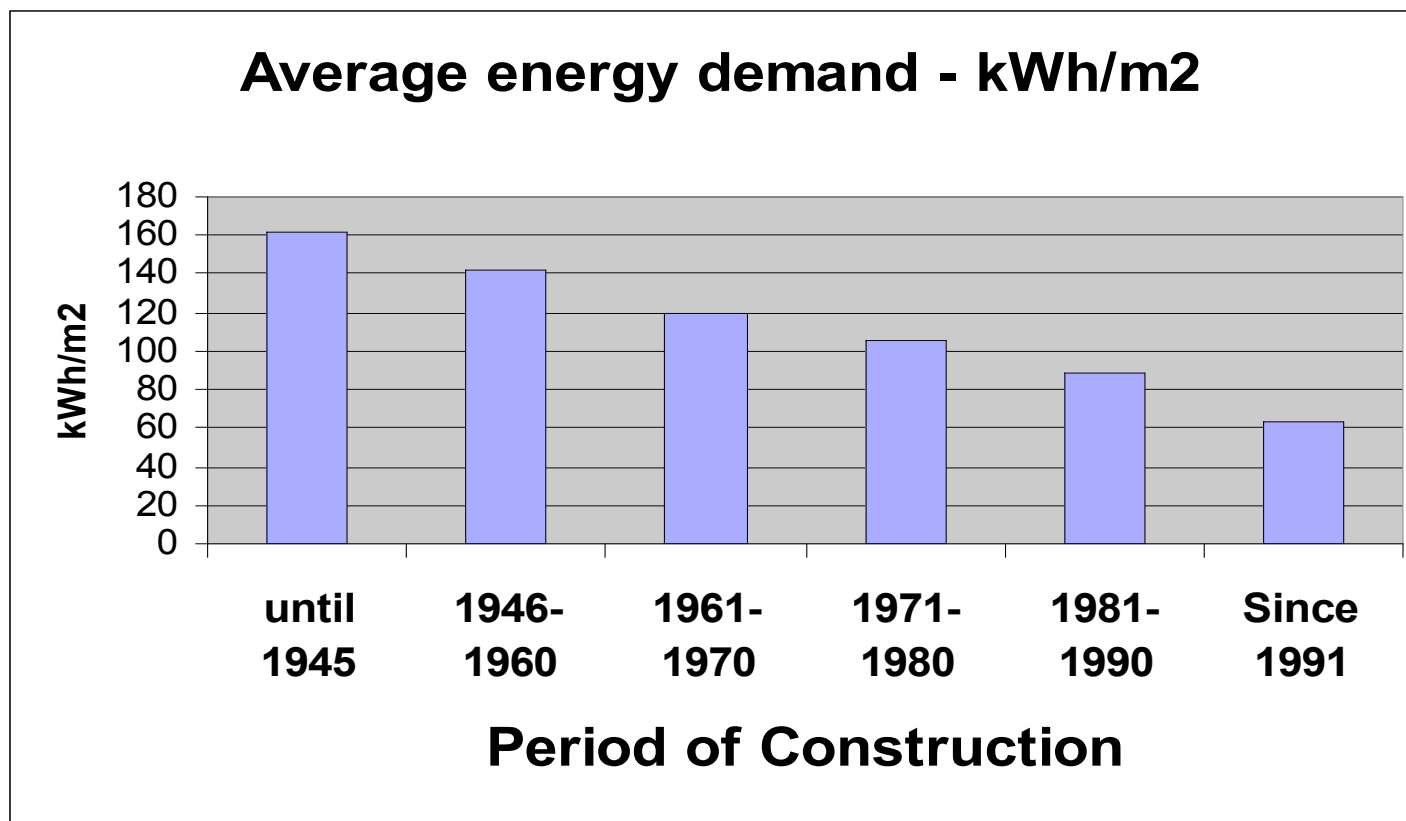
Kaj L. Petersen & Nils Daugaard,
Energy Consulting Network

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Energy performance data of the (social) housing stock

The energy demand has been lowered significantly decreasing from **161,1** to **63,9** kWh/m² (60%):



Energy performance data of the (social) housing stock

Type of Heating:

- ☐ The majority of dwellings are supplied by district heating (**80 %**)
- ☐ Close to **90%** of the district heating or the social housing sector is produced in CHP plants
- ☐ Municipal solid waste and biomass cover approx. **30%** of the heat demand covered by DH systems

Energy performance data of the (social) housing stock

Energy costs for households:

- ❑ Energy accounts for **7.5%** weight in the EU harmonised consumer price index (HICP)
- ❑ Heating alone accounts for **4.4%**.
- ❑ The average monthly cost of electricity and heating in rented flats were **150 EURO/month** in 2002.

National housing acts and regulations

- ❑ Under responsibility of Ministry of Social Affairs
- ❑ "Act on the Rent of Social Dwellings"
 - lays down how adjustment of the rent can be made. In case of increase of more than 1% per year municipal approval is needed
 - applies to social dwellings belonging to social housing associations, municipal/country authorities, independent organisations and social care homes
- ❑ "Law on energy savings in buildings"
 - Applies to all housing in Denmark
 - Includes: energy certification, renovation exceeding 25% of building envelope or building costs refer to stricter building regulation, heat costs to be set by Energy Regulatory Authority and until 2002 subsidies available for energy saving measures
- ❑ Energy Labelling and Energy Certificate
 - Introduced in 1996 in form of two schemes for respectively small and large buildings ⇒ there is an established system for the social housing sector
 - A (minor) revision has been made to comply with EPBD

Institutional Framework

- ❑ The sector is managed by social housing associations
 - At present, there exist 700 social housing associations with approx. 8,000 departments. Their role is to construct, rent out, administer, maintain and modernise buildings and connected common areas.
- ❑ Type of social housing
 - There are three forms: social housing for families, for elderly and for social youth residence. There are subsidies available to a household depending on the household income, the rent and flat size and number & status of household members
- ❑ Decision-making process
 - There is a high degree of local democracy; meaning e.g. that technical changes and purchase of equipment is to be approved after a collective process in which tenants/local social housing departments express their interest & make their influence

Financial Framework

☐ Financing of social housing

- Social housing is financed in a differentiated mix of tenants, state and municipality.

☐ Construction within social housing

- By political agreement 2005, a National Building Fund has been established to support construction of new social housing as well as refurbishment with the primary aim of avoiding ghetto development. Today this fund is the key source for construction works.

☐ Financing of energy efficiency measures

- Initiation of renovation or refurbishment is subject to decision/ approval from social housing committees/individual tenants. Small scale renovation can often be done by own means, where as large projects needs support from the National Building Fund and approval of municipal authority is needed as well.

Private Sector Initiatives

- ❑ Limited experience with private sector engagement
 - There are very few examples of ESCO arrangements or similar concepts in general
- ❑ Growing interest/initiatives
 - The new national energy efficiency plan entails activation of energy market services. Further Danish Energy Authority supports initiatives at the European level as drawn up in the Green Paper. At present, there are different pilot actions taking place on ESCO activities, but not within the social housing sector
- ❑ Prospects for the social housing sector
 - Due to the immature present stage it is too early to say at what time the activation of such type of private sector involvement would become an integrated element in financing and operating energy retrofitting of social housing.

Barriers, drivers and recommendations

❑ Barriers

- Social housing is often related to district heating supply, where little incentive for energy savings exist
- Decision-making in favour of energy retrofitting can be troublesome, especially in case of large projects.

❑ Drivers

- Energy certification has raised awareness/knowledge on energy saving measures and new national energy saving plan support increased effort
- Decision-making in favour of energy retrofitting can be troublesome, especially in case of large projects. The National Building Fund is not yet 'geared' to energy retrofitting

❑ Recommendations

- It is recommended to introduce direct and targeted promotional activities targeted the social housing sector. An Energy Saving Forum could help ensure better coherence and prioritisation of measures
- A long term agreement for the sustainability of the social housing sector is under elaboration. It is important to address the energy saving potentials as part herein.