

Policy Learning Platform Online discussion
Improving the energy performance of social housing
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CHALLENGES FOR SOCIAL HOUSING



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**Interreg
Europe**



European Union | European Regional Development Fund



Overview

1. Conceptualising Social Housing
2. Energy poverty trends and key challenges
3. Policy pathways for the future
4. Current perceptions on the link between energy poverty and COVID-19



What is Social Housing?

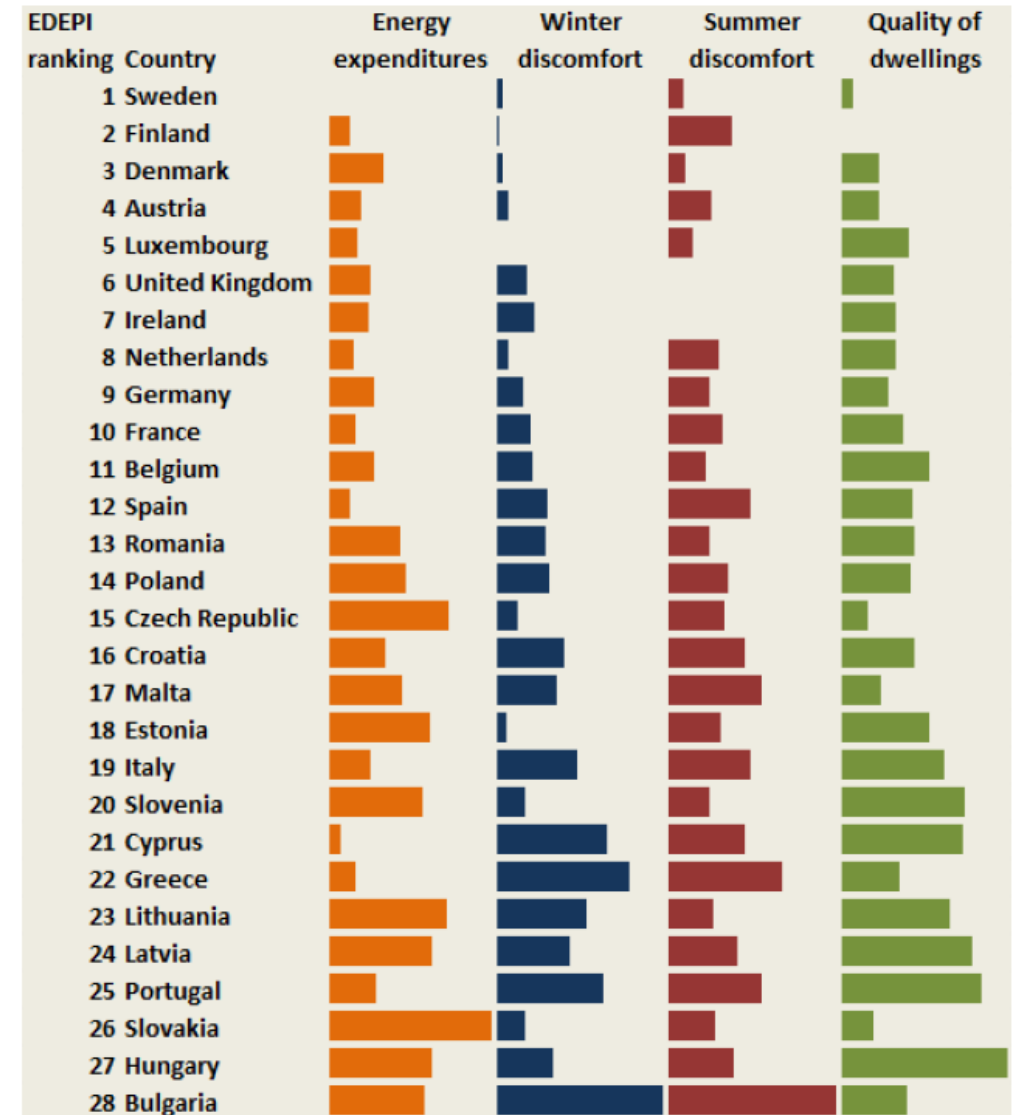
“Housing that explicitly serves the needs of low-income and vulnerable residents. Social housing is often built, owned, and/or managed by the public sector, but it also includes privately-owned housing as well.”





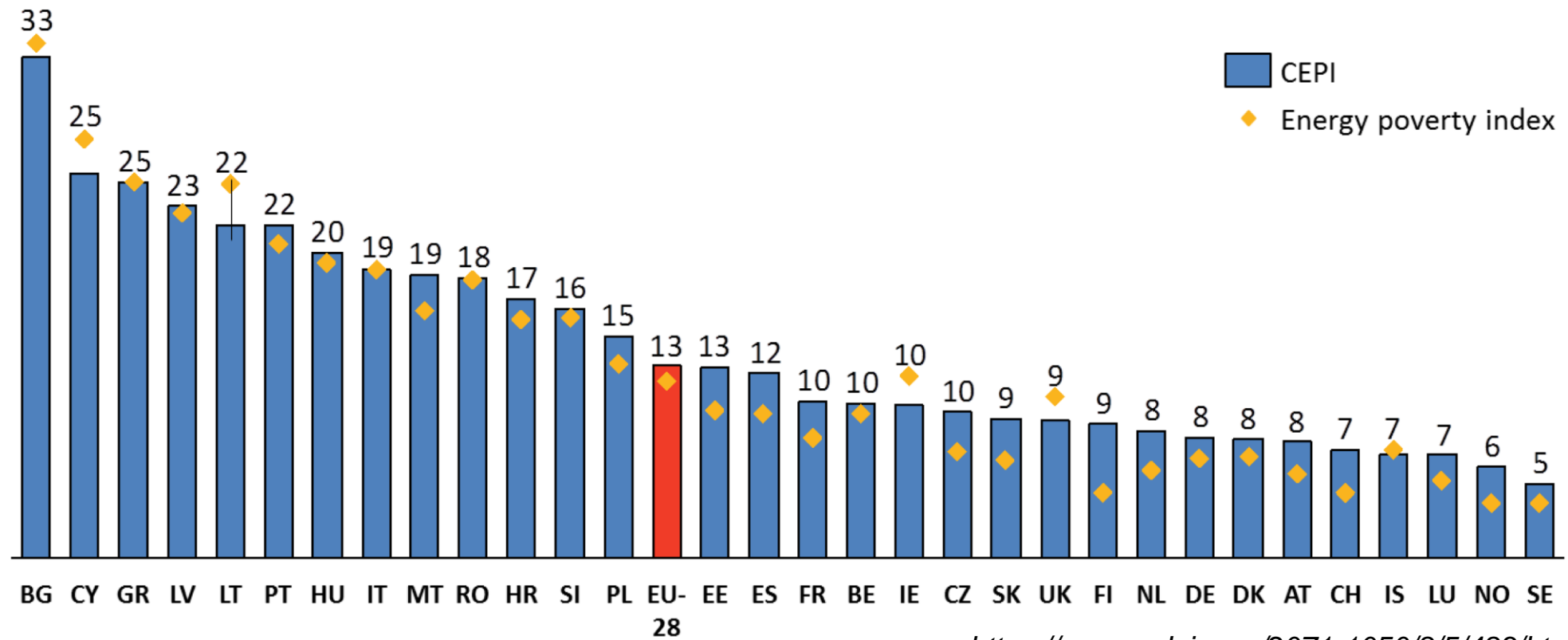
Energy Poverty

- Symptoms:
 - Summer and winter thermal discomfort
- Causes:
 - Thermal inefficiency of buildings
 - Energy expenditure (energy prices & consumption)
 - Income levels (e.g. hidden energy poverty)
- Magnitude:
 - Affecting almost 50 million people in Europe, impacting wellbeing and public budgets allocated to welfare payment and health.





Energy Poverty



<https://www.mdpi.com/2071-1050/8/5/483/htm>



Key Challenges

- 1. Lack of unified, strategic and evidence-based approach for mitigating energy poverty**
 - Lack of national energy poverty definitions or strategies
 - Poorly developed evidence-based knowledge
 - Investment in better quality homes is slower than necessary
- 2. Costly short-term policy solutions win-out over long-term and strategic ones (Housing Europe, The State of Housing, 2019)**
 - Social welfare support delivered should not prevent governments from addressing energy efficiency measures. They can lead to significant savings on the long-term
 - Between 2009 and 2015, expenditure on housing allowances in the EU has increased from €54.5bn to €80.8bn
- 3. Coordinating and scaling energy efficiency improvements are challenged by the institutional structure of the housing sector**
 - Variance throughout Europe
 - Dependence on a patchwork of policy solutions involving regional and local actors



A policy path for the future



Increased annual investment in building retrofits :

- Over €100 Billion/year (BPIE, 2017)

In Central, Eastern and Southern Europe:

Cohesion Fund Spending:

4.35%

Demand-side interventions

95.65%

Supply-side interventions

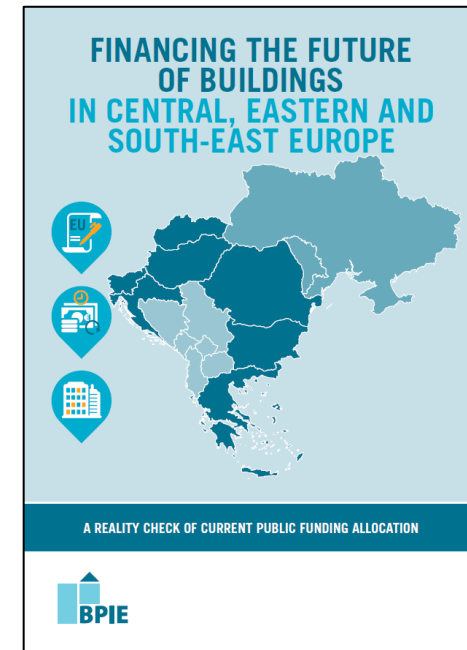
Cohesion Fund Spending:

94%

No-repayable Grants

6%

Financial Instruments





A policy path for the future



Increased annual investment in building retrofits :

- Over €100 Billion/year (BPIE, 2017)



Policy innovation:

- Leveraging: from grants to financial instruments

Zero-interest eco-loans (France)

- Interest free loans for energy renovation works
- €1 public funding → €12 private investment

Green funding scheme (The Netherlands)

- Preferential interest rate offered to green investors
- €1 public funding → €83 private investment

KredEx scheme (Estonia)

- Subsidies for reconstruction of multi-apartment buildings
- €1 public funding → €2.33 private investment

BPIE, 2017



A policy path for the future



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Policy innovation:

- Leveraging: from grants to financial instruments

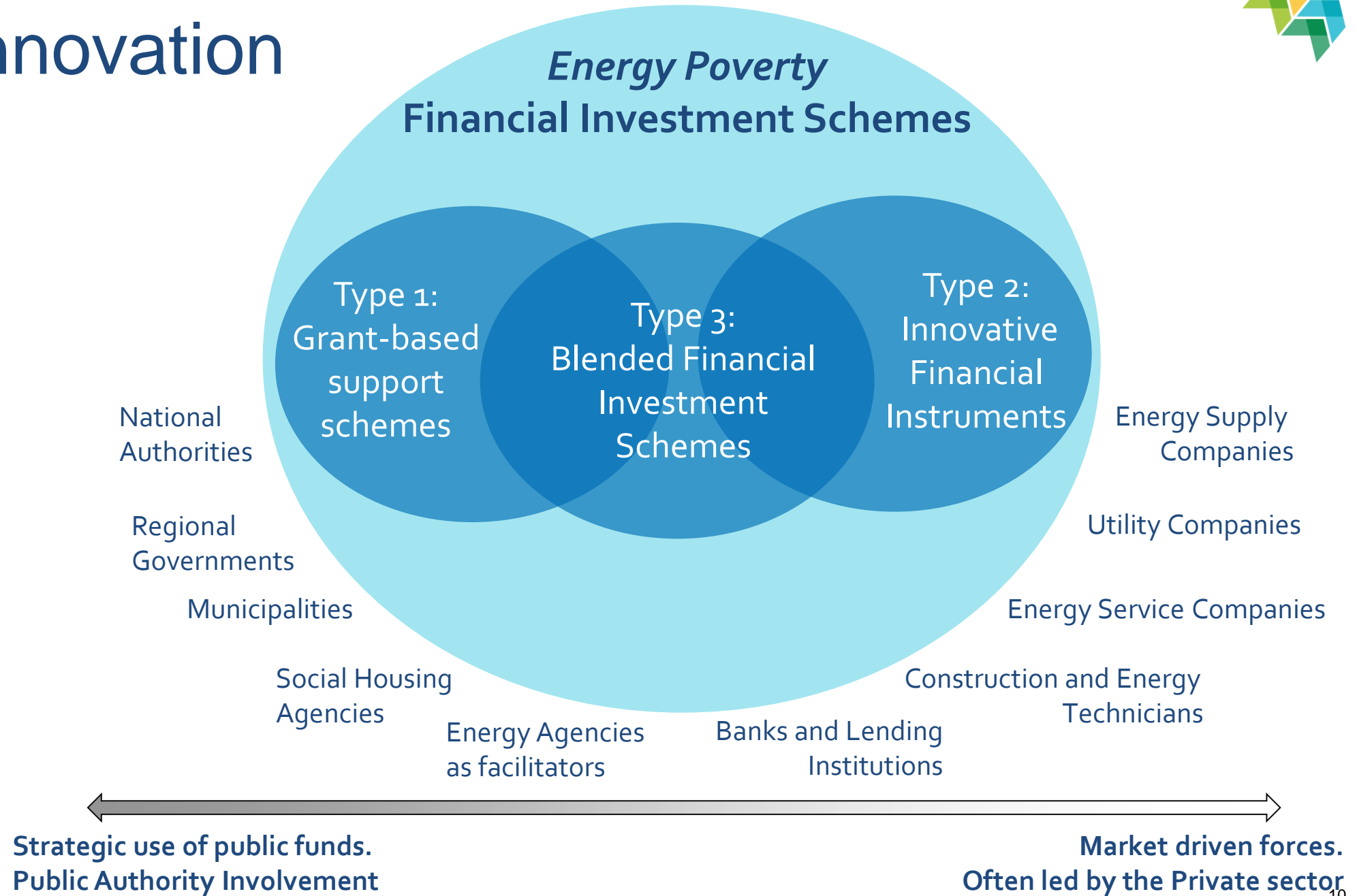


Relevant EU policy developments:

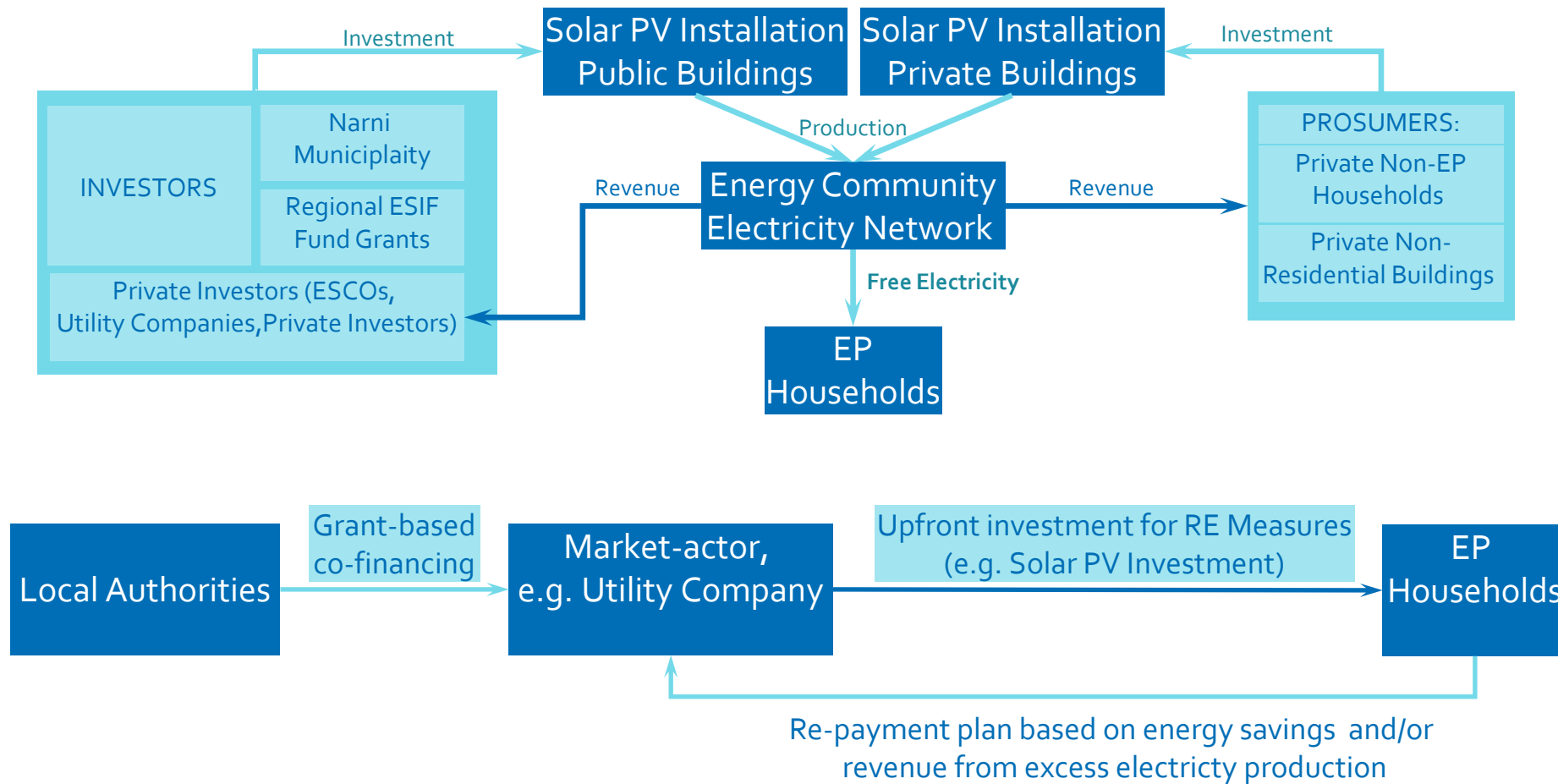
- 13 National long-term renovation strategies
- Renovation Wave initiative for buildings is due in October 2020. BPIE highlights the importance of energy performance contracting as a key tool to deliver the necessary renovations.



Policy Innovation



Regional partnerships developing and testing new models





COVID-19 and Energy Poverty

- Financial impact:
 - COVID-19 will drastically increase the cases of poverty and energy poverty, at least in the short term.
- Health Impacts:
 - Health: correlations between poor health and income levels creates increased vulnerabilities
 - Asymmetric information
 - Overcrowding: lower living space per person created higher vulnerabilities
 - Generational mixing in many countries creates challenges for quarantining vulnerable groups from the greater population



Further Reading

The Building Performance Institute of Europe: <https://www.bpie.eu/publication/a-guidebook-to-european-building-policy-key-legislation-and-initiatives/>

- *Energy Services and the Renovation Wave: Opportunities for a Green Economic Recovery in Europe*
- *A Guidebook to European Building Policy: Key Legislation and initiatives*
- *Financing the future of buildings in Central, Eastern and South-East Europe*

The State of Housing 2019, Housing Europe: <https://www.housingeurope.eu/resource-1323/the-state-of-housing-in-the-eu-2019>

European Energy Poverty Index, developed by OpenEXP: <https://www.openexp.eu/european-energy-poverty-index-eepe>

Maxim, A., et al., (2016) Implications and Measurement of Energy Poverty across the European Union. *Sustainability* 2016, 8(5), 483.

National long-term renovation strategies: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings_en



Thank you!

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