

CA-RES/CA EED/CA EPBD Joint Workshop Barcelona - January 2020

Measures to combat energy poverty in Flanders (Belgium)

Roel Vermeiren
Project Leader LTRS
Flemish Energy Agency



FLEMISH BUILDING STOCK

13.522 km²

population > 6,5 million – 485 / km²

> 2,6 million buildings



RESIDENTIAL

3,1 million dwellings in 2,3 million buildings

= 13,7% of total energy use

Population grows older (share of + 65)



HOUSING SURVEY

1 million homes

do not meet minimum requirements of Flemish Housing Code

13% or 350,000 dwellings

of structurally insufficient quality : not fit for rent - in theory

5.1% or 136,000 structural problems

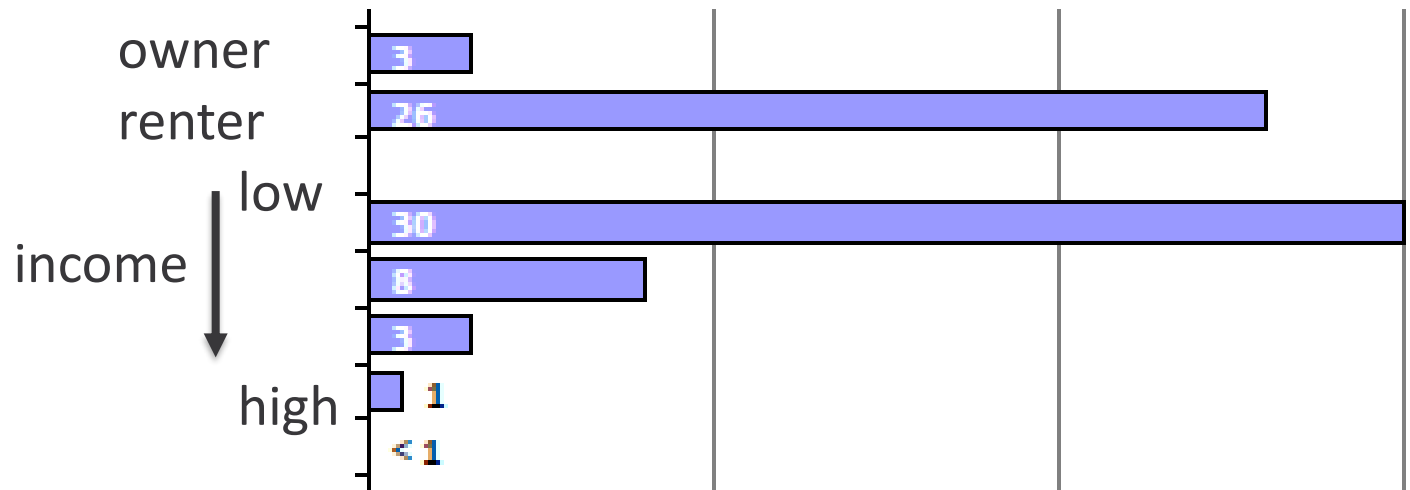
Recent research shows rent increase after limited renovation is high: affordability problems especially in lowest segment

ENERGY POVERTY DEFINITION

NO UNIQUE DEFINITION – VARIOUS APPROACHES & INDICATORS

A) Total cost for housing > 40 % of available income

- ▶ 8% of the population (510.000 individuals / 220.000 households)



ENERGY POVERTY DEFINITION

B) Over 10 % of income is spent on energy

▶ 1 out of 10 or 260.000 families

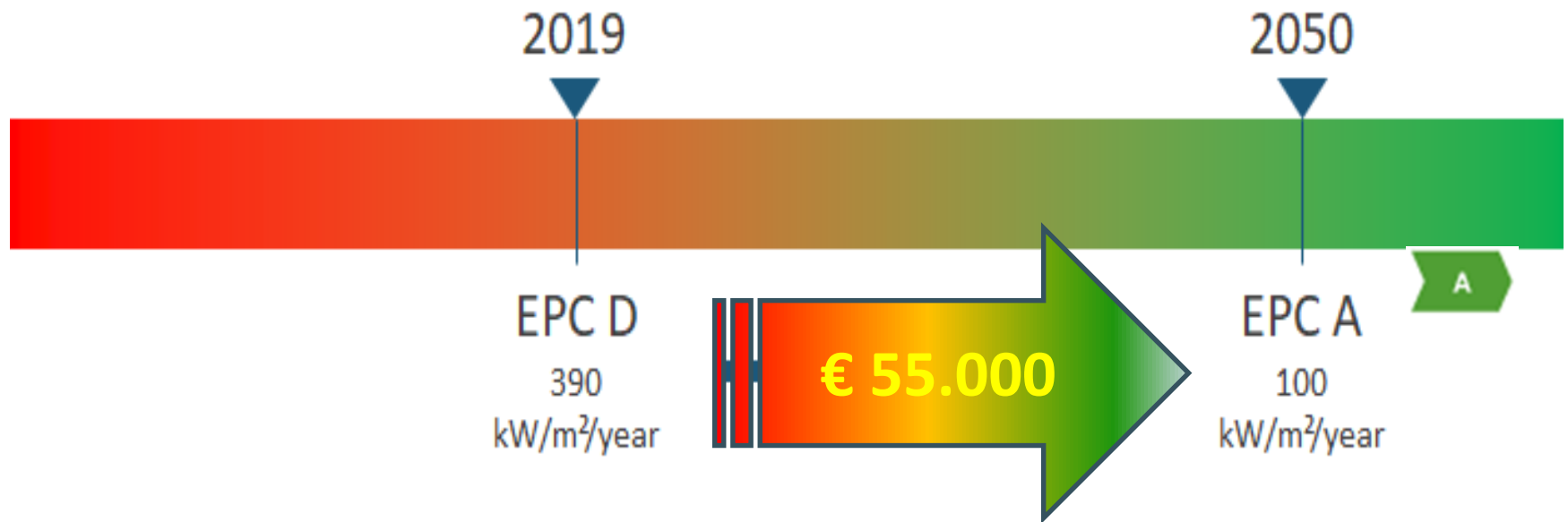
C) Traditional descriptive definition:

Indicators/year: energy debts – payment plans, termination of energy delivery contract, energy cut-offs, number of prepayment meters

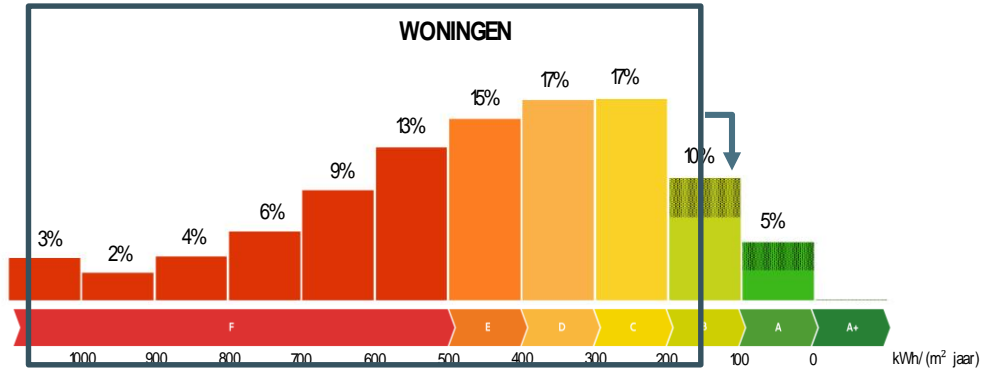


LTRS goal 2050

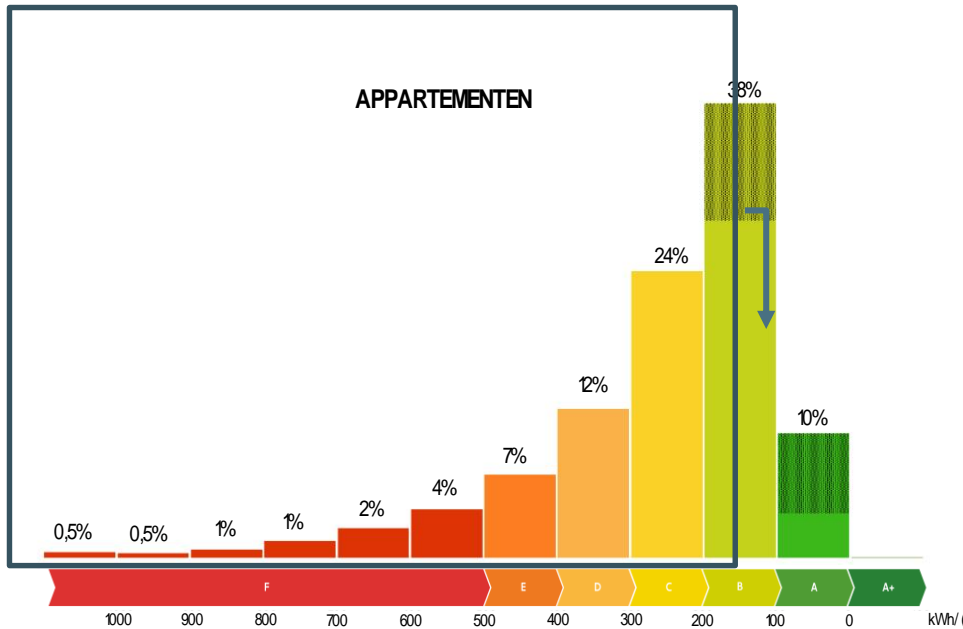
Highly energy efficient and fossil free building stock



LTRS goal 2050



90% - 95%
needs renovation
3% to label A / year

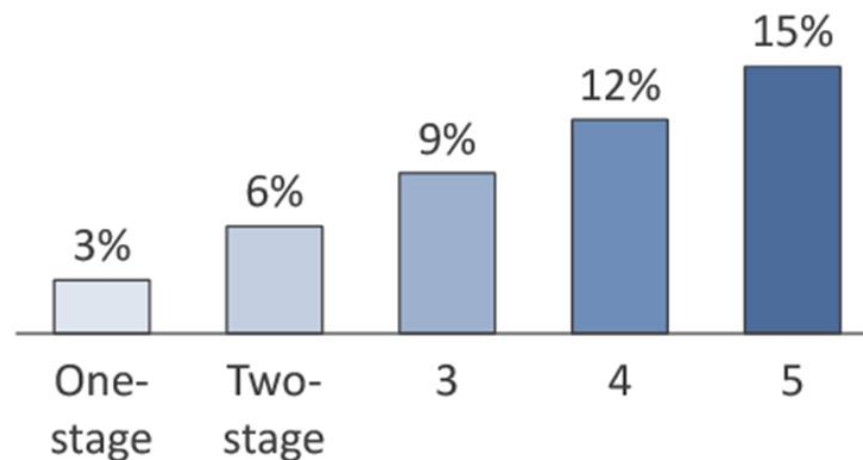
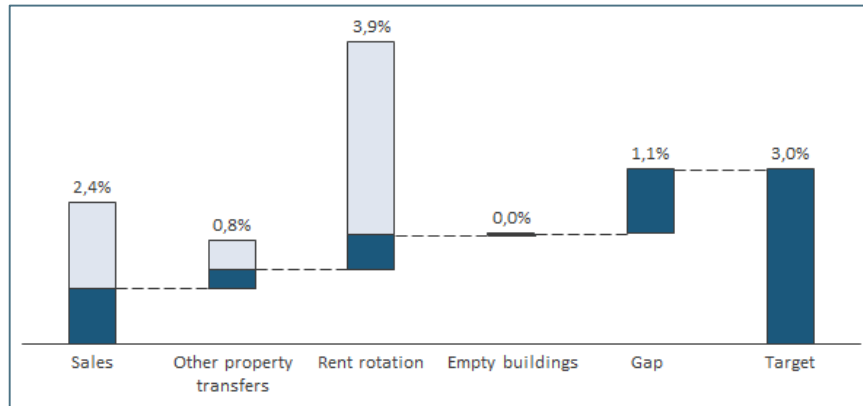


Phased renovation:
Renovation rate



Strategic options LTRS

| | F | E | D | C | B | A |
|-------|-----|-----|-----|-----|-----|------|
| Today | 36% | 15% | 17% | 17% | 10% | 5% |
| 2030 | | 22% | 24% | 24% | 17% | 12% |
| 2035 | | | 30% | 30% | 23% | 18% |
| 2040 | | | | 40% | 33% | 28% |
| 2045 | | | | | 53% | 48% |
| 2050 | | | | | | 100% |



Phasing out worst performing

Often occupied by poorer



Capturing trigger points

(sales, rent rotation, empty buildings,...)



Impact of renovation depth on rate

How do we include the poor in this transition?

POLICY MEASURES

▶ TARGETED ENERGY EFFICIENCY MEASURES:

- ✓ free domestic energy scans
- ✓ higher grants for EE for vulnerable families
- ✓ specific grants for rental houses
- ✓ public zero interest energy loans
- ✓ revolving fund in preparation: loans with delayed repayment
- ✓ network of local Energy Houses with a broad service on energy

ENERGY SCANS

What? Free made to measure energy advice in your house

- ▶ Since 2005 over 200.000 scans (up to 20.000/year)
- ▶ Only for vulnerable groups
 - Protected consumers (= right to social tariff for energy)
 - Income < 31.040 euro
 - Users of prepayment meters
 - People who rent under 500 euro/month
 - ...
- ▶ Basic audit of the house, the behaviour and installations

ENERGY SCANS

- ▶ Services:
 - Comparison of energy suppliers + switch to cheaper contract
 - Small energy savings measures for free (value €20)
 - × lamps, timer, insulation of heating conducts or windows, energy saving shower head
 - Report with tips for behaviour AND EE measures
- ▶ 2-3 hours
- ▶ By social economy actors
 - Organisation: grid operators (public service obligation)
- ▶ Second visit possible
- ▶ Budget: 240 euro/scan (public)

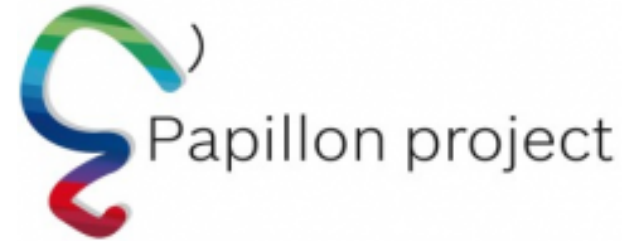


ENERGY SCANS

| + | - |
|---------------------------------|--|
| LOW TRESHHOLD | TARGET GROUP ALMOST DONE |
| WELL KNOWN: 20.000 scans / year | ONLY VERY FEW SCANS LEAD TO ACTUAL RENOVATION MEASURES |
| LOTS OF EXPERTISE | RICH DATA COLLECTION COULD BE USED FOR TARGETED LOCAL APPROACH |



EXPERIMENTAL LEASE FORMULA ELECTRONIC HOUSEHOLD APPLIANCES



- ▶ Cooperation of social actor (Samenlevingsopbouw) and commercial (Bosch)
- ▶ Product as a service Lease for 10 years (ca 7 euro/month)
 - Including guarantee and service
 - Afterwards: recycling or upcycling
 - No worries principle
- ▶ **+ if successful: potential for upscaling**
 - leasing of heating installations is under study

BONUS ON ENERGY GRANTS

For protected consumers

- Exclusive grant for condensing boiler: 1800 euro
- Roof insulation: 10,5 euro/m² vs. 4
- Double glazing: 56 euro/m² vs. 10
- Wall ext/int: 22,5 euro/m² vs. 15
- Cavity wall: 9 euro/m² vs. 5
- Floor: 9 euro/m² vs. 6
- Solar boiler, heat pump boiler and heat pump: 20% bonus

| + | - |
|-----------------|--------------------|
| Something extra | Basic grant is low |
| | Low take up |

2020: policy preparation on

**integration energy
and housing grants**

leading to more substantial support + variability based on income + one-stop-shop principle

SPECIFIC GRANTS FOR PRIVATE RENTAL

- ▶ Private rental houses with vulnerable renters:
 - Combination of support & extra high grant for the owner for:
 - × Roof insulation: 20 euro/m²
 - × Double glazing: 85 euro/m²
 - × Cavity wall insulation 12 euro/m²
 - Assigned project promotor
 - × A-Z support of renter and owner
 - × Search for contractors and price offers;
 - × Applies for grant
 - × Gets 200 euro per case
 - Owner
 - × Can not raise the rent / stop the contract
 - × Pays the balance

SPECIFIC GRANTS FOR PRIVATE RENTAL

Linked to obligations in the Housing Code

- Minimal roof insulation 2020
- No single glazing in living spaces, kitchens and bathrooms 2023

⇒ 67% owners anticipates, 40% already did the works







| + | - |
|---------------------------------|--|
| Unburdening of owner and renter | Compensation for promotor = too low (200 euro) |
| Higher grant | |
| 800-900 each year | Large potential > 200.000 |

PUBLIC ZERO INTEREST ENERGY LOANS

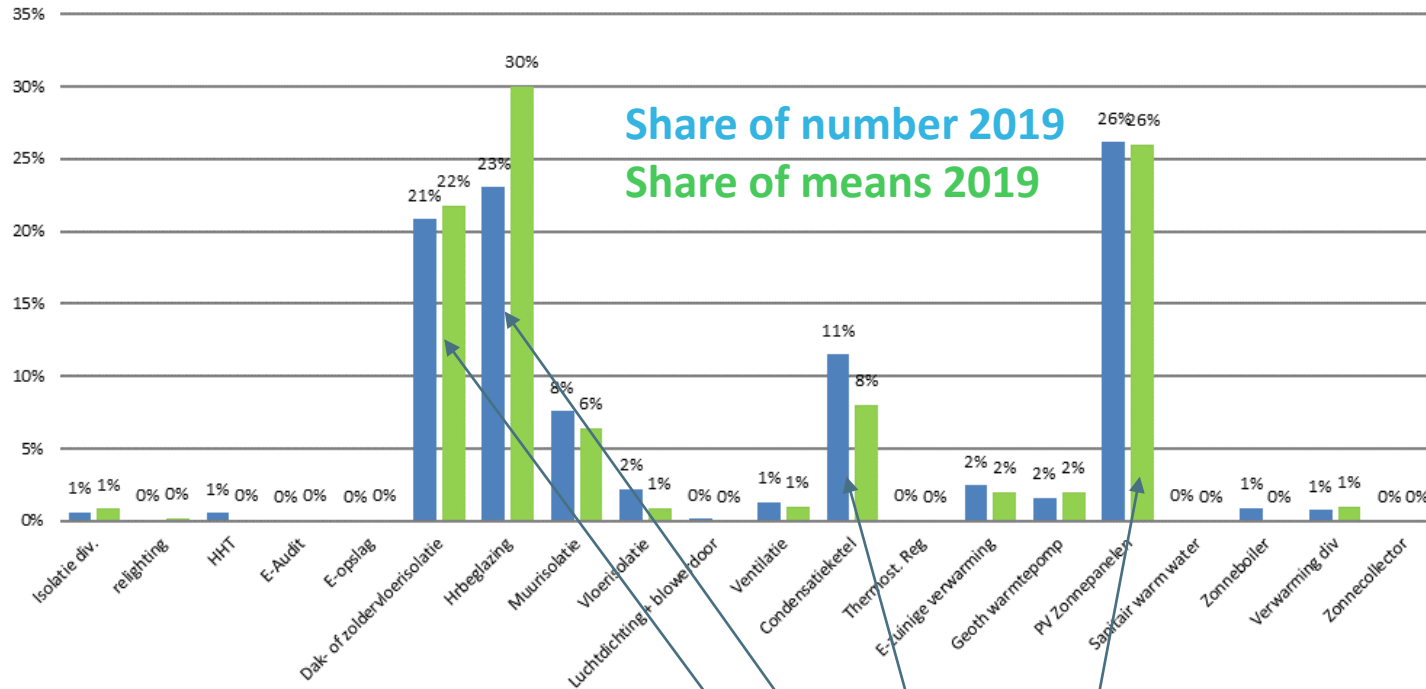
- ▶ Max 15.000 euro for energy savings measures: insulation, glazing, heating, PV, solar boiler, heat pumps,...
- ▶ 0% interest – public funding
- ▶ max 10 year payback time
- ▶ Free support:
 - Selection of works;
 - Price offers;
 - Selection of contractor;
 - Follow up;
 - Grant application

PUBLIC ZERO INTEREST ENERGY LOANS

- Target group: protected consumers / Income < 31.040 euro + 1340 for each additional family member
 - Since 2019 only for target group
 - Default payment almost zero
- Issued by 19 Energy Houses

| Kolom1 | 2015 | 2016 | 2017 | 2018 | 2019 | TOTAL |
|-------------------------------|--------|--------|-------|---|--|---------------|
| LOANS | 4 470 | 4 406 | 3 687 | 5 856 | 2 437  | 20 923 |
| BUDGET (MEUR) | 33,30 | 32,37 | 28,2 | 54,8 | 24,6  | 174,5 |
| AVERAGE LOAN (EUR) | 7 450 | 7 348 | 7 771 | 9 356  | 10 094  | 8 340 |
| SHARE TARGET GROUP | 16,97% | 17,03% | 19,6% | 32,5%  | 69,9%  | 27,60% |

PUBLIC ZERO INTEREST ENERGY LOANS renewables included



| | 2018 | | 2019 | |
|---|-----------------|-----|-----------------|-----|
| 1 | Solar Panels | 40% | Solar panels | 26% |
| 2 | Glas | 20% | Glas | 23% |
| 3 | Roof insulation | 14% | Roof insulation | 21% |
| 4 | Heating | 10% | Heating | 11% |

REVOLVING ENERGY FUND

= renovation loans with delayed repayment

→ Public revolving fund

→ Loans are issued by local welfare organisation based on a call

→ Credit line/actor max 900.000€ - 2019 start budget 15,5 million euro (Climate Fund)

× For 625 renovations

→ Adopted in May 2019, start Spring 2020 with first call by new Minister of Energy

REVOLVING ENERGY FUND

The Loan

- Max. 25.000 euro
- 0% interest
- **REPAYMENT**: starts after the house is sold/inherited or after 20 years
 - × + small share of added value (formula)
 - × Possible to spread repayment over 15 additional years
- **Risk reduction** for local welfare actor: pre-emptive right to buy the house + secured by mortgage
- **Combination** with basic zero interest loan possible
 - × => $15.000 + 25.000 = 40.000$

REVOLVING ENERGY FUND

- ▶ Targeted to “emergency buyers”
 - families having difficulties to find a place to rent and are forced to buy a cheap house in bad shape
 - Recent study show that renovation costs 2050 for these houses is higher than average: € 62.000 vs 55.000

- ▶ Conditions for the houses
 - Inhabited by emergency buyers
 - × Natural person
 - × Full ownership
 - × No other real estate

 - Primary residence (population register)
 - Structural problems safety, health, quality

REVOLVING ENERGY FUND

- ▶ Conditions for the house

- Action is required!

- × Improvement of energy performance

- × Building physics performance:

- In order to obtain conformity with the Flemish Building Code

- AND financing via traditional private loan would lead to payment default (solvability check)

- ▶ Idea is to fund the fund on a regular basis + regular calls

LOCAL ENERGY HOUSES

- ▶ = the actors issuing the 0% interest loans
- ▶ 19 Energy houses operating in 300 municipalities
- ▶ Recently reformed to low threshold one-stop-shop in every municipality
- ▶ Obligatory minimal services
 - 0% interest energy loans
 - Basic information on grants, loans, renovation

LOCAL ENERGY HOUSES

- ▶ Obligatory minimal services
 - Guidance and support
 - × Energy contract comparison + switch to cheaper contract
 - × Price offer demand
 - × Follow up of renovation works
 - × Interpretation of heat maps, Energy Performance Certificate with Renovation Advice,...
 - Coordination of local energy services (energy scans, project promotor insulation private rental sector,..)
 - Referral function

LOCAL ENERGY HOUSES

► Financing

→ 725 euro / energy loan

→ + for the service package

× According to size of working area

→ 20.000 euro / each share of 50.000 inhabitants

→ 20.000 euro / working area 1-5 municipalities + 3.000/
additional municipality

→ 240 euro for a support during renovation works

→ For additional innovative experiments/projects

→ Total budget = 5 million euro/year

► NEW!! Positive evaluation Horizon 2020 project proposal:

Energy home Renovation One-Stop-Shop in Flanders (EROSS)

→ Evolution towards one-stop-shop



BE BELGIUM
RENOVATES
FOR ENERGY
EFFICIENT
LIVING

reel!

2018 - 2024

www.be-reel.be



LIFE Integrated Project 'speeding up the implementation of the Walloon and Flemish LTRS'

New models, capacity building, demonstration project for deep renovation for over 8.500 dwellings, learning network for various stakeholders eg Energy Houses



LIFE IP CA 2016 BE REEL!

With the contribution of the LIFE

financial instrument of the European Union

CONCLUSIONS

- ▶ Measures included and monitored in **Energy Poverty Program** (part of LTRS) since 2014
 - Reason: ALL houses need to be deeply renovated
 - Shows importance to the political level
- ▶ Measures lack power and scope
- ▶ Target group needs more intense personal guidance and support
- ▶ A lot of work ahead of us!

THANK YOU!

Roel.vermeiren@vlaanderen.be