

CA EED Plenary Lisbon 2022



Vlaanderen
is energie en klimaat

Tackling energy poverty with EE-measures

Good practice Flanders (Belgium)



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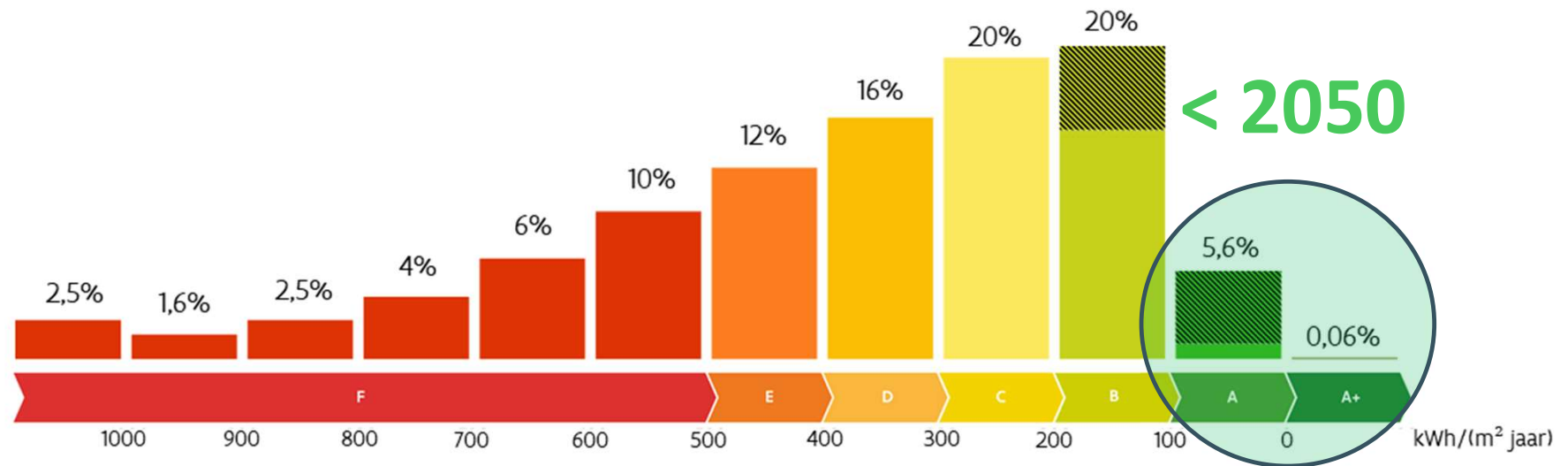
Emergency Buyers Fund

Revolving loans for poor owners in Flanders



Context and link to LTRS

- ▶ > 40% owners lack financing capacity to renovate to 2050 target
 - Average investment 55.000 euro!
 - Many owners have ongoing mortgage loan
 - Housing prices rising
 - Public zero interest energy loans available for vulnerable target group since 2015
 - **But: many owners lack additional repayment capacity for ambitious renovation**
 - LTRS needs inclusive approaches! *LEAVE NO ONE BEHIND*



Origins

► 2016: **bottom-up inspiration** city of Ghent

- City provided budget for 10 renovations in poor neighbourhood
- Repayment only due when the house is sold
- = Bullet loan
- Political attention from the start

► 2019: **regional upscaling as a revolving fund**



What?

- ▶ **Bullet loan for renovation budget = no monthly installments**
- ▶ **Payback time: sale or after 20 year**
 - = loan amount + small share of added value (based on a formula)
 - Revolving fund: repaid capital can be used more times
- ▶ **Even at that moment periodic repayment is possible**
 - Public zero interest loan by 18 Energy Houses (basic OSS)
- ▶ **Local social public welfare actors issue the loans**
 - **Risk reduction** for local welfare actor: pre-emptive right to buy the house + secured by mortgage

What?

- ▶ Targeted to “**emergency buyers**”
 - Have difficulties to find a place to rent
 - Are forced to buy a cheap house in bad shape
 - × bad energy performance
 - × not compliant to housing code

- ▶ Max 25.000 euro
 - 0% interest
 - Combination with basic zero interest loan possible
 - × = additional 15.000 euro with monthly payback over 15 years

- ▶ Directly paid to the renovation contractor

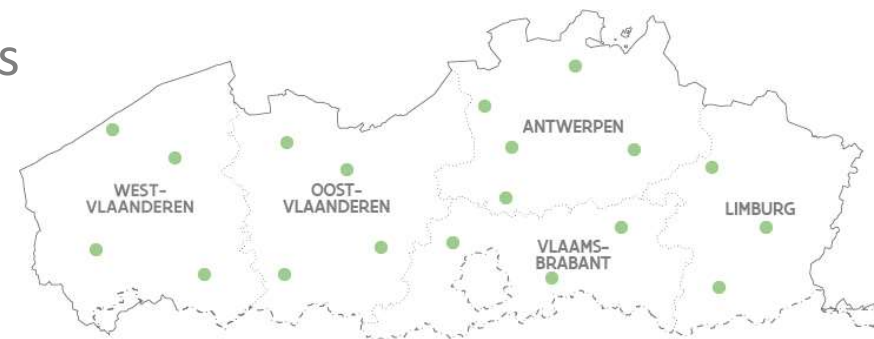
Implementing partners

► Periodic project calls to **local welfare actors**

- Good connection with target group
- Zero interest credit within the fund, to issue the loans
- Guidance before, during and after the works
 - × Screening of the house
 - × Selection of architect and contractors
 - × Follow-up and energy grant application

► Partnership with **Energy Houses**

- Flanders: 18 Energy Houses for 300 municipalities
- Public zero interest loans
- Energy advice + renovation guidance
- Back office for Emergency Buyers Loans



Impact and challenges

▶ 2020: 18 projects - 7,7 million euro for 308 dwellings



▶ 2021: only 4 projects - 3,75 million euro for 125 dwellings



▶ Administrative work:

- Substantial policy preparation (legislation)
- Need for thinking and acting in very long timeframe
- Convinced of added value of prefinancing solutions without actual impact on budget
- Building further on expertise on zero interest loans in Energy Houses
- Engaging local partners is crucial
- Organisational efforts underestimated: time consuming / several actors involved!

Implemented improvements

- ▶ Introduction **Operational fee** Local Welfare (500 euro) and Energy House (320 euro)
- ▶ Raise of loan amount from 25.000 tot **30.000 euro**
- ▶ Payback of added value skipped (complex calculation)
- ▶ Administrative burden reduced
- ▶ Survey 2022: suggestions for additional improvements

Considered improvements



- ✓ More promotional efforts!
- ✓ Further raise promoters' remuneration in balance with time invested
- ✓ Efficiency partnership: Energy Houses as central promotor?
- ✓ Higher loan amount (enabling renovation to A-label)
- ✓ Revision of time limits
 - Drop obligation for repayment after 20 years
 - Repayment only due at property transfer

2022: next call for 20 million euro

= 700 houses

Potential of 120.000 houses (4% of stock)



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Only beginning...

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