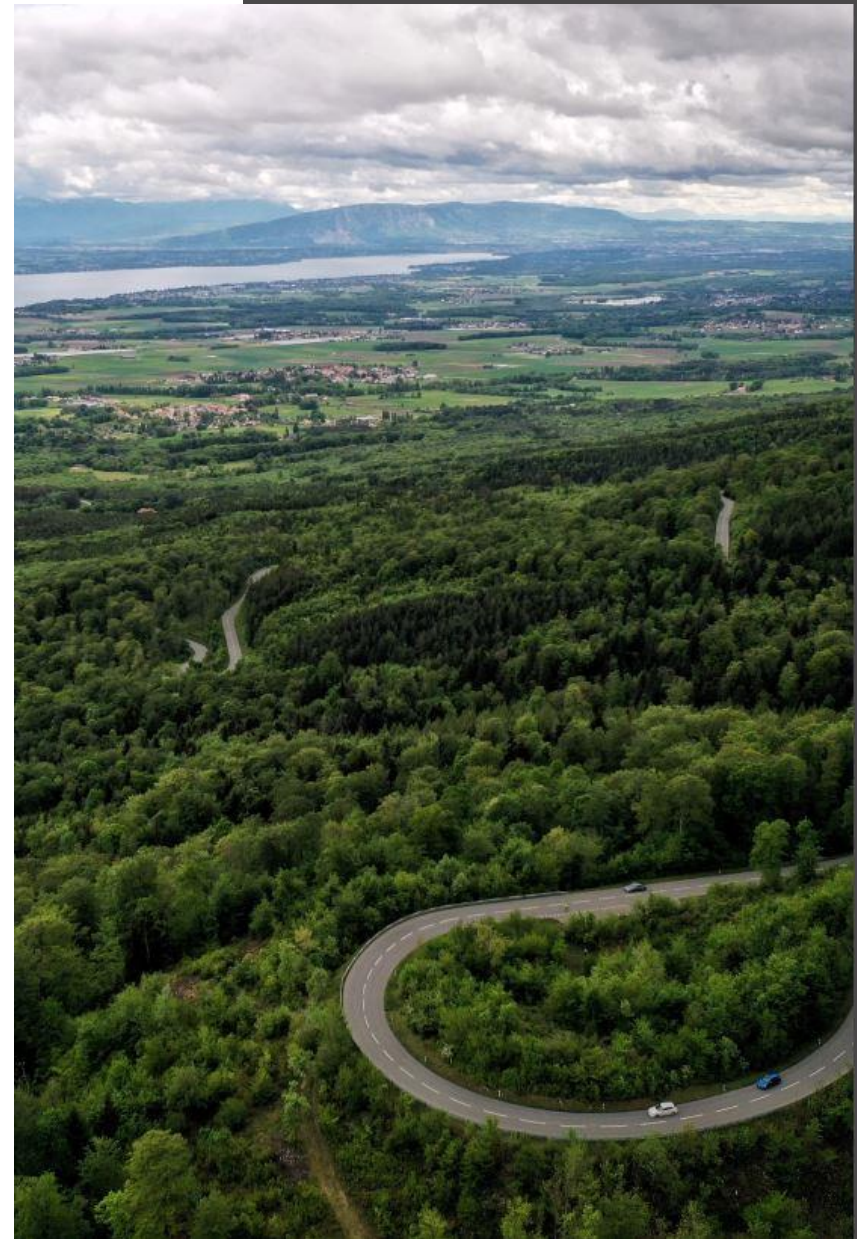


Alianzas para el escalado de la rehabilitación

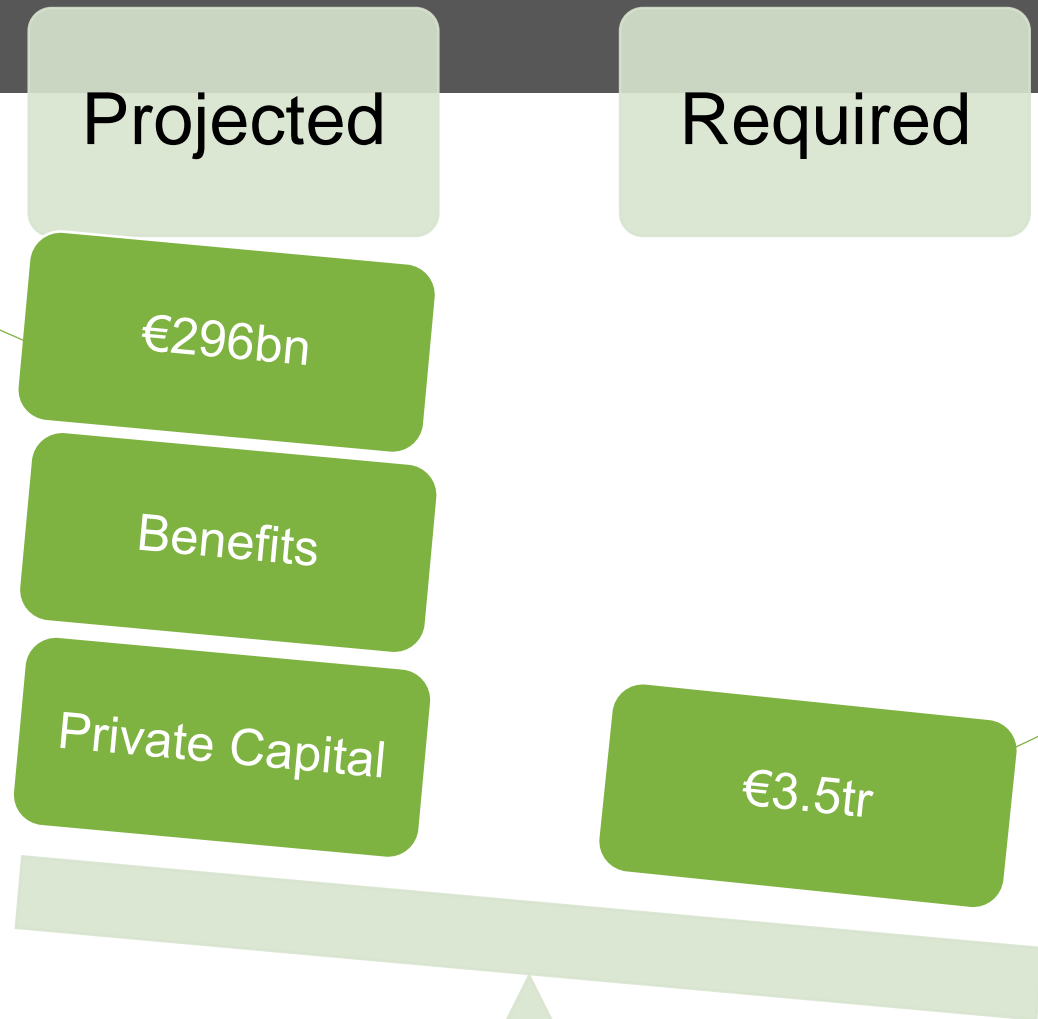
James Hooton

Programme Director, Green Finance Institute



EU Renovation Finance Gap

Assumes the entire 37% of green spending in the Recovery and Resilience Facility is spent on building renovation!



~€80bn / year
already being
spent on
renovation

+

~€270bn / year
extra that needs
to be spent on
renovation to
2030

€130bn

Assumes all of the
~13 millions homes
that were built pre-
1980, before basic
building regs,
require €10,000
worth of work

vs.

€6.8bn

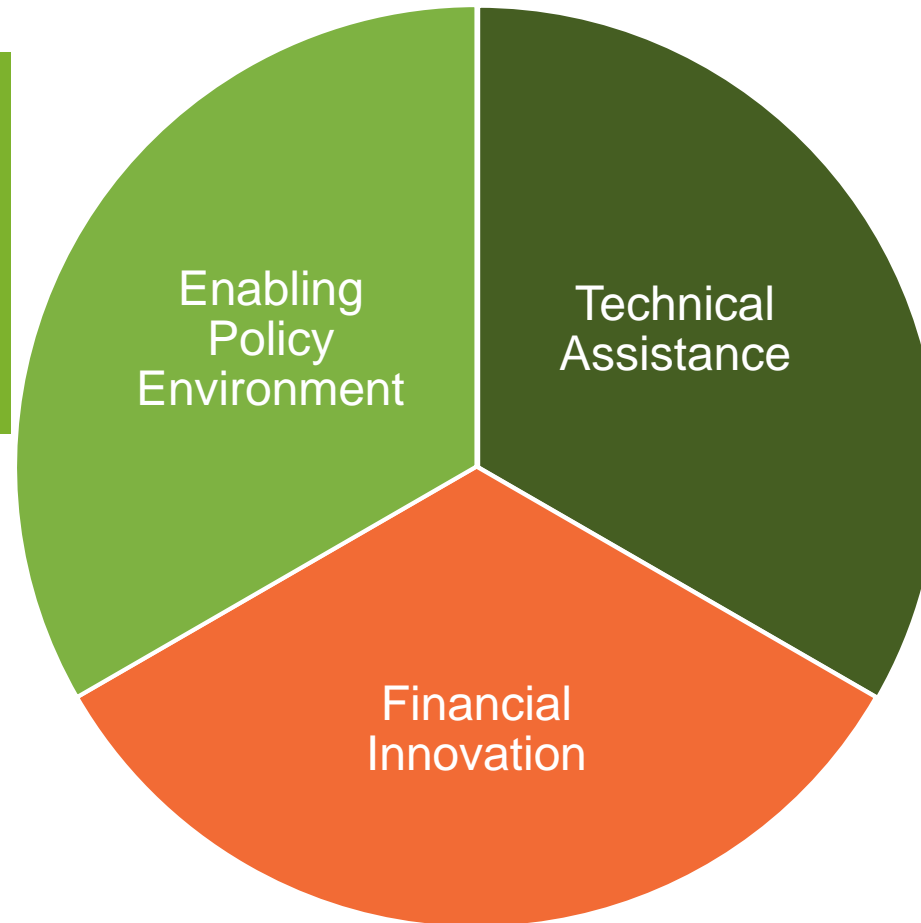
Portion of funds in
Spain's Recovery
and Resiliency
Tracker dedicated to
renovation and
urban regeneration

Oct 2021 UK Government Net Zero
Strategy aims to leverage up to

£90bn of private capital by
2030

Three Key Components for a Renovation Wave

Policy ambition backed up by enabling, long-term legislation.



Quality assured & accredited, national supply chain

Consumer awareness

Legal and Academic advice

Market Drivers

- **GFANZ pledge**
- **Revision of Energy Performance of Buildings Directive:**
 - Mandatory Minimum Energy Performance Standards
 - Availability of lending products for buildings renovation
 - Building Renovation Plans
 - Mapping of market failures and barriers to financing

Co-Benefits

The economic burden of inadequate housing amounts to over €194 billion per year in public health costs across the EU.

The Commission estimates the potential for an additional 160 000 green jobs in the construction sector in the EU by 2030.

7,000,000 Europeans lifted out of energy poverty every year

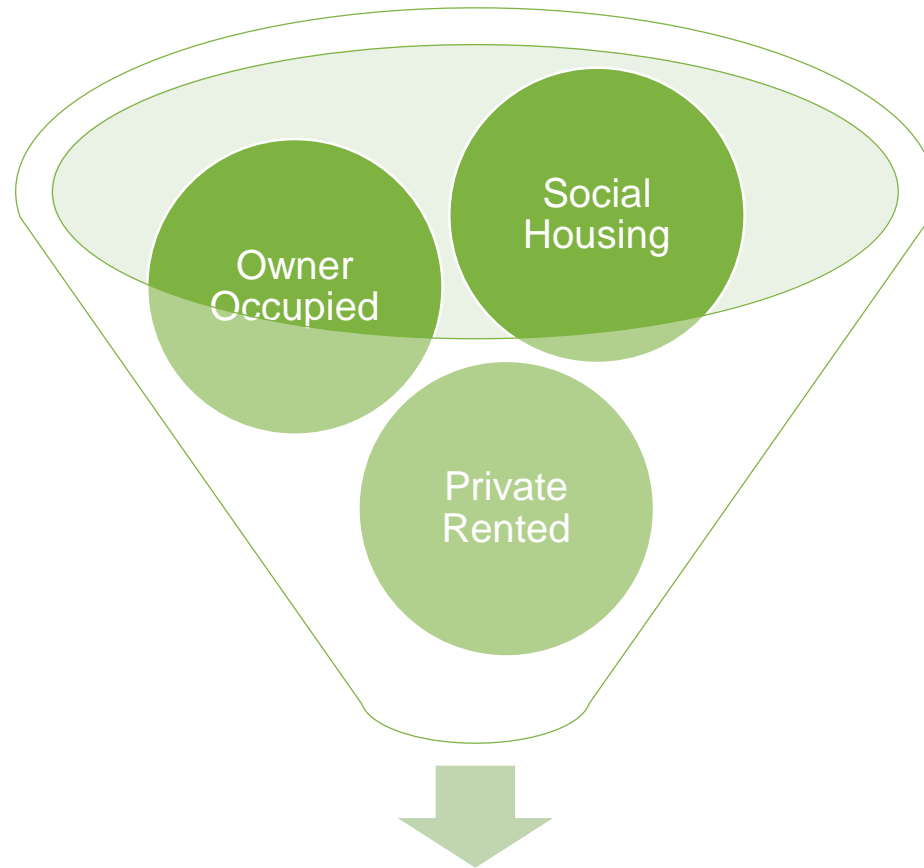
Consumer Attitudes

YouGov survey commissioned by the European Climate Foundation reveals that people in the Czech Republic, Germany, Italy and **Spain want to buy and rent energy-efficient homes:**

- Two-thirds of respondents (66%) said that they would **support a law that requires existing homes to meet minimum energy standards**, with subsidies for affordable improvements standing out as the top incentive that would help citizens deliver on this policy. **Support was highest in Spain (75%) and Italy (72%)**
- The respondents who indicated support said this because the policy will reduce exposure to high energy prices (60%) and help **combat climate change (59%)**

Coalition for the Energy Efficiency of Buildings

- Goal to **mainstream** financial solutions and market enablers
- Convened by the Green Finance Institute (neutral & not-for-profit)
- Pre-competitive space
- Over 370 member organisations across the value chain



Who are the Financial Decision makers / Existing initiatives and Decision partners / What are the main Financial and non-Financial barriers to Renovation?

Financial Barriers

- High upfront costs
- Lack of access to capital
- Low confidence in energy bill savings
- Duration of tenancy
- Property value-add
- Availability and accessibility of products

Non-Financial Barriers

- Low awareness
- Lack of good quality information
- Duration, hassle and complexity
- Lack of confidence
- Leaseholders gaining permission

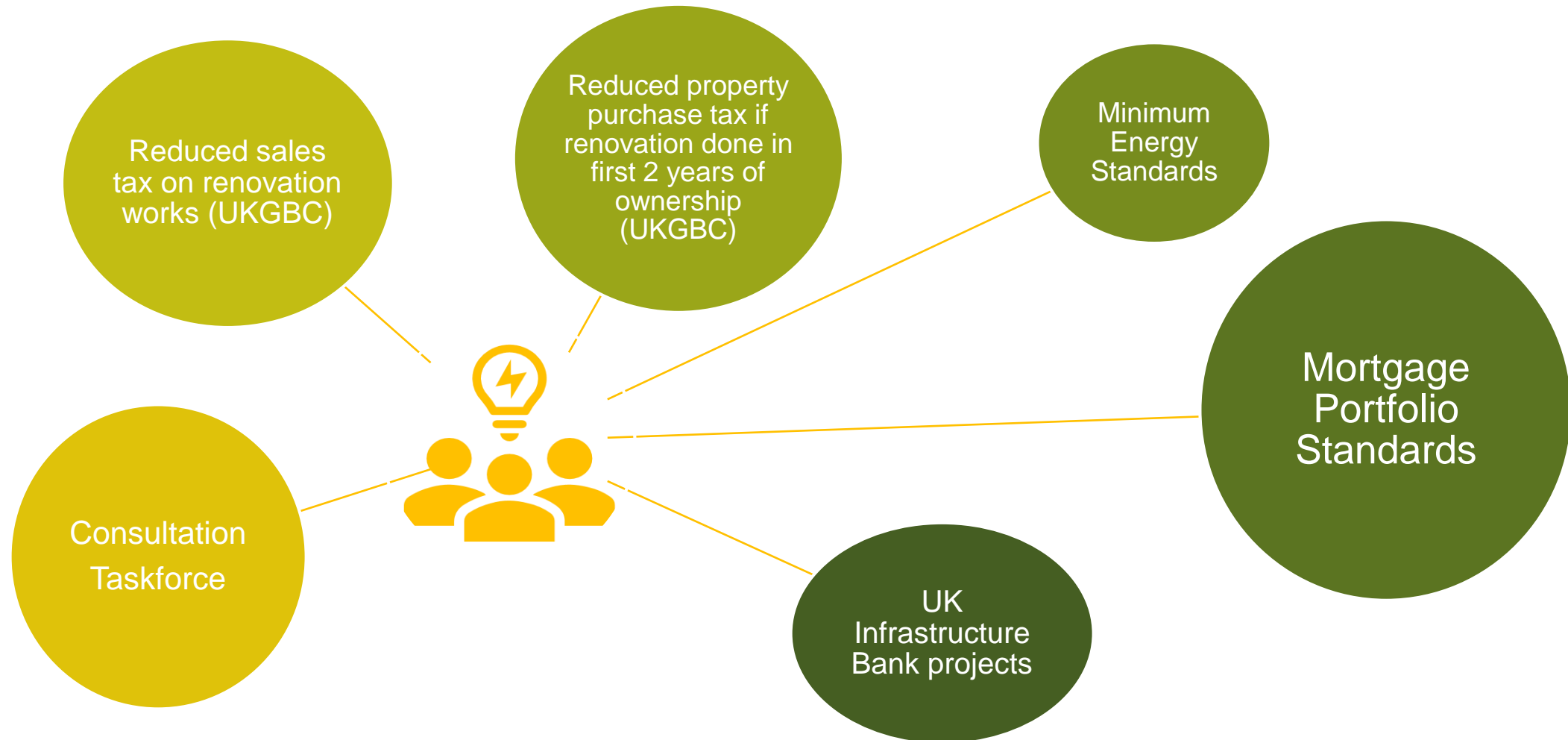


Market Enablers

- ❖ **Green Home Finance Principles** to coalesce the market on a common methodology around financing green
- ❖ **Lenders Handbook** to help educate finance professionals on different green home renovation solutions
- ❖ **Building Renovation Plans** to set out the long-term renovation plan for a building
- ❖ **Metered Energy Savings** to turn energy saved into an asset

Financial products

- ❖ **Green Rental Agreements** – splitting the cost of rental property renovation
- ❖ **Property Linked Finance** – renovation liability tied to property
- ❖ **Demand Aggregation** – realising economies of scale
- ❖ **Local Climate Bonds** – regional authorities borrow from their communities for green projects



Coalitions for the Energy Efficiency of Buildings

- The **time is now** – Recovery and Resiliency Funding ends in 2026. Fewer than 3,000 days to 2030
- There are existing **coalitions and innovative platforms** already focused on this challenge. The GFI hope to partner with these initiatives and contribute our financial perspective and experience
- Together we can **actively develop the financial solutions and market enablers needed to unlock these barriers** and support widescale investment into greening the building stock
- A coalition with public sector engagement provides **a crucial bridge between the finance sector, business and government** to ensure the latest thinking and experience is shared in a ‘community of best practice’

Gracias

CONTACT: james.hooton@gfi.green