

CA EED Plenary Lisbon 2022



Vlaanderen  
is energie en klimaat

# Tackling energy poverty with EE-measures

Good practice Flanders (Belgium)



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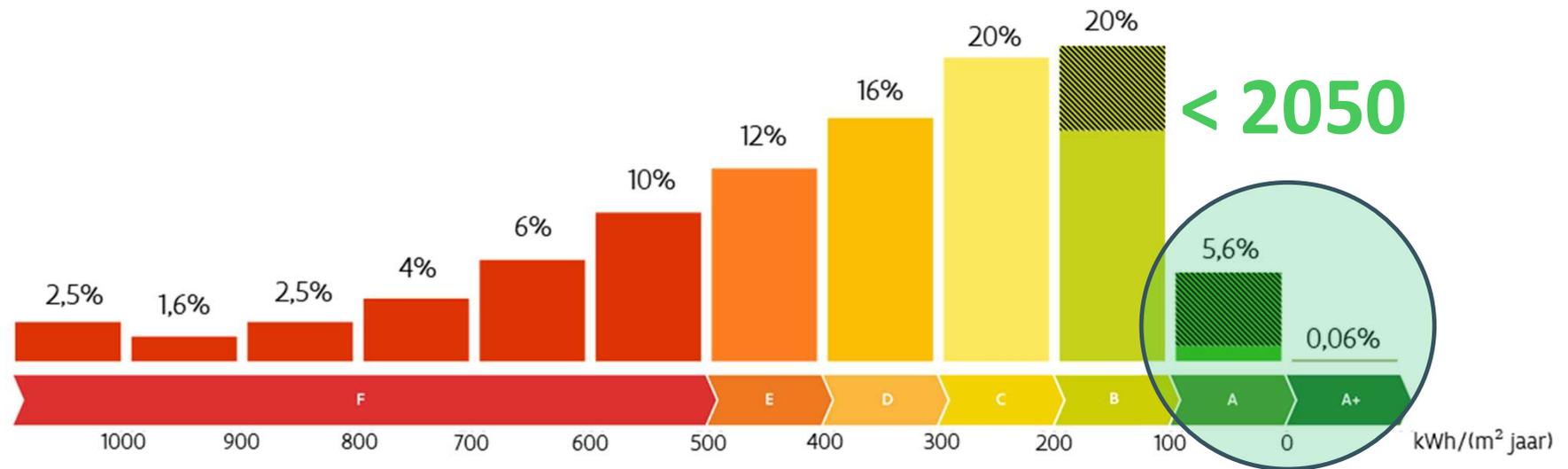
# Emergency Buyers Fund

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

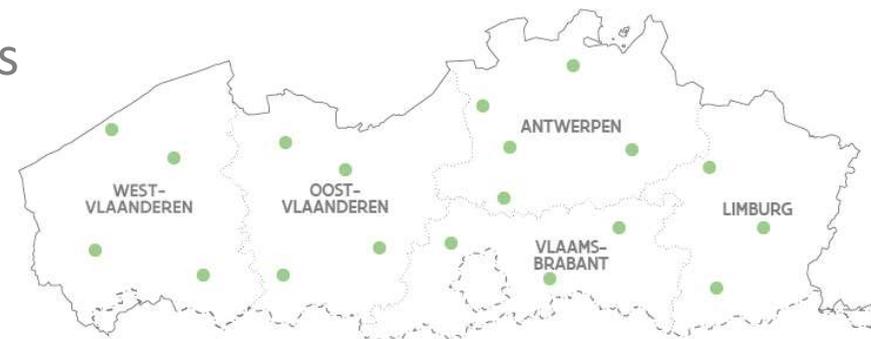
# Implementing partners

## ► 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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