

Introducing Parity Projects

- Individual Masterplan assessment of over 1200+ homes
- CROHM stock assessments covering 6 million properties
 - Housing associations
 - Local authorities
 - Private landlords eg National Trust
- 3 million live properties on CROHM Online
- Founding members of RetrofitWorks



Me



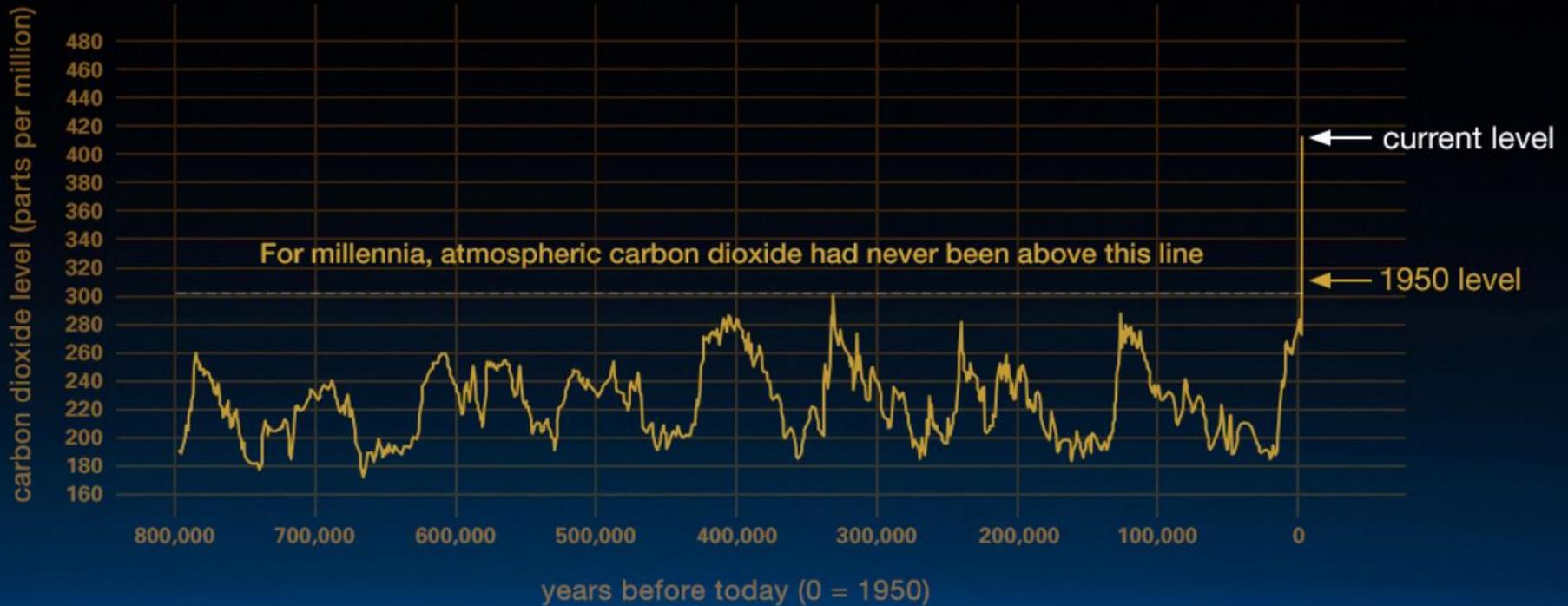
You

Why are you here?

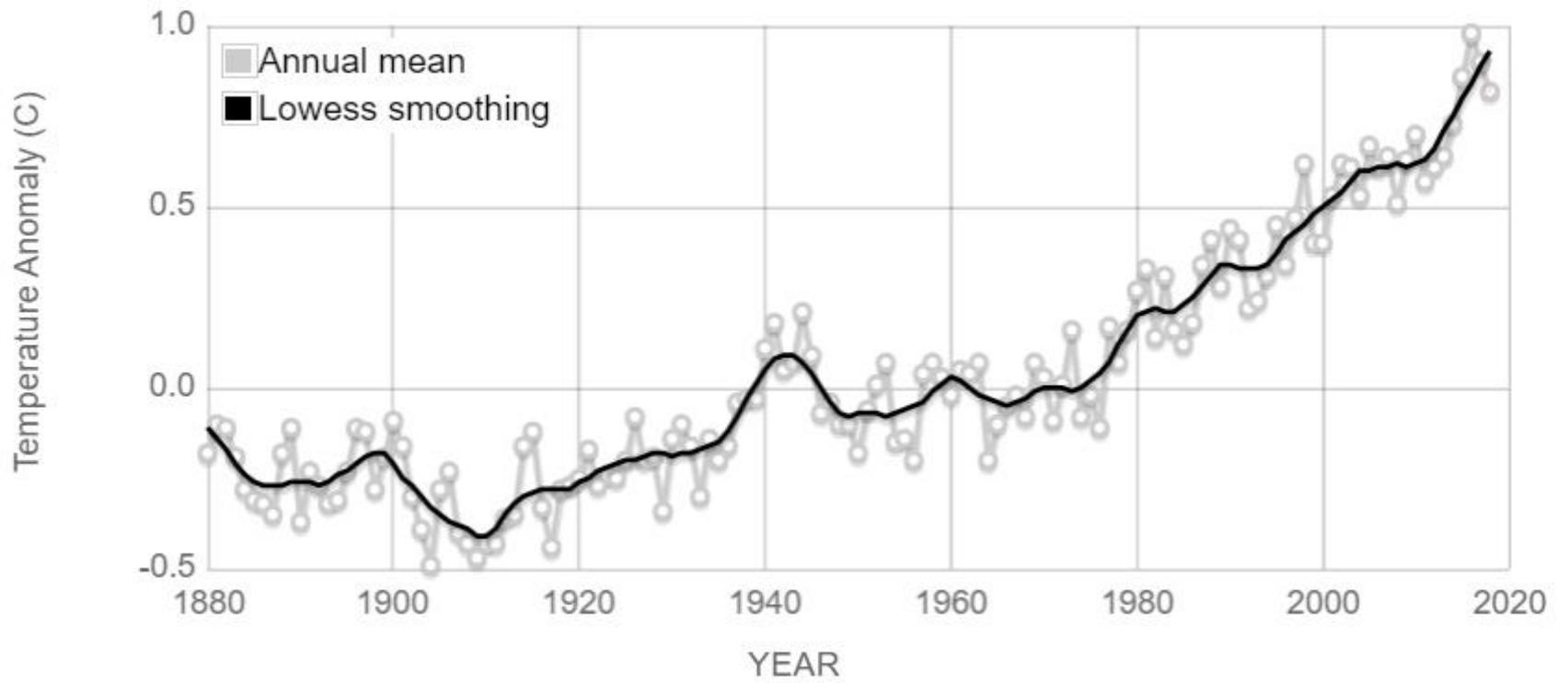




THE (BUSINESS) CASE FOR ENERGY EFFICIENCY IN SOCIAL HOUSING



25% have been generated since an 'Inconvenient Truth' (2006).



Climate change 'accelerating', say scientists



Housing crisis 'affects 8.4 million' in England

Millions are in unaffordable or unsuitable homes, research for the National Housing Federation says.

LABOUR FOR A GREEN NEW DEAL

- Commitment to zero carbon emissions by 2030;
- Rapidly phasing out all fossil fuels;
- Large-scale investment in renewables;

HALF OF UK LOCAL AUTHORITIES DECLARE A CLIMATE EMERGENCY IN JUST EIGHT MONTHS

Jul 29, 2019 | Featured | 0



Why retrofit social housing?



Eliminate fuel poverty & improve resident satisfaction



Reduced rent arrears and void periods



Better allocation of staff resources



Landlords with average SAP 73-75 reported costs **60%** lower to those with SAP 66-68



Reduce regulatory risk



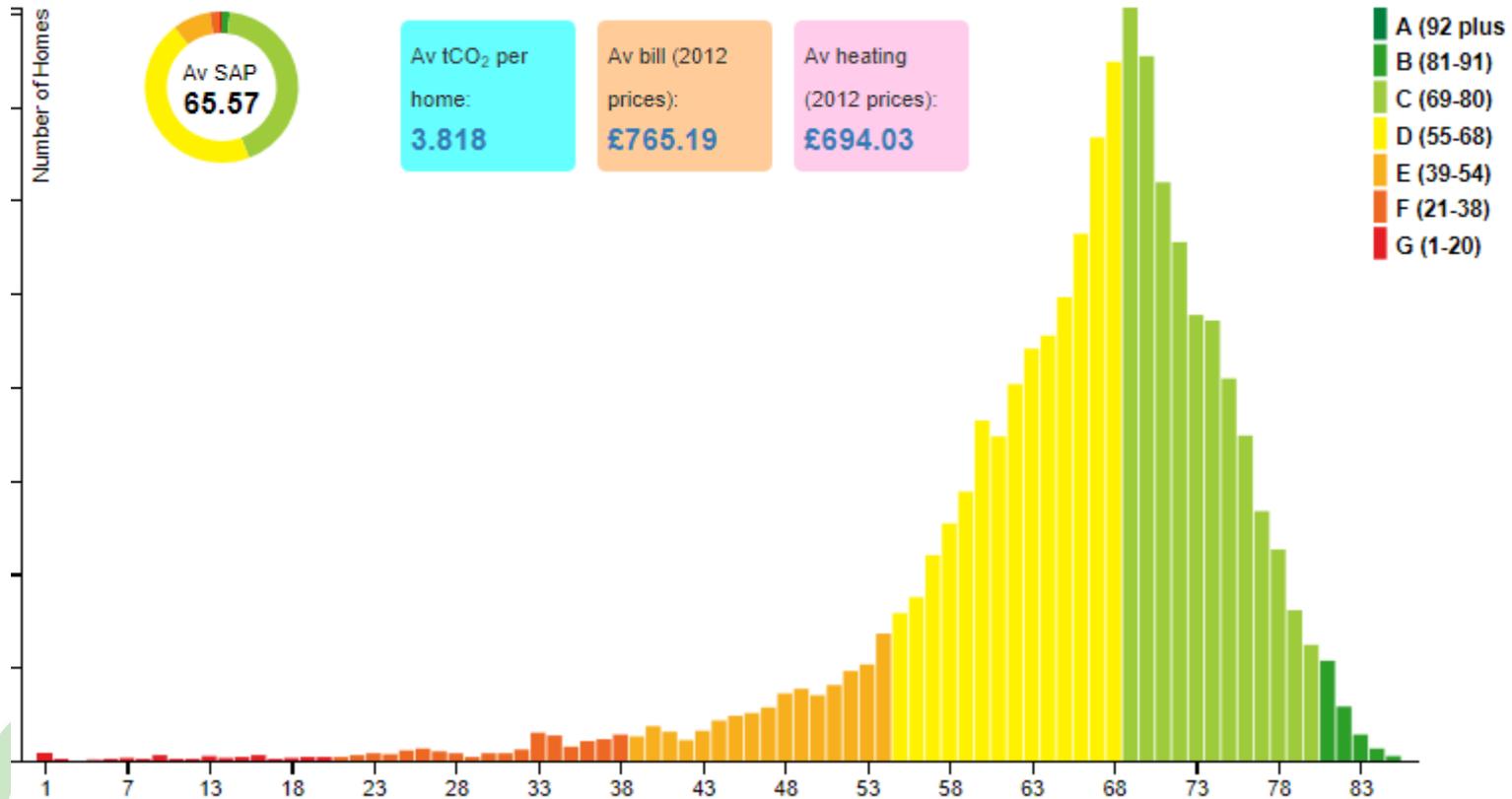
Business Case

- 🌱 E, F, G rated have 48% more repairs relating to damp and mould
- 🌱 Customer contacts can be reduced
- 🌱 Reduce customer complaints
- 🌱 Properties in bands below D have longer void periods



**POSITIVE ENERGY –
THE BUSINESS CASE
FOR RETROFIT**

Current State



Reduce regulatory risk

- 🌱 Principle driver for our clients
- 🌱 Drivers of regulation
 - 🌱 Fuel poverty
 - 🌱 Climate emergency



Current policies

- ❧ Minimum Energy Efficiency Standards apply if a tenancy is granted at market rent through a subsidiary that is not a social landlord
 - ❧ EPC of Band E or above is required
 - ❧ Exemptions can be applied for
- ❧ Decent Homes: remove Category 1 hazards
 - ❧ EPC F and G (approx)
- ❧ Homes must be 'fit for habitation'
 - ❧ Landlords need to address damp and mould issues that could affect health

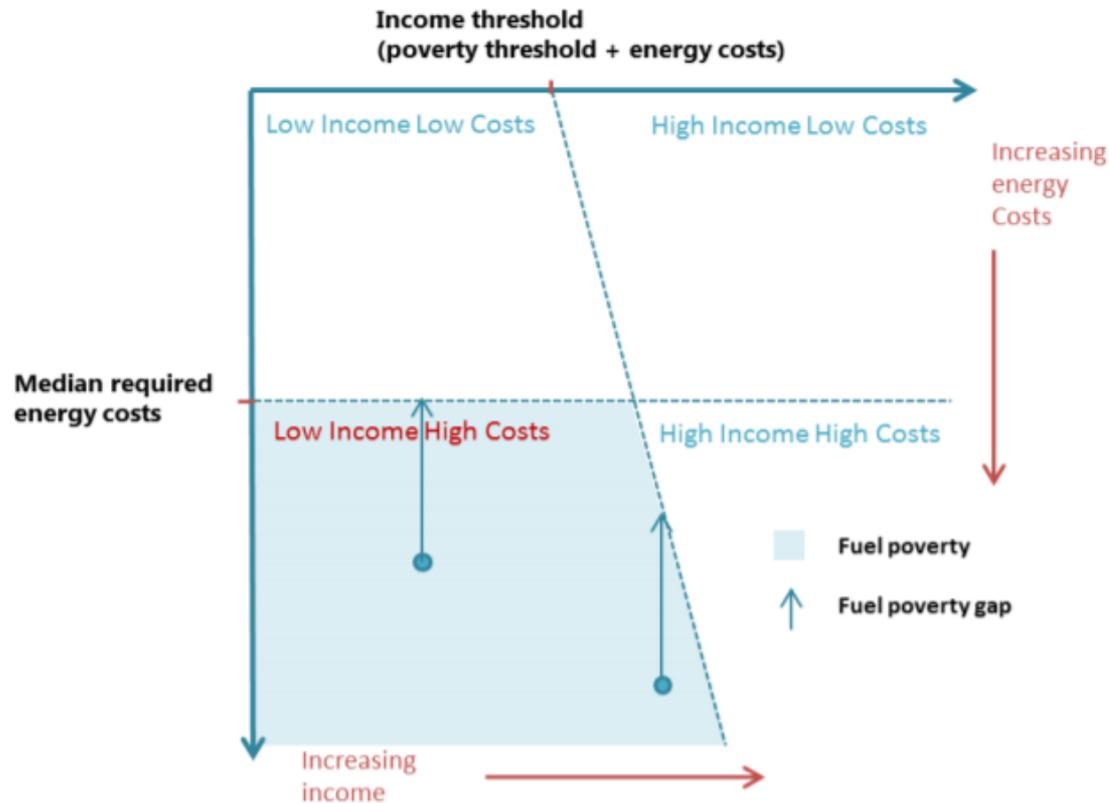


EESSH2 in Scotland

- All social housing meets, or can be treated as meeting, EPC Band B (Energy Efficiency rating), or is as energy efficient as practically possible, by the end of December 2032 and within the limits of cost, technology and necessary consent.*
- No social housing should be re-let below EPC Band D from December 2025, subject to temporary specified exemptions.



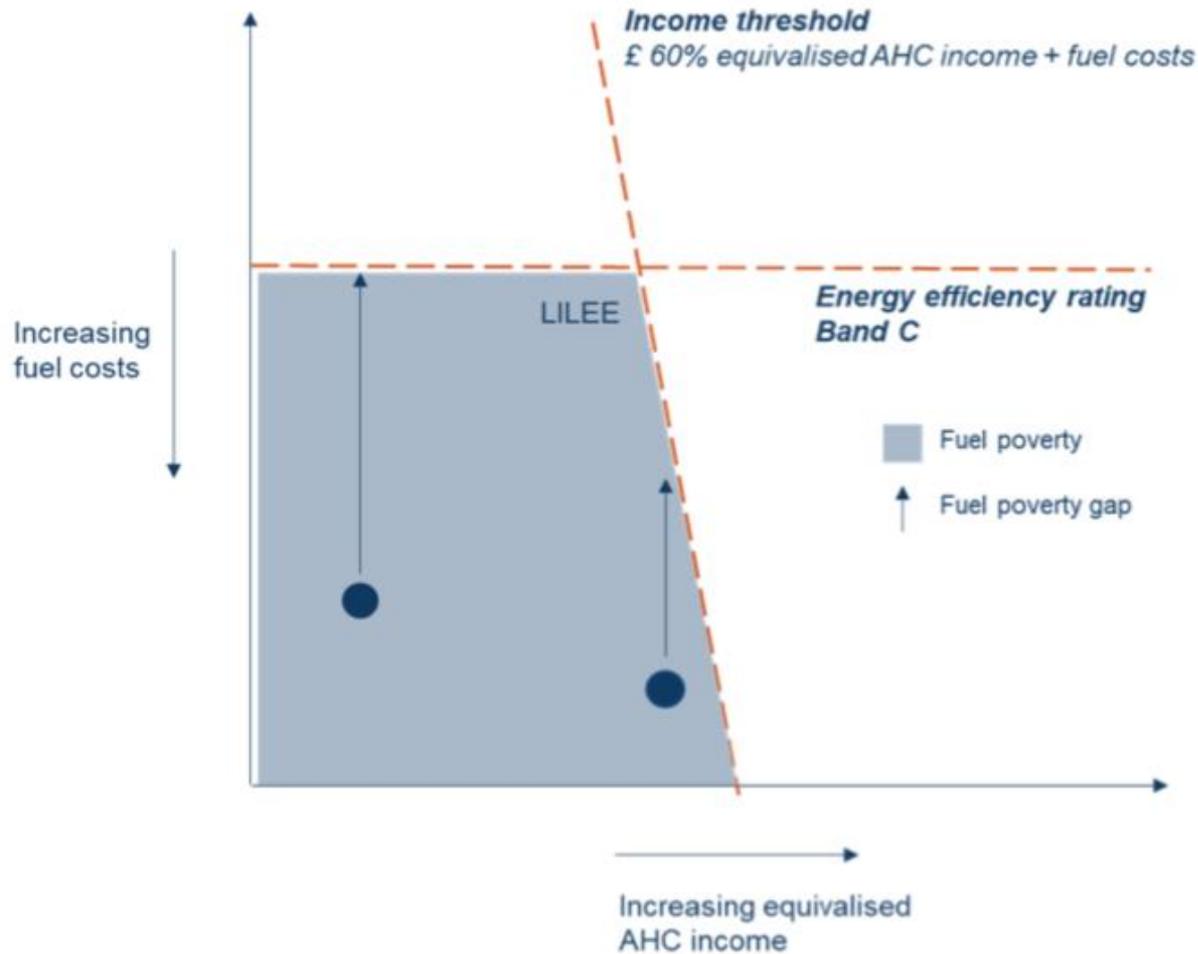
Driver 1: Fuel poverty (Current)



-
- Under the proposed measure, Low Income Low Energy Efficiency (LILEE), a household would be classed as fuel poor if:
 - they are living in a property with an energy efficiency rating of Band D, E, F or G as determined by the most up-to-date Fuel Poverty Energy Efficiency Rating Methodology (FPEER); and
 - their disposable income (after housing costs and energy needs) would be below the poverty line



Driver 1: Fuel poverty LILEE



Cost of unhealthy homes

- ❖ Poor quality homes cause poor health, incl serious respiratory diseases such as asthma and bronchitis.
- ❖ NHS spends at least £2.5 billion a year treating people with illnesses directly linked to living in cold, damp and dangerous conditions
- ❖ Over 25,000 people die each year in the UK as a result of living in cold temperatures much of this is due to living in poorly heated homes



Social housing green paper

- 🌱 Cut the energy use of new buildings by at least half by 2030
- 🌱 Ensure people can enjoy at least five extra healthy, independent years of life by 2035
- 🌱 Review Decent Homes Standard
 - 🌱 To include consideration of Minimum EPC Band C standard
- 🌱 Action plan expected in September (under PM May)



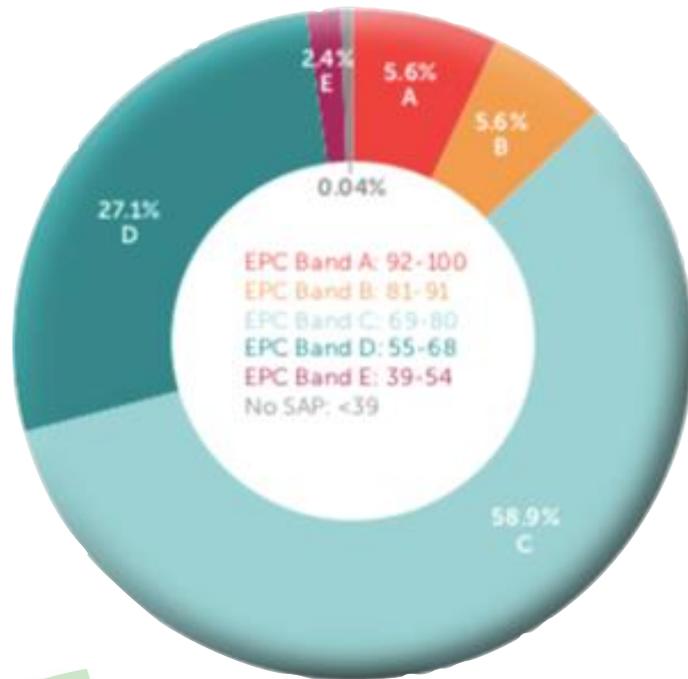
Policy debate: Single measure vs Whole house



- 🌿 Government policy is 'worst-first', ie F&G
- 🌿 But is it enough to nudge homes from EPC G to E?
- 🌿 Consulting on 'a straight to C' approach



Progress: Decent Homes and Fuel Poverty



Source: Sustainable Homes, 2050

- Over 2/3rds social housing is Band C or above
- Best performing tenure
- But...
 - rates of improvement are declining
 - limited resources
 - rising fuel prices



Driver 2: The Climate Emergency

- 🌿 The UK Parliament and more than half of local authorities have declared climate emergencies



‘IT’S LIKE A DEAFENING, PIERCING SMOKE ALARM GOING OFF IN THE KITCHEN. WE HAVE TO PUT OUT THE FIRE.’



‘IT’S A LINE IN THE SAND AND WHAT IT SAYS TO OUR SPECIES IS THAT THIS IS THE MOMENT AND WE MUST ACT NOW

THE NEXT FEW YEARS ARE PROBABLY THE MOST IMPORTANT IN OUR HISTORY.’



Local authority action on declarations of a climate emergency

- ❧ Currently vary
- ❧ Declarations lose value if not acted on

- ❧ 3 responses
 - ❧ Treating it like an emergency = net zero by 2028
 - ❧ Business as usual = Clean Growth Strategy
 - ❧ Head in sand = Awaiting regulation



Climate emergency and housing

- 🌿 Extreme weather events
 - 🌿 Overheating: 2000 died in 2003
 - 🌿 Flooding: coastal, rivers, or surface water



Progress

The Committee on Climate Change says housing needs

- 🌱 near complete decarbonisation
- 🌱 adaptation for the current and future climate.
- 🌱 new policies to drive these

Whilst in social housing

- 🌱 installations of measures have declined
- 🌱 resources are lacking
- 🌱 climate change adaptation is rarely considered
- 🌱 few long-term strategies, despite being within most landlords' financial planning cycle



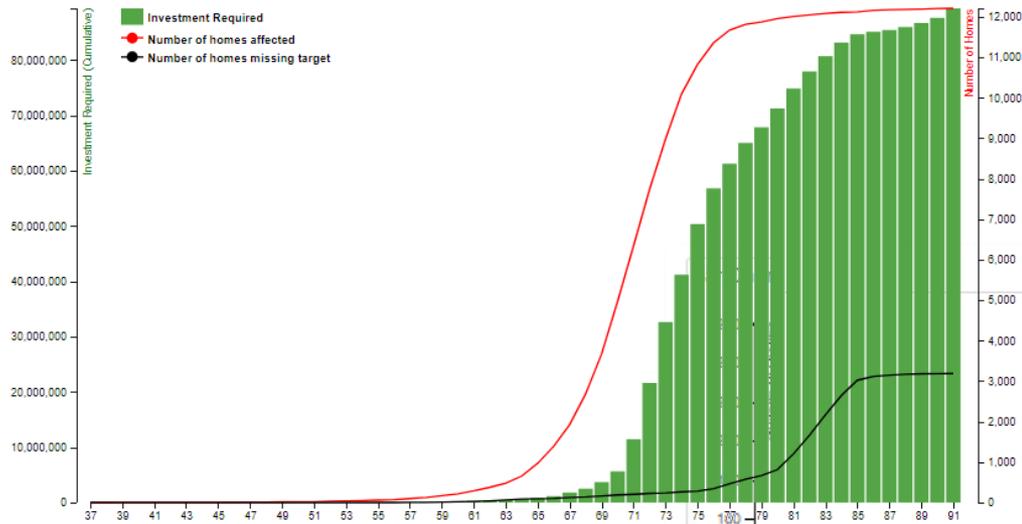
Policy gap

- 🌱 Current policies are not delivering necessary change
- 🌱 What may have an impact?

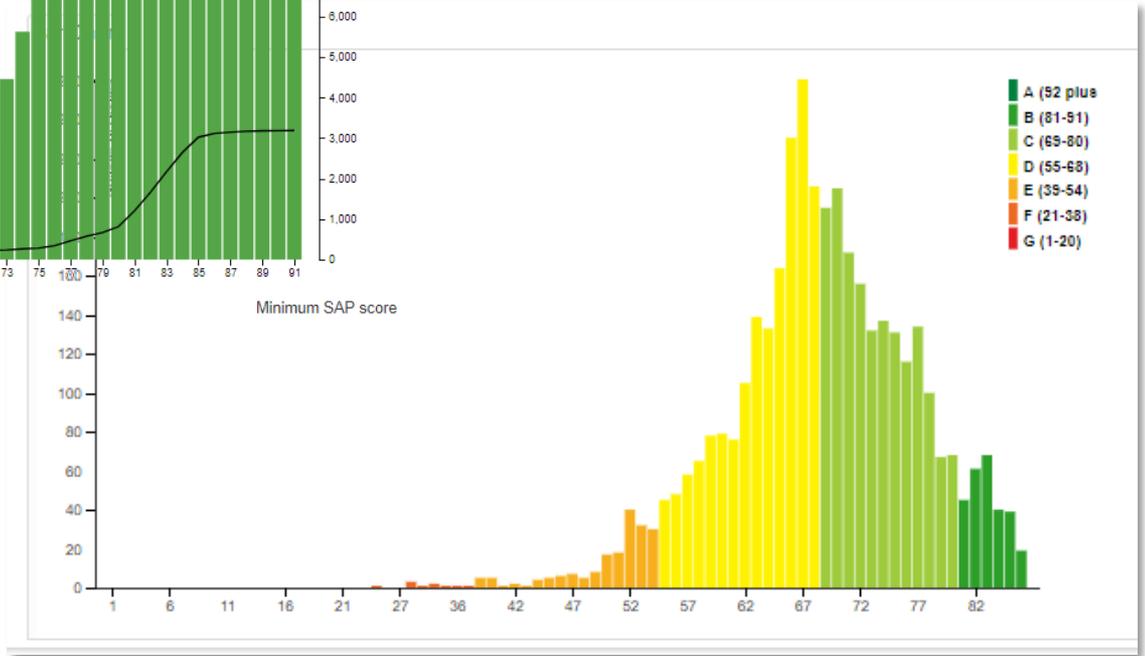


The importance of data to building the business case

Costs



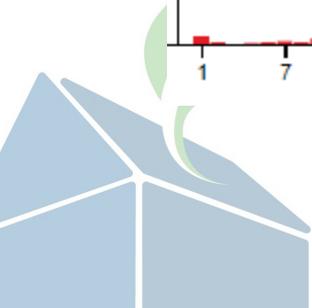
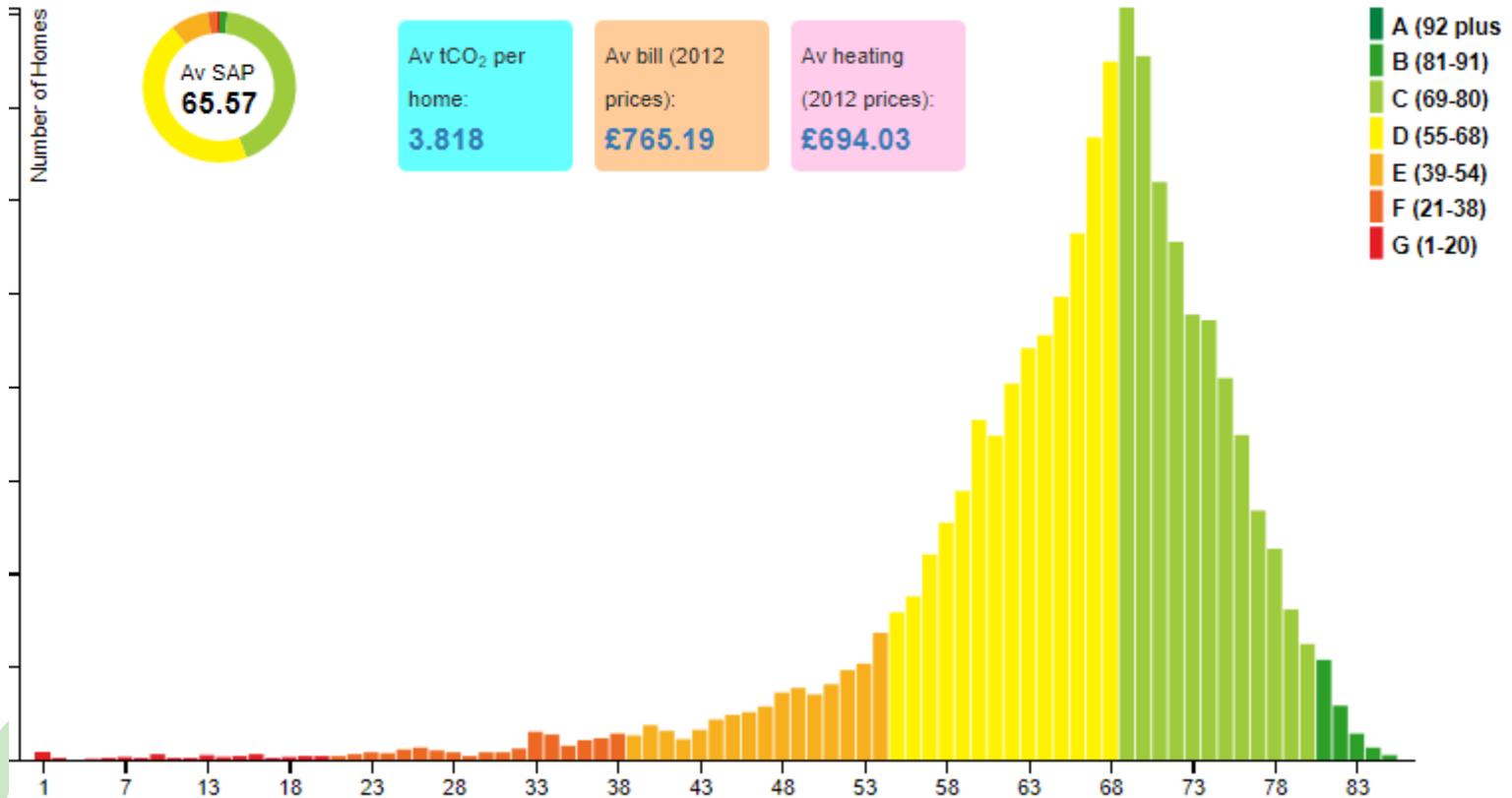
Homes



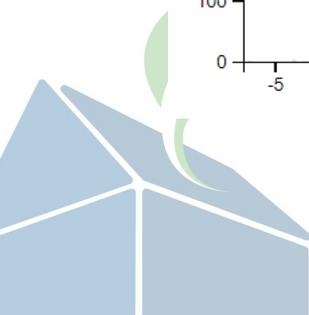
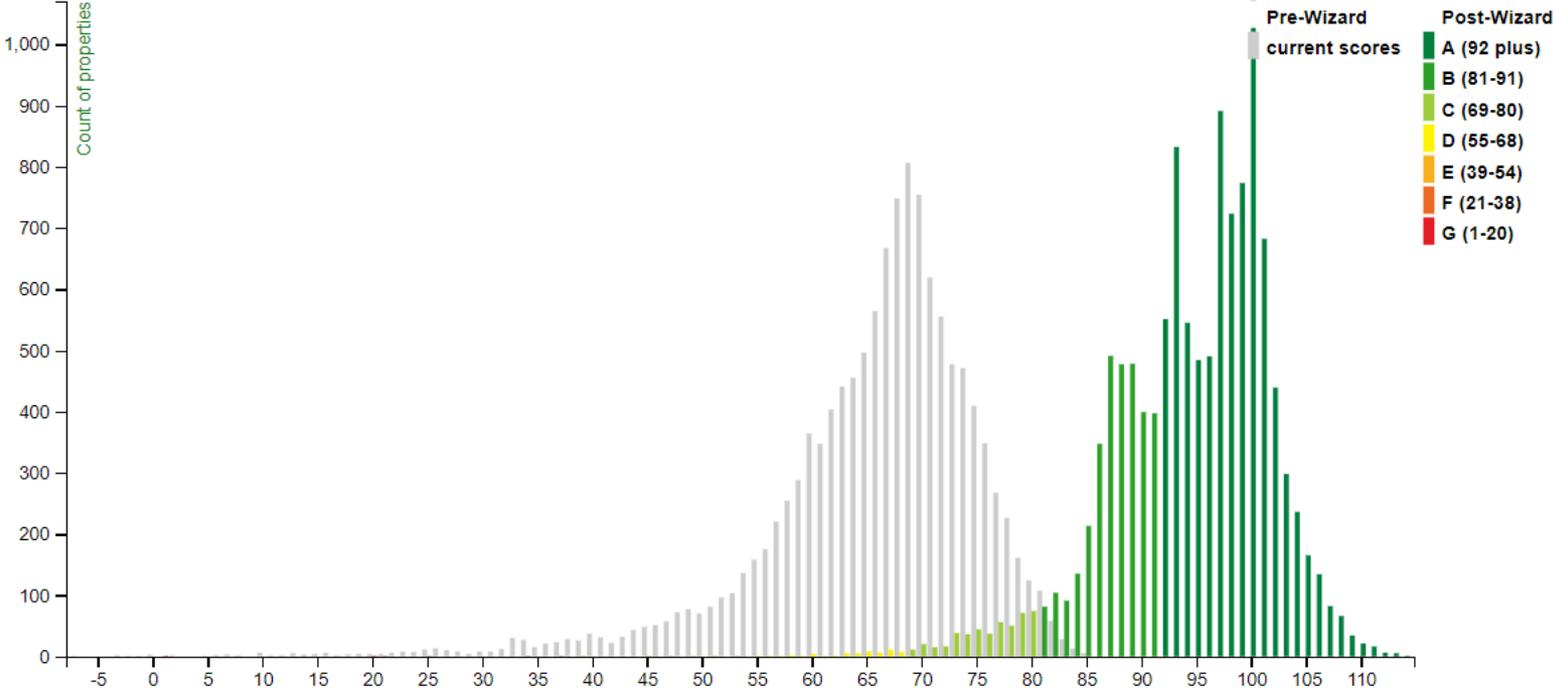
Objective



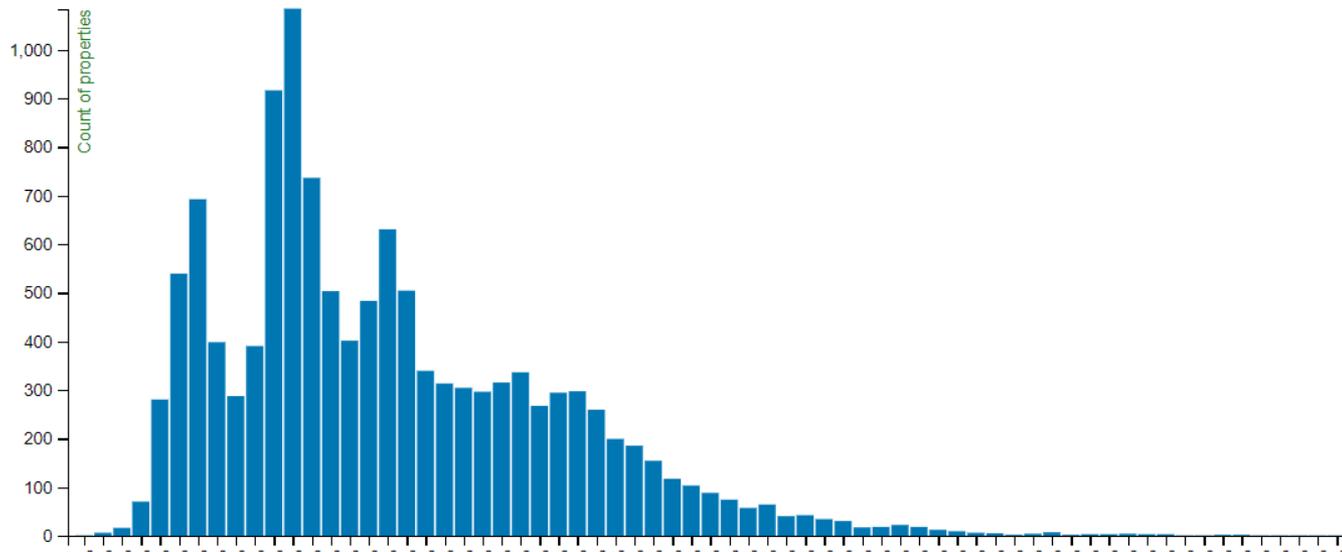
Current State



Zero Carbon (no fossil fuels)



Zero Carbon



Mode: £10,000 - £11,000

Mean: £15,500

95% under £31,500

94.33 A (+28.75)

97.62 A (+35.70)

£102.82 (-662.02)

0.148 (-3.668)

£442.65 (-251.02)



-
- 🌱 What are your main drivers?
 - 🌱 Why are you here?
 - 🌱 Who is driving the agenda in your organisation?
 - 🌱 What do you see coming down the line?
 - 🌱 Are you daunted or excited by the challenge?



chris.newman@parityprojects.com

07932083060

