



SOCIAL HOUSING AND DISTRICT HEATING

current challenges and opportunities

BRUSSELS

2 JUNE 2010

**EUROHEAT AND POWER/ COGEN ANNUAL
CONFERENCE**

HOUSING EUROPE



Summary

- CECODHAS Housing Europe
- The context
 - **Different social housing models**
 - **Current trends and issues for housing sector/energy: living costs**
 - **Diversity of energy provision systems**
- European policies and energy efficiency
 - **Social housing and district heating**
 - **Our copenhagen offer**
- EU challenges and opportunities:
 - **Addressing the concerns of social housing organisations vs district heating**

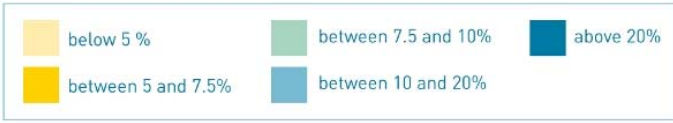
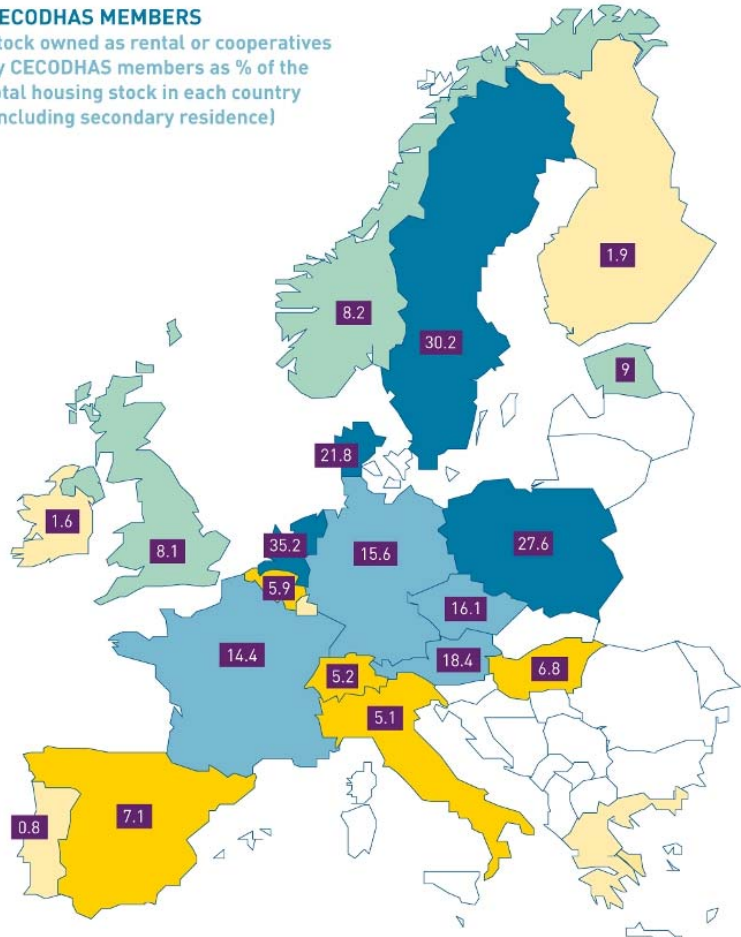
A picture of the sector



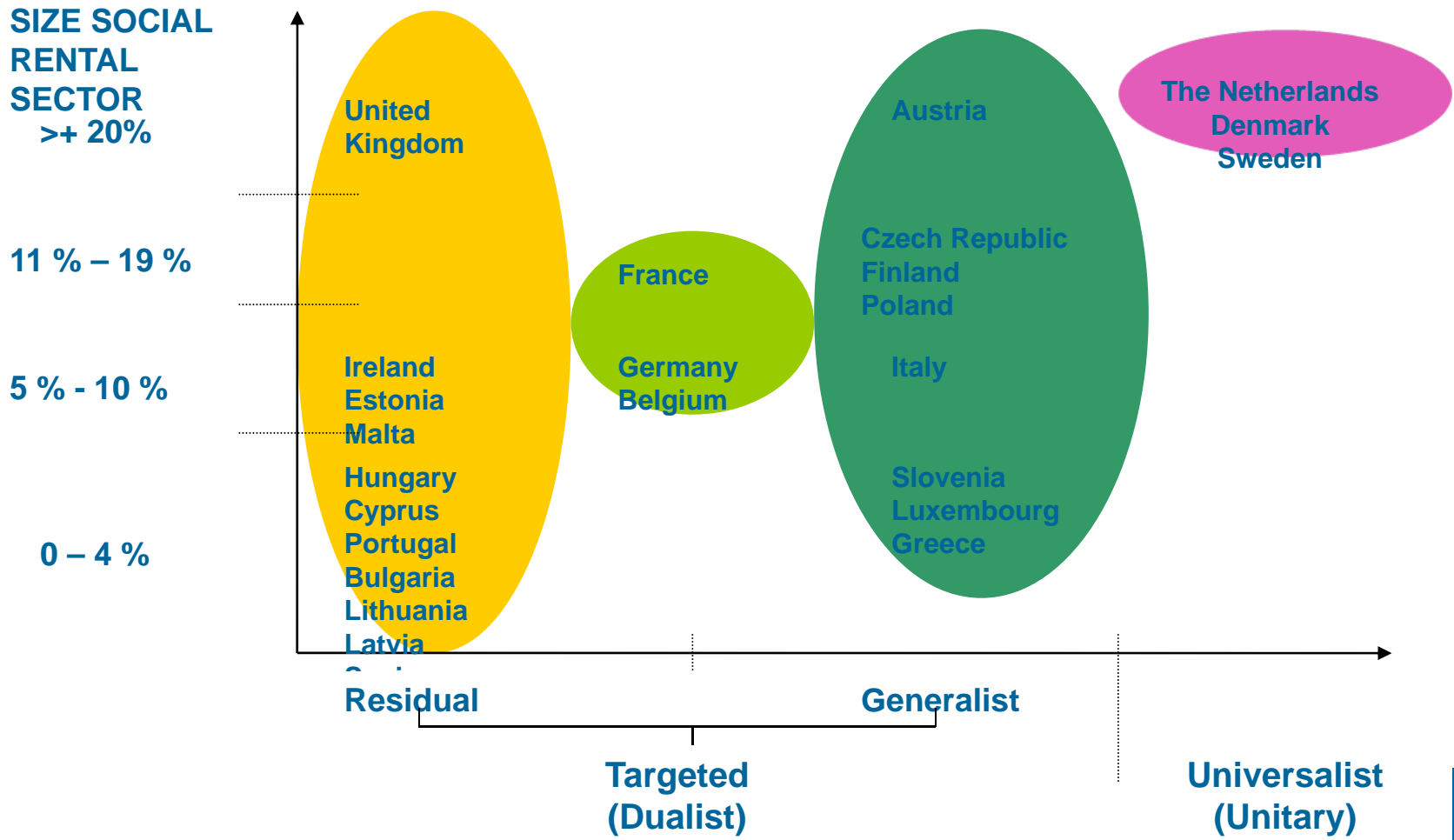
CECODHAS Housing Europe is the European Committee for social and cooperatives housing, a network of national and regional social housing federations gathering 4.500 public, voluntary housing organisations and 28.000 cooperatives housing.

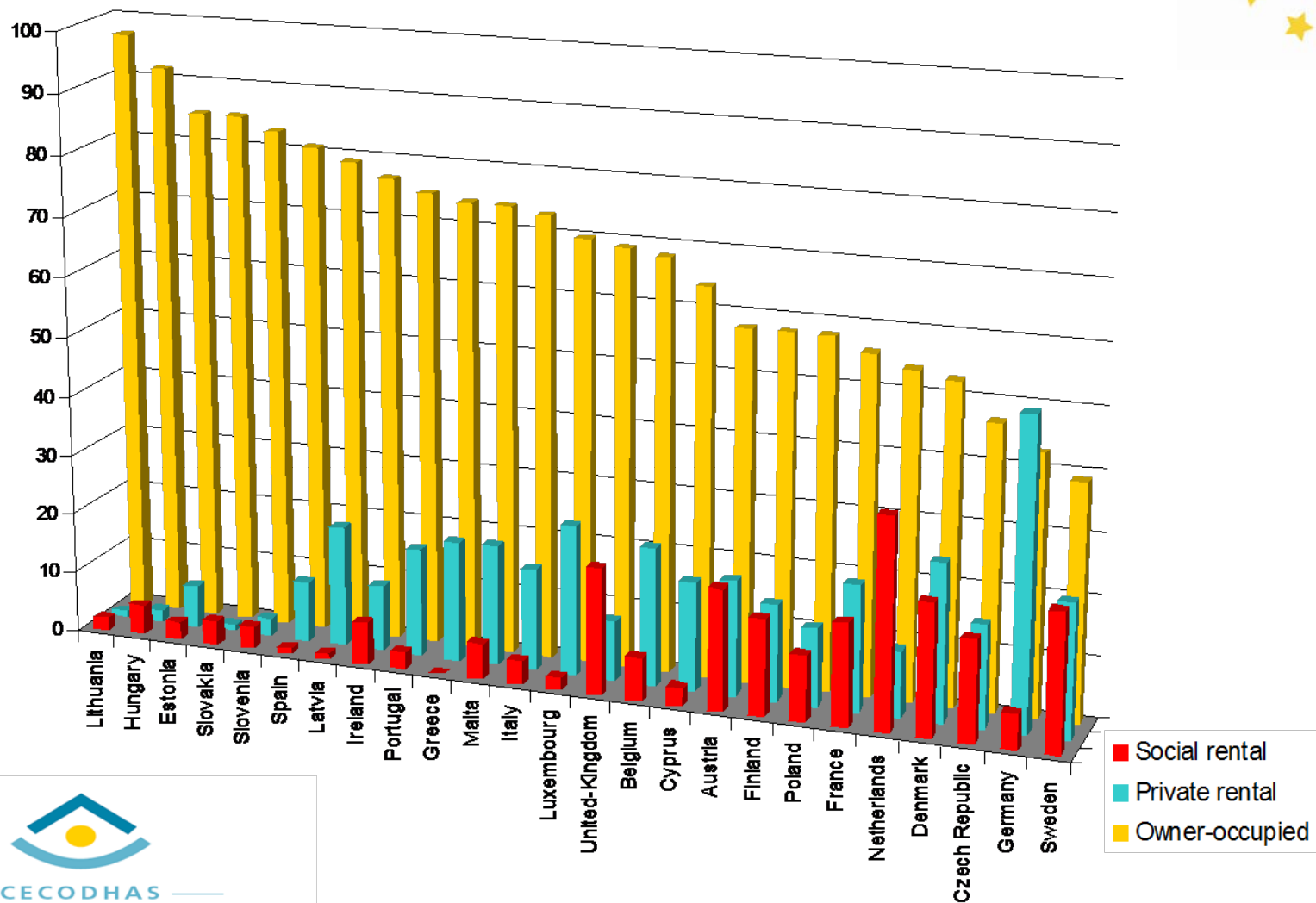
Together the 45 members in 19 EU members States manage 25 millions dwellings.

CECODHAS MEMBERS
Stock owned as rental or cooperatives by CECODHAS members as % of the total housing stock in each country (including secondary residence)



Typology of approaches to social housing





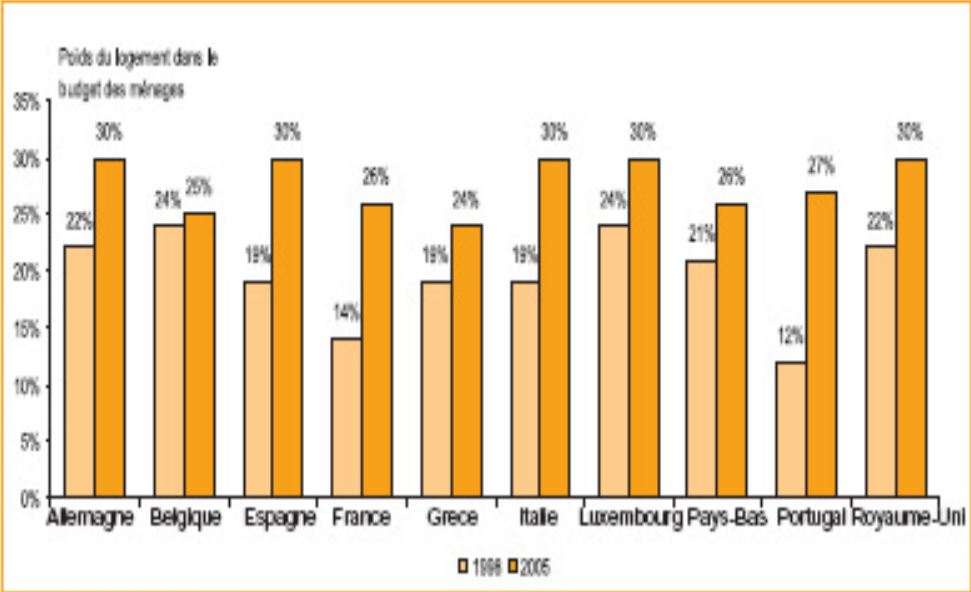
Source: CECODHAS-USH-Dexia (2007)

Common challenges: increase housing and living costs



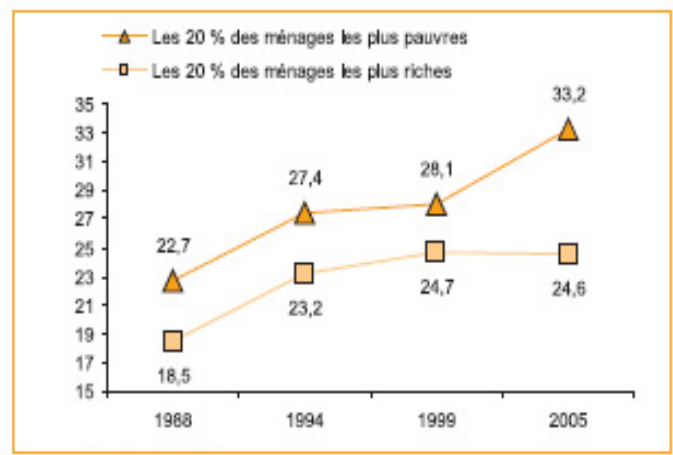
- Decrease of affordability and Lack of affordable housing, increasing pressure on the social housing sector

Evolution housing expenditures (1988-2005)...



Source : données Eurostat.

Lowest and highest income quartile



Source : données Eurostat.

Social housing and district heating: a mixed picture

- ❑ Very different national context: from all stock connected to none
- ❑ In Germany: often strong partnerships if developed by stadtwerke
- ❑ Example in Italy: district heating company providing all heating services to public buildings in Brescia, owned by housing public organisation
- ❑ Example in France: district heating taking social housing as experimentation field
- ❑ In Sweden, with privatisation, rise in prices
- ❑ In Poland: heating: a social issue

In 2006 residential sector account for 10,38 % of the emissions of greenhouse gasses (EEA).

Potential CO2 reduction in the sector through renovation existing dwellings is about 75% (ILO).





Our Copenhagen offer

25 millions of dwellings to be refurbished

Integrated solutions: don't size the system before to reduce the needs

So first invest in energy efficiency of dwellings, then on best solution for heating as local as possible

Financed mainly through:

- ★ **GHG emissions auctions revenue:** Carbon trading can provide a reliable source of financial support for retrofitting.
- ★ **White certificates:** Under the right conditions more social housing organizations could become key players in the white certificate markets.
- ★ **Structural Funds** Use of cohesion policy for refurbishment of existing stock to be reinforced and strengthened in post 2013.





But we cannot do this alone: What do we need to achieve our vision ?

1. INVEST

- ★ **Provide upfront grants** to support energy and resource efficient refurbishment of the housing sector with a focus on vulnerable households which have no access to green credit and on vulnerable tenants. It can be done through structural funds and the creation of adapted financial tools.
- ★ **Expand on the Covenant of Mayors** by promoting the commitment of local authorities to develop climate change strategies and ensure easy access to EIB Funds and the establishment of ethical funds.
- ★ **Empower Citizen through Green Living Agencies, established locally in partnership with local authorities**, as one-stop-shops to support the transformation.
- ★ **Boost training**: the green construction sector must become an attractive employment option if the 4% refurbishment rate is to be reached and sustained. **Only a sector which offers quality secure jobs will deliver effective energy efficient refurbishment.**



2. IMPROVE LEGAL AND TAX FRAMEWORK

- ★ **Promote tax incentives:** Green investment in the housing sector making sure incentives are not available only to middle class households but to tenants and poor homeowners;
- ★ **Ensure Sustainable Development:** Emissions produced during construction, energy needed for use of the building due to location must be reduced. The promotion of the whole-life-cycle approach in construction is needed;
- ★ **Improve coordination:** Coordination of professionals and capacity building of actors is needed to achieve the retrofitting boom. A catalogue with products and materials complying with sustainable criteria could develop the green buildings market;
- ★ **Rethink housing costs:** The Promotion of a “living expenses” concept which integrates energy services in housing costs and provides refurbishment incentives to landlords.



3. DECENTRALISE EU ENERGY MARKET: Energy production for all

- ★ **Develop smart grid, smart meters** to facilitate the creation of smart green living places.
- ★ **Regulate decentralised production and consumption of energy** to better promote it.
- ★ **Ensure that energy is accessible and affordable for all** and energy poverty eradicated.
- ★ **Include a public service obligation** to contribute to energy efficiency in the liberalisation of energy markets by promoting systems such as white certificates.



Issues for the future

- ❑ Competitiveness of the district heating system extremely heterogeneous, thus trapping social housing tenants sometimes in very expensive heating solutions (the case in France when social housing is a key sector for experimentation)
- ❑ Lack of integrated approach when refurbishment projects are undergone: also not enough flexibility of price (price of district heating calculated without taking in account of potential reduction of needs)
- ❑ Interesting practices towards general heating services companies jointly owned by our members
- ❑ a better balance between Connection /disconnection rights to the district heating and long-term stability for investors should be reached (cases of non-investment after the period of pay-back for the network)

Issues for debate

- ❑ Rethinking the governance: how to integrate customers/citizens needs and most importantly changing needs
- ❑ Encourage the most competitive district heating systems in future call and implentation
- ❑ Think about integrated solutions (what is the point of district heating if all dwellings are passive)
- ❑ Adapt district heating prices to the energy efficiency curve : a win –win situation for customers and owners of the network





Thank you for your attention

For more details visit our

<http://www.powerhouseeurope.eu/forum/showthread.php?t=168>

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