



EuroPACE: Integrated building improvement platform for Europe

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Building renovation is at the heart of the Clean Energy Transition

- Buildings are responsible for the largest share of European final energy consumption (**40%**) and they represent the greatest potential to save energy - **80%** of existing buildings in the EU were built before 1990 with very limited, energy-related building codes and the energy intensity of heating per floor area is two times higher than any other region of the world
- Buildings are long-term assets expected to remain useful for 50 or more years and **75-90%** of the EU's existing building stock is expected to still be in use in **2050**
 - New buildings are only built at a rate of **~1%** a year
- **97%** of all European buildings need to be upgraded - the renovation rate must increase from **1 to 3%**

These goals cannot be reached without significant private capital





Building renovation is about people

- We spend **90%** of our time indoors
- **1 in 6** Europeans lives in unhealthy homes, which can lead to a **40%** higher chance of developing asthma
- Additional savings: improving the energy performance of buildings addresses a root cause of energy poverty. An energy efficiency home guarantees permanent energy savings **year on year** and leads to lower energy bills for all citizens
- Retrofitting has a positive impact on property value – studies in the EU and individual Member States have consistently proved this link to be true (**between 5% and 12%** depending on MS and location); and secondly, that EE borrowers have a lower probability of default. This is because the consumer has more disposable income as a result of savings on the energy bill





Making it happen



Legislation



Financing



Action



Capacity sharing



A need for innovative solutions that work for European citizens and public authorities, while leveraging on private capital

PACE + Europe = EuroPACE

- EuroPACE is based on the idea that building renovation is not just a private business, but a **public priority**
- EuroPACE is a financing platform, inspired by a **PACE financing model pioneered in California**
- Improving homes and commercial buildings is considered a public good, thus, cities can use their **power of taxation to collect PACE payments, with property taxes and other local charges**
 - PACE is often called **on-tax financing**





EuroPACE: unique financing elements

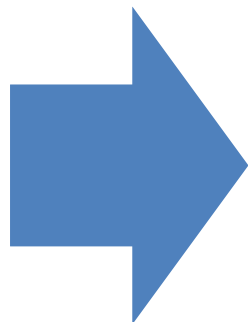
- **100%** financing through private capital
- Long term - up to **25 years** – cash flow positive projects
- **Transfers** to the new owner upon sale
- Simple re-payment
- Low-risk financing
- EuroPACE is a **senior lien on the property**, recorded as **separate charge** on a regular property tax bill
- Collected in the **same manner** as property taxes and charges
- EuroPACE payments **segregated** from municipal budget thus, EuroPACE financing **is not a liability** for the local authorities. **No acceleration** in the event of foreclosure or default
- Financing stays with the **property**, not the property owner





EuroPACE: One-stop shop at its best

Renovation can be stressful, expensive and difficult. EuroPACE makes it easy, affordable and reliable for **all Europeans**



- Simple, digital and fast approval process with **technical assistance**
- Strong **consumer protection** policies
- Focus on **affordability** and coupling with existing grants/subsidies
- **One-stop shop** that brings together financing, contractors and technical assistance; aimed to combine unique financing aspects with people-centric deployment

EuroPACE overcomes **demand side** barriers to energy efficiency investment.

Has the potential to build a scalable, standardized pipeline of **securitizable** projects





EuroPACE: follow the rules

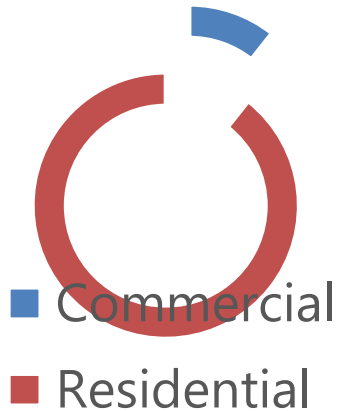
Energy Services Contractors Are Trained and Agree to Follow the Rules

Every contractor trained by the EuroPACE program will agree to follow our guidelines, which includes consumer safeguards, based on the best practices in the US





\$5.7B Invested in Projects



1.5 Million Cars Taken Off the Road

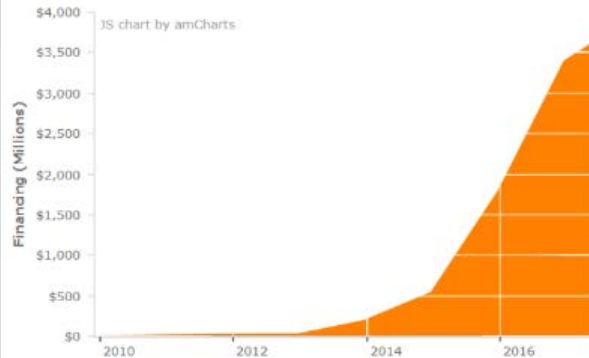


45,000 Local Jobs Created

Improvement Breakdown, R-PACE



Residential PACE



220,000 Homeowners used PACE to improve their homes



Love Your Home: Glen & Linda





EuroPACE: Our 3 year plan

- Assess Market Readiness: Conduct market review to determine viability and attractiveness of EuroPACE financing across **EU-28**
- Deploy EuroPACE in Spain: Design and run the first residential EuroPACE pilot in the city of **Olot** (Catalunya, Spain)
- Scale EuroPACE Across Europe: Facilitate and support **4 Leader Cities** willing to set up EuroPACE programs





EuroPACE Readiness in Central and South-Eastern Europe

 Hungary – Very Adequate

 Bulgaria – Moderately Adequate

 Slovakia – Less Adequate

 Latvia – Not Adequate

Methodology entails 3 main criteria:

1. Legal framework suitability (developing on-tax financing mechanism)
2. Municipalities' capacities
3. Legal guarantee mechanism (level of property tax non-payment etc.)



EuroPACE: Project Partners



8 organizations from 4 countries





Thank you

Thank you!



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