

Energies POSIT'IF

*One-stop-shop for
Low energy refurbishment of
condominiums in the
Île-de-France Region*

Covenant of Mayors Investment Forum
Energy Efficiency Finance Market Place
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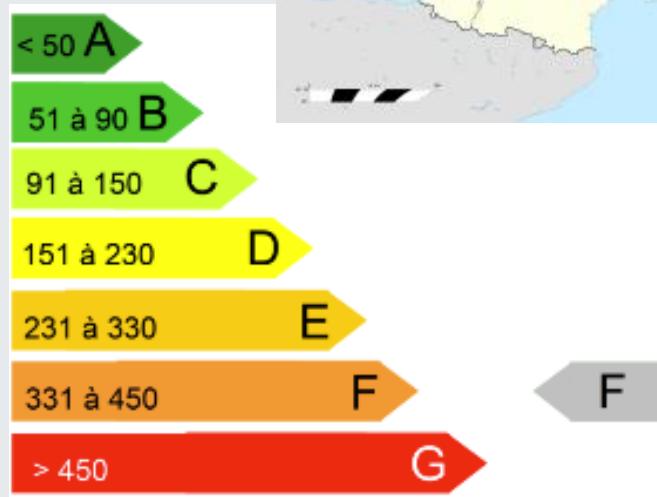
CONTEXT

In the Île-de-France Region

- **4.7M** dwellings of which **72%** are collective buildings
- → Priority target of **1M rated in** energy classes **E, F, G** (230 to 450 kWh/m²/annum)⁽¹⁾

Constraints impacting renovation programmes

- Non-professional management of buildings (co-owners)
- Diversity of situations
- Long decision-making processes
- Lack of trust of companies
- Financing schemes not adapted to long-term payback investments (over 15 years)

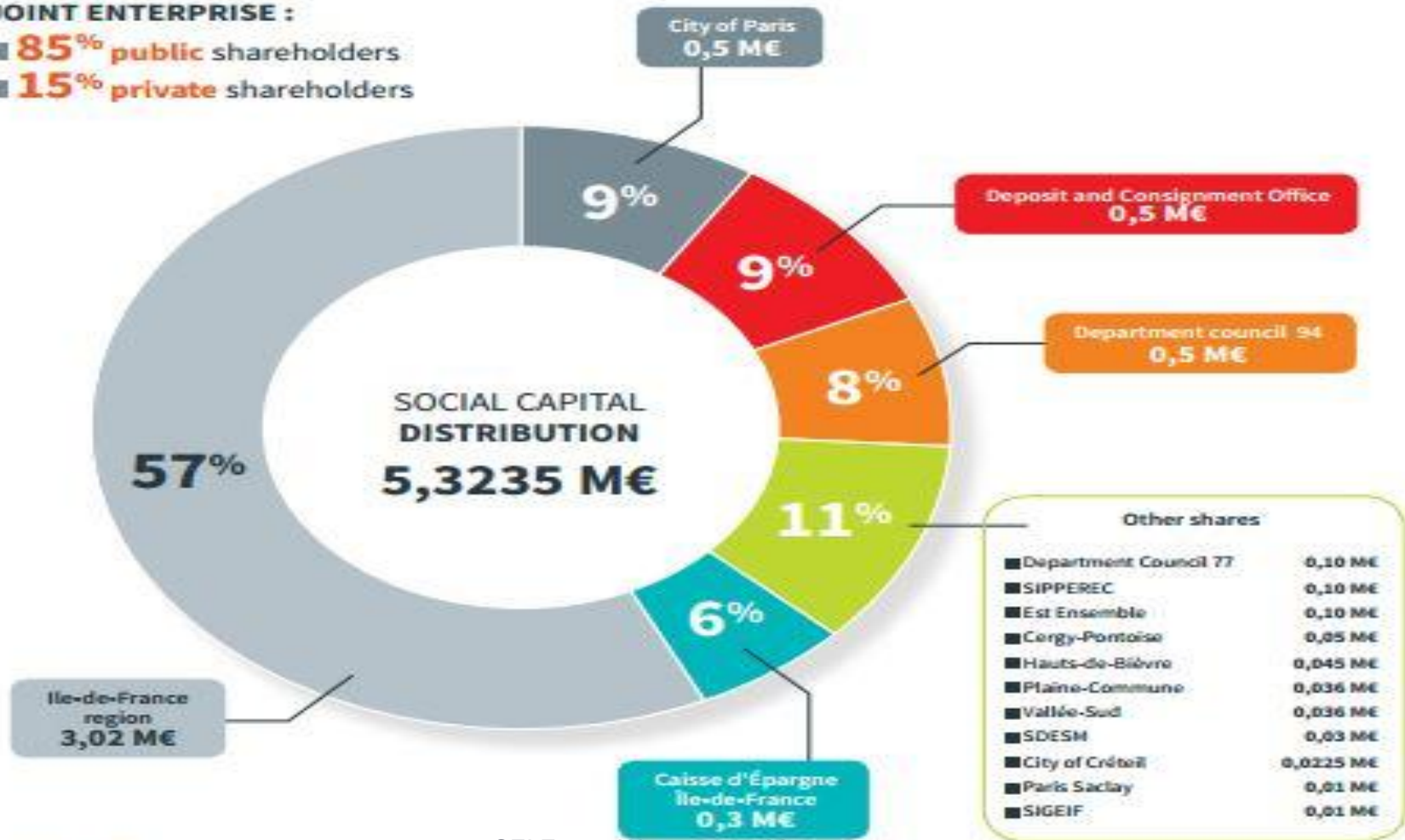


⁽¹⁾ The average consumption of the housing stock is 220kWhpe/m²/y (heating and domestic hot water) and 330kWhpe/m²/y when including cooking and specific electricity.

ENERGIES POSIT'IF SHAREHOLDERS

JOINT ENTERPRISE :

- **85%** public shareholders
- **15%** private shareholders



OBJECTIVES

- **Increase condominium confidence and expertise**
 - Stimulate investment in renovation projects
 - Support high standards in thermal retrofitting: min. **40% energy saving**
- **Business based on 3 innovations**
 - One-stop shop for energy renovation
 - Tailored financing solutions
 - Third-party financing

2017
2020

10 000 dwellings
renovated
€ 250M investment

ENERGIES POSIT'IF OFFER TO CONDOMINIUMS



HOW TO MAKE RENOVATION HAPPEN

- Prove the co-owners it is good for them collectively + individually
 - Is it profitable ?
- Make it feasible (mostly financially)
- **Communication** is key. Share info with the right persons at the right time
 - Meetings with General assembly, board, trustees...
 - But try to keep it cheap...
- Keep quality high : local authorities bring trust, only good record keeps it

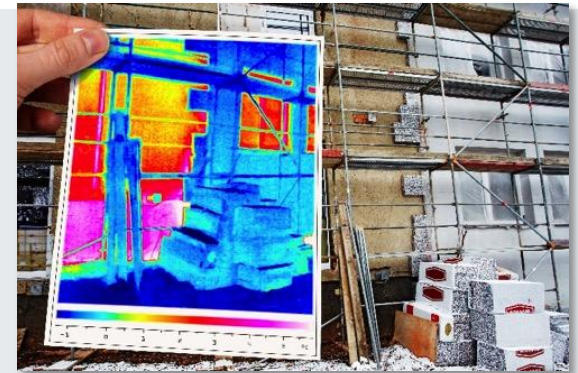


IS THE RENOVATION OF A COLLECTIVE BUILDING PROFITABLE ?

How to finance the renovation project?

Energy savings

Payback time between 15 and 40 years
Average residency 7 years

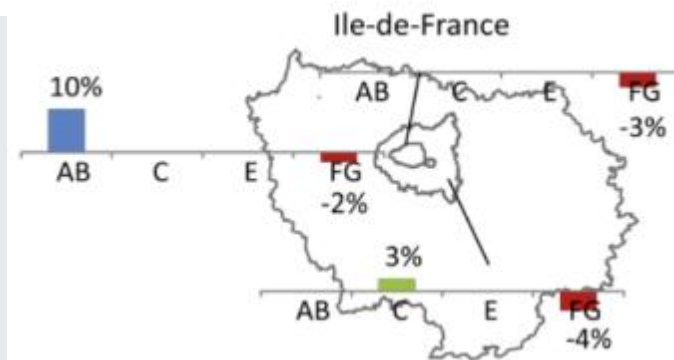


IS THE RENOVATION OF A COLLECTIVE BUILDING PROFITABLE ?

How to finance the renovation project?

Energy savings

“Green value” of real estate



An A/B-rated apartment is worth an average of 12% more than a F/G-rated one.

This is an average € 30k increase in the value of a € 250k apartment.

HOW TO FINANCE IT ?

How to finance the renovation project?

Collective grants

- Region council subsidy (Copro durable)
- White certificates

Individual grants

- Tax credits
- Direct subsidies from national / local authorities, etc.

Remainder

- Soft loans
- **Third-party financing**

THIRD-PARTY FINANCING

- *Third-party financing consists of financing the cost of the energy retrofitting through the energy savings generated in the long run.*
- The third-party financing company realises the project and provides the investment needed to implement the renovation works. After the works, the condominium repays the company over the long term, making it possible to have almost zero extra costs for the household.



THIRD-PARTY FINANCING

Path towards the implementation of the third-party financing

March 2014 - **Third-party financing** approved under French law



May 2015 - **IEB framework programme of € 400 million loan to support TPF vehicles** in the context of the Juncker Plan: € 400 million for French regions of which **€ 100M** to renovate 8000 to 10 000 dwellings over the next four years in Ile-de-France



August 2015 - The Energy Transition law allows third-party financing companies to operate thanks to an **exception to the banking monopoly**

The next steps

- Obtain **ACPR** (bank and insurance regulator) **autorisation**
- Capital increase

LA TRANSITION ÉNERGÉTIQUE pour la
CRÉATION VERTE

MAJOR ACHIEVEMENTS



- Energies POSIT'IF is **a reference** for several French regions → 6 out of 13 regions have created / are creating a public / private third-party financing company

LESSONS LEARNT, WHAT WE SUCCEEDED ON

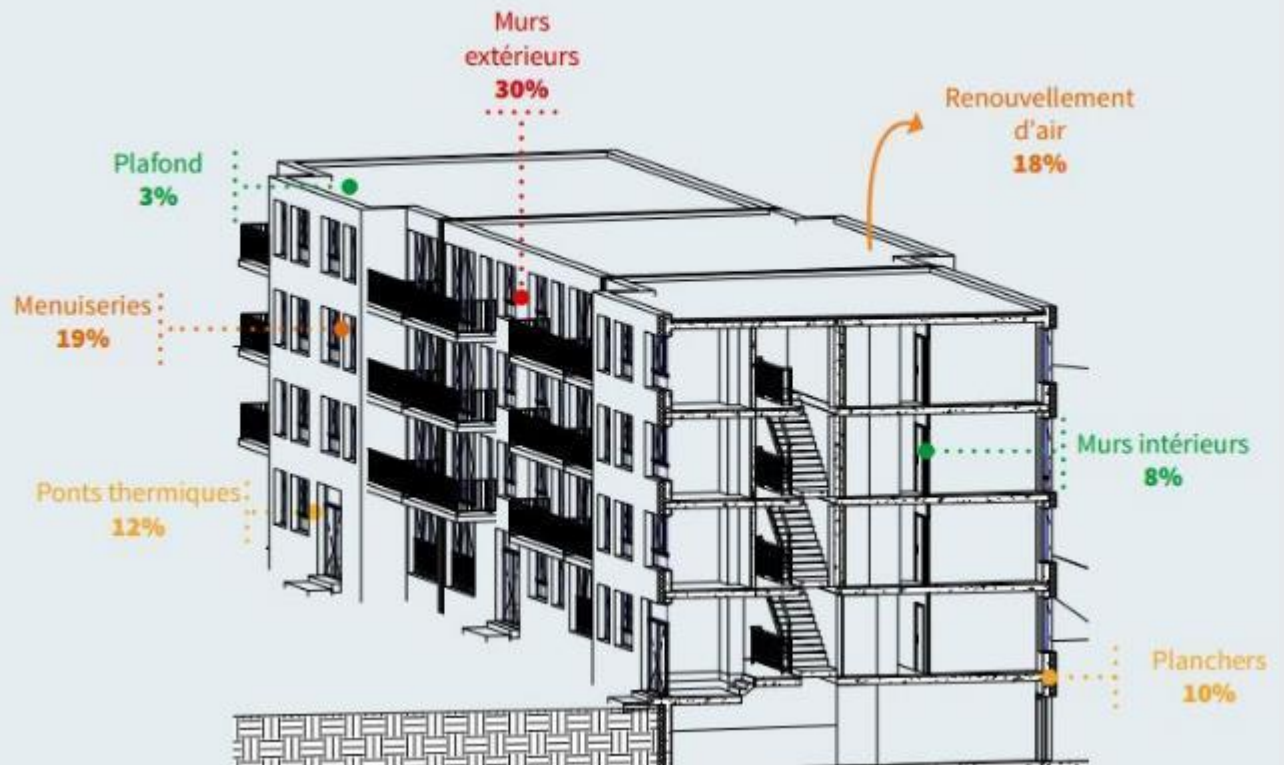
- Very positive to be a public private company on the condominium sector: it brings trust
- Build partnerships with existing companies with expertise: it will make your offer faster and better accepted (subcontracting of studies)
- Very important to offer the condominiums a single contact point during the whole project (5 years!)
- Strong political support from the left wing regional government that initiated the project...and the right wing government that won regional election in Dec 2015.
- Our company is small: we need to network, share experiences
- Be flexible, the market gaps to fill in have change year after year

LESSONS LEARNT, WHAT WE DID NOT –YET- SUCCEED ON

- Third party financing has been long to implement because the legal national framework, check it
- TPF is still hard to implement because of surety obligation
- Decision making process is very long in condominiums: we still need to find way to shorten the whole business cycle (3 years of studies, 2 years of works)
- We have solutions for TPF financing on the medium term (4 years)... but we need to find long term financing solutions
- Doing what has never been done always takes longer than you think
- If private sector does not address certain sectors, this is often because it is not a mature market yet...
- Deep renovations are necessary but the policies are not always compatible with it!

CASE STUDY

RÉSIDENCE DU PARC IN SOISY



RENOVATION PROGRAMME

48 co-owners / apartments
Global cost: **1 233 937 € TTC**
Energy consumption before:
223 kWhep/m². an
Energy consumption after:
104 kWhep/m². an

=
53 % savings

Ventilation and heat distribution improvements

- New condensing boiler
- Solar thermal panels for hot water
- Renovation of the heat distribution system
- Humidity-sensitive ventilation

Insulation and architectural improvement

- External thermal insulation
- Roof insulation
- Double glazing of windows and shutter replacement for all apartments

FINANCING PLAN - EXAMPLE

1 A family eligible for ANAH grants for a very low income household



■ Monthly repayment on a joint loan over 15 years: **€99**

■ It becomes **€20** after deducting the subsidies and energy savings

2 A family not eligible for ANAH grants



■ Monthly repayment on a joint loan over 15 years: **€ 170**

■ It becomes **€ 85** after deducting the subsidies and energy savings

THANK YOU FOR YOUR ATTENTION

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