1st Webinar

Aggregation of projects in an area-based approach

The experience in the Region Hauts-de-France

29th April 2020
(09:30-10:30 CEST)
Via GoToMeeting
Moderated by:

Presented by Hélène Sibileau
EuroACE Senior EU Affairs Manager
Guidance

• You are kindly asked to remain muted
• No cameras for the whole duration of the webinar
• Only speakers and moderator will stay unmuted
• A 20-25 minutes Q&A session will follow the main presentation
• Ahead of, and during, the Q&A session, questions will have to be sent to “Everyone” in the GoToMeeting chat box.
• Questions should be as concise as possible and specify to whom they are directed
• The moderator will group questions and then address them to the speakers
• If time does not allow to cover all questions, they will be forwarded to the speaker for later response
• The PowerPoint presentation and questions will be shared with you in due course
Introduction

Julie Kjestrup
President of EuroACE
Presentation by:

Adrian Joyce
Secretary General of EuroACE
About EuroACE

12 Member Companies, Cross-sector representation:

More than 200,000 employees

More than 900 production facilities and office locations in the EU
Improving the energy efficiency of buildings and reducing their energy demand is the most cost-effective method of:

- Creating employment and securing economic growth
- Providing Europeans with comfortable and healthy homes
- Meeting carbon reduction targets
- Achieving energy security
EU-wide political communications campaign

Focuses exclusively on ambitious energy *renovation* of the building stock, motivating EU and national institutions to take action

38 partners, including 14 at national level

High political support with the *Champions Together for Renovation*

#PrioritisePeople
#AccelerateRenovation
Showcasing best practices...

- All information about exhibition available at https://www.renovate-europe.eu/reday/reday-2019/online-resources/
Today’s discussion

An area-based approach linked to technical assistance and how it has been successful in a Region of France

Short reminder of the EuroACE views on this topic

Keynote presentation will follow from Elodie Denizart the Region of Hauts de France
Area-Based Approach

What is an *Area-Based* Approach?

- Define a group of buildings closely located to each other based on ratio of worst-performing buildings (or other criteria)
- Plan to renovate all buildings in the defined area at the same time
- Ensure significant *enabling measures* are available

Advantages

- Achieve economies of scale
- Permits improvement of all parts of an area
- Helps avoid feelings of discrimination
- Consolidates communities
- Urban regeneration/just transition in action
Which *Enabling Measures*?

- Coherent long-term renovation strategies
- Targets for the energy demand reduction for each area or building typology
- Binding minimum energy performance standards when renovating
- Independent technical assistance at all stages
- Financial instruments tailored to each consumer segment
Area-Based Approach

Local Governance

- Experience shows that trust is built close to home
- Many cities and regions have regulatory powers
- Early experience with area-based programmes is positive (France)
The experience of Hauts-de-France

Elodie Denizart
EU Policy Officer, Permanent Representation of Hauts-de-France Region to the European Union
Regional strategy for private home renovation
REGIONAL CONTEXT
WHERE IS HAUTS-DE-FRANCE?

- Northern France
- Region of **6 million inhabitants**
- Administrative merging of the 2 former regions **Picardie** (2 million inh.) and **Nord-Pas de Calais** (4 million inh.) in 2016
REGIONAL CONTEXT FOR PRIVATE HOMES

- 2.5 million of primary residences within which:
  - 60% (1.5 million of homes) built before the thermal regulation of 1975

- Regional specificity: the part of detached houses (71%) much more than the national average (56%)

- The structure of the housing stock varies a lot depending on the territories:
  - Big volumes on the Lille Metropole area, as well as Dunkerque and Amiens
  - Most energy « sieves » in the rural areas, as well as some of Lille Metropole sectors
POLITICAL FRAMEWORK FOR PRIVATE HOME RENOVATION

- **2013**: creation of the Regie for the Public Service for Energy Efficiency (PSEE) by the Picardie Region
- **2014-2017**: EIB-ELENA (experimentation to renovate 2,000 housing units)
- **2016**: administrative reform / merging of Picardie and Nord-Pas de Calais // 2 operational programmes for structural funds 2014-2020
- **2017-2019**: extension of the ELENA facility
- **2017-2020**: Interreg 2 seas project Triple-A
- **2019-2020**: setting-up of a new regional strategy on private home renovation for 2020-2024, including:
  - Deployment of the Pass Renovation / Public Service for Energy Efficiency
  - Development of Housings one-stop-shops at local levels
FOCUS ON THE PUBLIC SERVICE
FOR ENERGY EFFICIENCY (PSEE)
INITIAL CONTEXT AND OBJECTIVES

Housing stock in Picardie

- 65% homeowners
- 74%
- 750,000

Political impulse in 2012 - 2013

Need to aggregate individual projects in order to

→ Create a virtuous circle for local economy: funding of renovation works performed locally through savings on energy bills (i.e., losses for the local economy)

→ Be able to impact both supply and demand through a new market

Per capita income below average and higher unemployment rate
Energy bills higher by 23% than average
ABOVE ALL: THE QUESTION OF TRUST

« Tiers de Confiance »

- Definition of the good works « Be ambitious! »
- Financing solutions
- Selection of enterprises / quality of the works
- Monitoring after works

- Upskilling in technical and administrative issues
- Organisation / Grouping
- Security of payments
IDEAL SCHEME // ACTUAL EXAMPLE

-50% on bills → 100% of the monthly payment

-49% on bills → 70% of the monthly payment
PROJECT FOLLOW-UP DURING ALL THE PHASES

1. Before the works – work program definition
   Energy savings ≥ 35%

2. During works
   Consultation / Selection / Works supervision
   Architects & work companies
   Quality / Schedules

3. After the works, follow up during 3 years / Eco coaching
   Limit rebound effect
   Limit financial risk
2 DIFFERENT SETTINGS FOR 2 DIFFERENT TARGETS

**For detached houses**
- Accompanying the owners for an ambitious job
- Secure energy savings
- Accompaniment with an adapted financing

**For condominiums**
- Management of multi-stakeholder projects
- Regulatory obligations
- Cost control
2 DIFFERENT SETTINGS FOR 2 DIFFERENT TARGETS

Detached housings

Formule 1
ACCOMPAGNEMENT TECHNIQUE & FINANCIER
1860€ TTC

- Réalisation d’un audit énergétique du logement
- Conception du programme de travaux
- Recrutement des entreprises
- Accompagnement au suivi du chantier
- Avance du financement
- Paiement des entreprises
- Suivi des consommations pendant 3 ans

Formule 2
ACCOMPAGNEMENT TECHNIQUE
1200€ TTC

- Réalisation d’un audit énergétique du logement
- Conception du programme de travaux
- Assistance dans le recrutement des entreprises
- Assistance sur le suivi du chantier
- Suivi des consommations pendant 3 ans

Condominiums

Phase de conception (audit et programme de travaux)
signature contrat d’abonnement
coût de service : 300€/logement

Phase de consultation des entreprises
signature contrat d’abonnement
coût de service : 300€/logement

Phase travaux et suivi post-travaux
cost of service : 300€/logement
soit 900€/logement si le projet aboutit à la réalisation des travaux
## PSEE Financial Framework

### Charges

<table>
<thead>
<tr>
<th></th>
<th>Hypothesis (for 2000 SFH projects – 3y)</th>
<th>Done 2014-2019 (~1700 projects SFH + MFH)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works</td>
<td>56.9 M€</td>
<td>40 M€ (33 M€ already engaged)</td>
</tr>
<tr>
<td>Service activity (internal staff, renovation technicians, operating costs,...)</td>
<td>9.0 M€</td>
<td>10 M€</td>
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### Resources

<table>
<thead>
<tr>
<th></th>
<th>Hypothesis (for 2000 SFH projects – 3y)</th>
<th>Done 2014-2018 (~1700 projects SFH + MFH)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional council Initial provision</td>
<td>8.0 M€</td>
<td>8.0 M€</td>
</tr>
<tr>
<td>Refinancing loan</td>
<td>47 M€ (EIB and CDC)</td>
<td>35.5 M€ (18 M€)</td>
</tr>
<tr>
<td>PSEE service</td>
<td>3.4 M€ (1550€ / SFH project)</td>
<td>1.65 M€ (1550€ / SFH project &amp; 750€ / app.)</td>
</tr>
<tr>
<td>Subsidies (ELENA, ERDF / CPER, other projects)</td>
<td>3.3 M€</td>
<td>4.7 M€</td>
</tr>
<tr>
<td>Energy savings certificates</td>
<td>4.2 M€</td>
<td>2.3 M€</td>
</tr>
</tbody>
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15% of loans to homeowners + working capital requirements
THE COST OF THE ACCOMPANIMENT

<table>
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<tr>
<th>Projects typology</th>
<th>Fee (€) Without taxes</th>
<th>Real external costs (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Houses</td>
<td>1550</td>
<td>3450</td>
</tr>
<tr>
<td>Condominiums</td>
<td>750</td>
<td>1805</td>
</tr>
</tbody>
</table>

- Energy savings certificates to balance the costs but:
  - volumes are difficult to evaluate
  - valuation of energy certificates depends on the market

- Subsidies to cover part of the Regie internal costs
RESULTS – END 2019

- 635 renovated houses
  - Received subsidies
  - ~43 k€/house

- 12 condominiums (1008 flats)
  - ~16 k€/flat
  - 860 companies
  - 645 loans 70 to 80% of global cost

~40 M€
THE CONSTRUCTION SECTOR

PROFIL DES ENTREPRISES PARTENAIRES

78% TPE
22% PME

ENTREPRISES EN GROUPEMENT

96%
4%

CHANTIERS PAR ENTREPRISES

69%
25%
3%
3%

2 À 5 CHANTIERS
6 À 10 CHANTIERS
11 À 20 CHANTIERS
>20 CHANTIERS
EMPHASIS ON THE FINANCIAL SUPPORT

→ SPEE takes charge of the full amount of the works
  Direct payment to construction companies

  **Advantage**: quality management

→ SPEE collects the subsidies for the homeowners and the condominiums

  **Advantage**: not necessary to wait for the subsidies to start the work → deadlines reduction

→ Homeowners start to repay at the end of the works
  - over 15 to 25 years
  - a reasonable interest rate (2,5%), no penalty in case of early repayment
  - loan duration : 25 years

→ also accessible to owners of apartment in condominiums
  - in addition to existing group loans (ECO PRET COPRO, Domofinance, Crédit Foncier)
RISK ASSESSMENT

ROI: Rest of income (all resources – all recurrent financial burdens)

ROI\_limit: limit of ROI to live properly (depends on family composition)

LTV: Loan to Value
ENERGY SAVINGS

Average measured energy savings 45%
62% of the monthly payments covered by energy savings
Average financial package: subsidies 13%
self-financing 17%
1/3 party direct financing 70%

645 active loans (🏠: 494 / 🏢: 151) - 19,3 M€

doubtful loans: 1,7%
BEST PRACTISE IDENTIFIED AT NATIONAL AND EUROPEAN LEVELS

Video on the 7 third-party funding organisations in France:

https://www.youtube.com/watch?v=YvqV0zTM6Bo&list=PLvlJoZ77CV32iz5yRz_pXS4xEF_EFJfjf
FROM A PUBLIC SERVICE TO A REGIONAL PROGRAMME FOR ENERGY EFFICIENCY
THE REGIONAL PROGRAMME FOR ENERGY EFFICIENCY

- Development of housing one-stop-shops for all local territories in Hauts-de-France (3 waves of calls for tenders)
- Development of tools to favour the massification for private homes renovation: digital tools / softwares, housing energy passport…)
- Accompaniment of households in their renovation (regional support, PSEE, OSS…)
- Regional partnerships with public and private actors of housing renovation (building sector and craftsmen federations, social housing, resource center…)

Réunion Hauts-de-France
THE HOUSEHOLDS PATHWAY FOR RENOVATION IN HAUTS-DE-FRANCE

High bills?
Badly isolated homes?
Works needed?

Local One-Stop-Shop

Energy diag / passport
Proposal for works programmes

Auditors
Regional tools

Works achievement
Technical accompaniment
Option: financial accompaniment

Local territories service
Region service
PSEE Regie

Post-works monitoring
Eco coaching
During 3 years

General information on all the disposals
Orientation depending on the projects

To qualify the demand
If owners wish an accompaniment

PSEE subscription cost
SOME EXAMPLES OF

RENOVATIONS
Maison rurale à Belleuse, Somme 100m², construite en 1850
54 000€ de travaux

Maison rurale à Étréaupont, Aisne 95m², construite en 1960
20 300€ de travaux

Maison de ville à Liomer, Somme 95m², construite en 1880
66 000€ de travaux
Pavillon post-68 à Sissonne - Oise
Travaux d’isolation, changement des menuiseries, installation d’une VMC hygroréglable, installation d’un répartiteur de chaleur
Montant total : 72 587€

Maison brique type ouvrier à Creil - Oise
Travaux d’isolation (combles, murs et plancher), changement des menuiseries, Installation d’une VMC hygroréglable
Montant total : 19 805€.

Maison rurale à Lalandelle - Oise.
Travaux d’isolation, changement des menuiseries, installation d’un poêle à granulé
Montant total : 37 700€
Maison bourgeoise à Hirson - Aisne  
Travaux d'isolation, dépose totale du plancher du grenier, changement des menuiseries, installation d’un insert bois  
Montant total : 48 600€

Habitat ouvrier à Courmelles - Aisne.  
Travaux d'isolation, changement des menuiseries, installation d’une VMC hygroréglable, installation d’une chaudière à condensation  
Montant total : 39 000€

Pavillon des années 70 à Drucat - Somme.  
Travaux d'isolation, changement des menuiseries, installation de VMC mécanique, installation d’une chaudière fioul condensation  
Montant total : 51 000€

Maison individuelle à Lachapelle-aux-pots - Oise.  
Travaux d'isolation (toiture, murs et sous-face de plancher), changement des menuiseries, installation d’une VMC hygroréglable, installation d’une pompe à chaleur air, création d’un circuit central  
Montant total : 64 230€
Résidence Les Grands Jardins à Soissons

Construite en 1965, la résidence de 50 logements "Les Grands Jardins" installée à Villeneuve Saint Germain vient de connaître une rénovation d’ampleur avec l’accompagnement du Hauts-de-France Pass Copropriété. Une aubaine pour les copropriétaires qui espéraient ces travaux depuis des années !

ECOLOGIES D’ÉNERGIE
Consommation moyenne avant travaux : 261 kWhep/m².an
Consommation moyenne après travaux (selon étude) : 140 kWhep/m².an
Estimation d’économie d’énergie : 42%

PROGRAMME DE TRAVAUX
- Isolation Thermique par l’extérieur des façades et pignons
- Isolation des panchers bas
- Remplacement des menuiseries extérieures des parties communes
- Installation d’une ventilation Hygroreglable
- Peinture des communes
- Calorifugeage du réseau de chauffage
- Isolation et étanchéité de la toiture terrasse
- Travaux privés d’intérêt collectif : Remplacement des menuiseries extérieures véhiculées en bois amples vitrages (volets roulants en option)

Coût des travaux : 788 525 euros TTC
Gîtes par mois moyenne : 1575 euros TTC
Le cœur de ville de Creil a retrouvé un sérieux coup de neuf. Depuis un an, les échafaudages de chantier ont laissé apparaître les belles façades rénovées de la copropriété « Albert Dugué ». Les 11 bâtiments, datant des années 1970, qui regroupent 75 logements et 22 commerces, s’harmonisent désormais parfaitement avec le paysage autour de l’église Saint Médard.

**PROGRAMME DE TRAVAUX**
- Isolation Thermique par l’Extérieur
- Ventilation
- Embellissement des balcons

Coût des travaux : 1 755 428 euros TTC
Dette-part moyenne : 19 431 euros TTC

**ÉCONOMIES D’ÉNERGIE**

Consommation moyenne avant travaux :
467 kWhp/m².an

Consommation moyenne après travaux (selon étude) :
281 kWhp/m².an

Estimation d’économie d’énergie : 40%
ANY QUESTIONS

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Q&A Session

Please be patient while Hélène Sibleau reads your questions to the speaker
Conclusions

Julie Kjestrup
President of EuroACE
Thank You For Your Attention!

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