

Energy efficiency friendly: tenancy & condominium laws the French experience

French Agency for Environment and Energy Management



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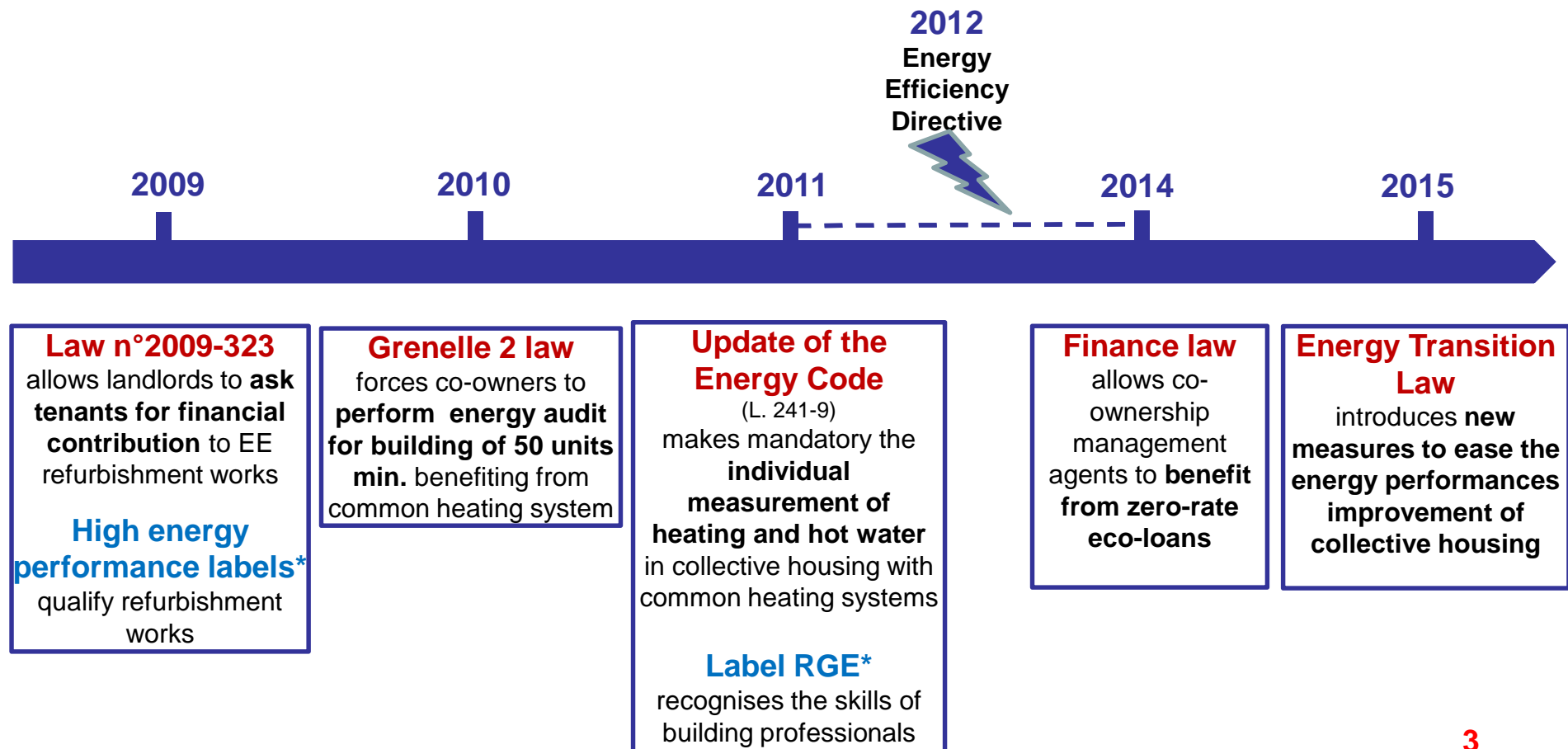
I. Background

II. New measures introduced by the Energy Transition law

III. The Zero-rated eco-loan : a French incentive adapted to co-owners

IV. Conclusion and perspectives for 2016

For many years different measures have been launched in France to support energy efficiency in collective housing by **reducing information asymmetry, measuring the energy performances and supporting financially energy efficiency works**



* not specific to co-ownerships but could contribute to asymmetry information reduction (NB: quality labels for new buildings have been launched in 2007)

Voted in August 2015 this law introduces various measures (215 articles) on different topics dealing with renewable energies, transport, building, and especially collective housing energy performances :

Article	Impact/status	Description
7	Urban plan modification	Allows certain renovation works without the respect of urban planning rules (outdoor wall and roof)
12	law 86-1290 modification (decree is pending)	Forces lessor to rent dwellings having minimal energy performances
14-I & 14-IV	Building code & and law 65-557 modifications (decree is pending for 14-I)	<ul style="list-style-type: none"> Forces co-owners to take into account energy performances when doing important isolating or restoring works, roof rehabilitation or room fitting Allows single majority vote of energy renovation works for co-owners
26	Implementation under discussion (measure expected to be in force within March 2016)	Forces owners of multi-unit rentals or condominium management agents to organize the individualization of heating and hot water measurement (quotations providing during general assemblies)
27	Energy Code modification	Clarifies which authorities are in charge of offences recording and sanctions if article L. 241-9 is not respected (individual measurement), and introduces maximum financial penalty (€1,500/year) per dwelling for owner or management agent

For more information : <http://www.developpement-durable.gouv.fr/Energy-transition-for-Green-growth>

Introduced by the “Finance law 2009” (*loi de finance 2009*) to allow **landlords** (occupiers or lessors) **to get a loan to fund energy efficiency works** (insulation, heating or water heating using renewable energies) **for their main residence** (if built before January, 1st 1990)

Updated in 2014 for co-ownerships → **various types of works eligible** (energy performances improvement, water treatment system renovation) **without obligation to perform a bunch of works**

Maximum amount granted

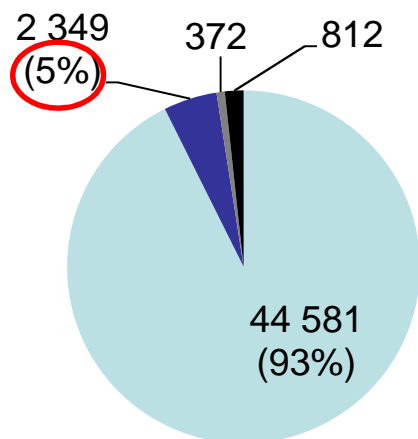
- For individuals: €30,000 refundable over 10 years (15 years in cases of heavy works or “3-action bunches”)
- **For co-ownerships : €10,000 per flat over 10 years** (up to €30,000 over 15 years if the co-ownership launches 3 different works)

Mechanism

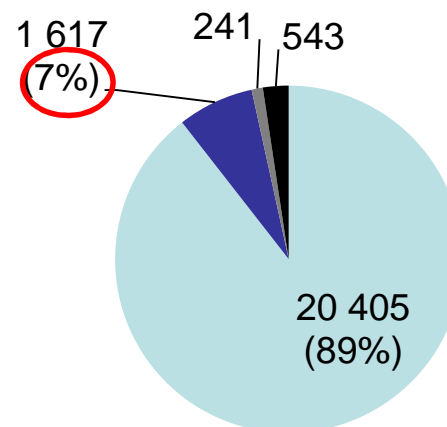
Loans are **granted by banks** which have concluded specific agreement with the French State under conditions fixed in the General Taxes Code (*Code Général des impôts*)

Distribution of direct beneficiaries of this scheme by type

2010



2014



More and more tenants are beneficiaries in proportion

on June 2015 they were 7,7% (since the beginning of the year)

Conclusion

- Legislation **is clearly an energy efficiency driver** but the **assessment of its sole impact is difficult** because it is often **supported by additional measures** such as executive orders, information campaigns, practical guidance and financial supports

Perspectives for 2016

- **Many decrees and orders** expected **to implement the recently voted law for Energy Transition**
- The French government will pilot a study aiming at assessing the **benefits of financial mechanism based on bonus-malus scheme** to promote good energy performances buildings
- The National Housing Agency (ANAH) will lead a **national program to renovate 5,000 co-ownerships** (announced on January, 11th 2016)

Thank you for your attention