

# Unlocking the energy efficiency potential in the rental & multifamily sectors

## WORKSHOP

Brussels, 20 January 2016

### Background

While the rental and multifamily sectors are associated with a significant energy efficiency potential, it is widely recognised that these are difficult sectors to tap into. Asymmetric information and split incentives are typically regarded as major barriers to fostering energy efficiency upgrades in rented and multi-unit properties both in the private and public as well as residential and commercial sectors. As Article 19 of the Directive 2012/27/EU on energy efficiency calls for Member States to take appropriate measures addressing this barrier, increased interest is drawn on how to design policies and measures that unlock the energy efficiency potential in these difficult-to-access sectors. Current solutions vary in nature, ranging from revised rent acts, green leases, on-bill finance mechanisms, minimum energy performance standards, use of inclusive rents and others.

On-going policy dialogue needs to address the following questions:

- Can regulations offer a silver bullet solution (e.g. by setting minimum energy performance standards in the rental sector)?
- Do we need energy rating schemes for occupancy use?
- What can be the role of smart meters in overcoming relationship asymmetries associated with traditional lease structures?
- Can innovative financial mechanisms such as on-bill finance mechanisms work in the EU?

### Agenda

08.45-09.00 Registration of participants  
09.00-09.20 Welcome note by DG JRC and introduction by DG ENER

#### **Session 1 The role of rent structures in scaling-up energy renovations**

09.20-09.40 The economics of capitalising efficiency investments  
*Erdal Aydin, Maastricht University, Netherlands*

09.40-10.00 Monetary value of energy efficiency and its impact on the value of the building  
*Risto Kosonen, Aalto University, Finland*

10.00-10.20 Willingness to pay for energy efficiency in the rental sector  
*Adan Leobardo Martinez Cruz, ETH Zurich, Switzerland*

10.20-10.40 How to avoid the poverty trap for tenants and prevent “renovictions”  
*Pasquale Davide Lanzillotti, International Union of Tenants*

#### **10.40-11.00 Q&A session**

11.00-11.20 Coffee break

#### **Session 2 Engaging commercial tenants in energy efficiency**

11.20-11.40 Tenancy ratings under the Australian Built Environment Rating System

- 11.40-12.00 *Chris Bloofield, Energy Action, Australia*  
From Energy Star to Tenant Star: the US experience  
*Adam Sledd, Institute for Market Transformation US*
- 12.00-12.20 Latest developments on the use of green leases in Europe  
*Bruno Duquesne, Lawyer at the Brussels Bar Partner CMS DeBacke, Belgium*
- 12.20-12.40 Overcoming barriers to energy upgrades in multi-owned properties: (1) lessons from the WICKED retail project and (2) residential issues  
*Susan Bright, Oxford University, UK*
- 12.40-13.00 Q&A session**

13.00-14.00 Lunch break

**Session 3 Legislations as an energy efficiency driver**

- 14.00-14.20 Study on Tenancy Law and Energy Efficiency  
*Christoph U. Schmid, Universität Bremen, Germany*
- 14.20-14.40 Energy efficiency and tenancy law – the German experience  
*Thomas Wöfl, KPMG Rechtsanwaltsgesellschaft, Germany*
- 14.40-15.00 Energy efficiency friendly tenancy & condominium laws – the French experience  
*Catherine Guermont, ADEME, France*
- 15.00-15.20 Roof insulation requirements in the rental sector in Flanders  
*Dorien Van Cauwenberge, Flemish Housing Agency, Belgium*
- 15.20-15.40 Q&A session**

15:40-16:00 Coffee break

**Session 4 Aligning multi-actor incentives through innovative financial instruments**

- 16.00-16.20 Success stories of on-bill finance programmes from the US and lessons for reaching rented properties  
*Philip Henderson, Natural Resources Defense Council, USA*
- 16.20-16.40 The Dutch experience with the revolving fund for landlords  
*Kees Jan Hoogelander, Netherlands Enterprise Agency, The Netherlands*
- 16.40-17.00 Addressing the barriers to energy efficiency - split incentives  
*Katarzyna Wardal, The Coalition for Energy Savings*
- 17.00-17.20 Q&A session**

**Session 5 Roundtable**

17.20-17.50 Discussion among MS representatives on the EED Article 19 implementation progress, remaining challenges and possible improvements in case of a future revision of the article

17.50 Wrap-up and conclusions

18.00 End of the workshop