

IMAGINE A BUILT ENVIRONMENT
THAT ENABLES A HIGH QUALITY
OF LIFE FOR ALL



CO-CREATING
AN AMBITIOUS
NATIONAL
RENOVATION
STRATEGY FOR
IRELAND

**Mini Workshop
Investing in Deep
Renovation Now**

7

*Irish Green Building Council –
Dublin*

Tuesday, 6th December 2016

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Funded by the Horizon
2020 Programme of the
European Union



Roinn Cumarsáide, Griomhaithe
ar son na hAeráide & Comhshaoil
Department of Communications,
Climate Action & Environment

SUMMARY

In early 2016, the Irish Green Building Council (IGBC), in conjunction with the department of communications, climate action and environment organised a series of workshops on [Ireland's National Renovation Strategy V.2](#). These events were attended by over 170 key stakeholders and led to the publication of a "[Declaration in 10 Points for a Better National Renovation Strategy](#)".

Since the beginning of the consultation process, workshop participants have consistently highlighted that Ireland is likely to be fined for not reaching its binding 2020 climate/energy targets. They have thus advised the government to invest the money in deep renovation now, instead of paying substantial fines in 2021 - [See recommendation number 3](#). A follow-up event was organised on Tuesday, 6th December to see how deep renovation could be better supported in residential and non-residential buildings.

Key Suggested Actions

- Invest more in communication and mentoring
- Set up a network of local, trusted and skilled advisors to support residential end-users and SMEs at all stages of the renovation process
- Consider introducing building passports
- Develop quality data on the co-benefits of deep renovation
- Support the development of [building performance leases](#) (commercial sector)
- [Extend Accelerated Capital Allowances for Energy Efficient Equipment \(ACA\)](#) to retrofitting solutions
- Introduce a reduced VAT rate for retrofitting solutions

Residential Sector

- **Private Housing Market**

During the first phase of the consultation process, workshop participants had suggested to:

- [Allocate more funding to deep retrofit as opposed to "shallow" measures](#)
- [Enhance grants/ tax incentives for private landlords undertaking deep renovation \(under specific conditions such as building location and retrofit quality\)](#)
- [Introduce reduced VAT rates for retrofitting solutions](#), e.g. triple glazing
- [Introduce multi-annual funding agreements to allow for deeper retrofit under existing SEAI programmes](#)
- [Use part of the funding to provide technical support to end-users at all stages of the renovation process](#)
- [Introduce energy performance guarantees as part of existing grants](#)

Workshop participants reiterated the importance of allocating more resources to awareness raising, education and engagement as the level of deep renovation awareness is low at all levels of society. As such, [more funding should be allocated to promoting deep renovation, and more specifically to the promotion of deep retrofit co-benefits](#).

When it comes to engagement, local high quality case studies have a key role to play. [Codema's Home Energy Saving Kit](#), currently available in some Dublin City Council libraries, was presented as a best practice. However, it should probably be better connected with other initiatives (e.g. SEAI grants) so that people that are engaged, progress to the next steps and retrofit their homes. In that regard, workshop participants reiterated the importance of making deep renovation as easy as possible. In particular they fully supported the idea of [a network of local, trusted and skilled advisors that would assist end-users at all stages of the renovation process](#). Another suggestion to make deep renovation easier was to introduce holistic energy assessments or building passports, to break down deep renovation into more accessible / simpler tasks.

Secondly, workshop participants agreed that the focus should move from shallow to deep retrofit. This could be initially achieved through more composite grants for homeowners and landlords, and multi-annual funding agreements. The introduction of building passports could also support a move in that direction.

The least energy performant properties are currently found in the private rental market. Due to the split incentive that exist between landlords and tenants, and the housing shortage, the introduction of specific grants, [green loans](#) and/or tax incentives for landlords is required. In particular, the introduction of a mechanism similar to the "[accelerated capital allowance](#)" but for landlords and/or tax breaks for x years on rental incomes (based on pre and post-renovation energy performance) were mentioned. However, workshop participants felt that these measures should be subject to quality control and potentially linked to properties location. As most landlords are small and have limited awareness and knowledge of deep retrofit, technical support is also needed.

Given the size of the challenge ahead, workshop participants highlighted the need of supporting innovative financing models to make deep retrofit happen at scale. According to them, large scale approach often allow for cheaper and better quality retrofit. Large scale EPCs and the opportunity of introducing an Irish version of the [EnergiSprong model](#) should be explored further.

Finally, workshop participants agreed that strong signals regarding fossil fuel systems need to be sent, and suggested SEAI stop supporting fossil fuel boilers installation.

- **Social Housing**

With regard to social housing, the only recommendation that was made as part of the [first phase of the consultation process](#) was to streamline access to public funding for local authorities and other social housing providers.

In December, workshop participants stated that the priority should be to develop a common template for making the business case for deep renovation as part of funding applications. The common template should cover all the benefits associated with deep renovation: social, economic and environmental (triple bottom-line). As such, [developing quality data on the co-benefits of deep renovation](#) would be extremely helpful.

Workshop participants also said that one of the main challenges is that there is no catchall process for making funding application, e.g. different funding applications have to be made to upgrade lifts and energy systems. For deep retrofit a more holistic approach is required. Retrofits could for instance present an opportunity to increase density, adding an extra storey to existing buildings. While new builds are often presented as cheaper, embodied energy costs and fuel import costs should be fully taken into account.

In addition, workshop participants felt that more high quality case studies were required. [Berlin's IBA 1987 housing exhibition](#) was presented as a best practice that could be replicated. Introducing area based approaches and simple assessment of properties for deep retrofit was also suggested.

As in the private housing market, upscaling is needed. Although this presents some challenges, participants felt that mechanisms to access EIB and EU cohesion funds should be explored further.

Commercial Sector

During the first phase of the consultation process, workshop participants had suggested to:

- [Introduce reduced VAT rates for retrofitting solutions](#), e.g. triple glazing
- [Introduce tax credits for private organisations implementing energy efficiency measures](#)
- [Provide technical support \(at all stages of the renovation process\) for SMEs interested in retrofitting](#)

In December, workshop participants made it clear that there is not one commercial sector but different horses in the race (e.g. SMEs vs. larger organisations, organisations on short or long term leases) and that different strategies are required.

While many large organisations are already looking at energy efficiency, it is simply not on most SMEs' radars. In fact, energy is often perceived as a fixed cost by SMEs and deep retrofit payback as being too long. Furthermore, the majority of SMEs do not own the building they are in.

As such, in the SME sector, workshop participants felt that it would make sense to target first high energy users and low hanging fruits. This could also contribute to awareness raising as organisations that have, for instance, change their lights to LED are more likely to consider other energy efficiency actions. The level of awareness and trust in the technology / process remain extremely low among SMEs. Participants suggested to invest money in communicating deep renovation benefits. Yet, this should be done through the right channels, i.e. through organisations that SMEs' trust. According to the participants, there are many similarities between SMEs and the residential sector: The level of awareness is low and they may not have the skills. Setting up a network of [skilled, trusted local intermediaries](#) that would support them at all stages of the renovation process could thus have a real impact. When it comes to funding, a simple mechanism is required. One participant explained that the ESCO model has failed with SMEs as it requires too much paper work.

There is also a real difference between organisations on a short or long-term lease: In a long-term lease it may make sense to pay a premium for a more energy efficient building and [building performance leases](#) can have a role to play.

Putting accurate monetary values against asset appreciation, health and wellbeing, productivity increase, as well as energy savings could help in building the business case for deep renovation. Developing customised information for various sectors could also be helpful. Nevertheless, where there is not enough data or where it does not make financial sense yet (e.g. due to the cost of the technology), this could be further supported through tax incentives. Potential tax incentives include the extension of the [Accelerated Capital Allowances for Energy Efficient Equipment \(ACA\)](#) to retrofitting solutions and a reduced VAT rate for retrofitting solutions.

Finally, workshop participants stated that the [publication of buildings' BER \(or even better buildings' DEC\) online, including for small lets, as well as information on price index could contribute to an increase in deep renovation in that sector.](#)

WORKSHOP'S PARTICIPANTS ANALYSIS

Mini WS7 Attendees



- Building Users (Domestic)
- Construction Business
- Energy
- Other Public
- Research & Academia
- Building Users (Non-Domestic)
- NGO
- Local Authorities

COLLABORATING ON WORKSHOPS AND EVENTS:

A series of over 80 events in the 13 project countries will bring stakeholders together during the project. As part of this process, six high level Energy Efficiency Building Renovation Workshops will be organised across Ireland by the Irish Green Building Council. The workshops are supported by the Department of Communications, Climate Action and Environment and are a must for anyone who wants to ensure their voice and views are heard in Ireland's National Renovation Strategy Process.

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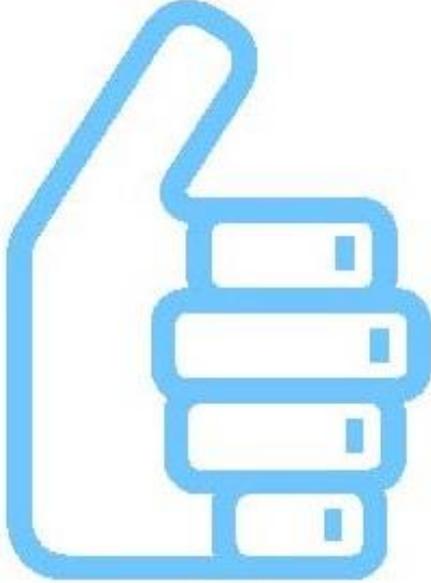
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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 649727.