24.9.2020

How to stimulate investments in Building Renovation?

Päivi Laitila, Motiva Oy
Motiva is 100% State-owned

Key figures 2019

Sustainable Development Company

Motiva

68

61 Person-years

Turnover
7,8 milj. €

www.motiva.fi
How to stimulate investments in building renovation?

Legislation
Strategic goals

- Energy and renovation subsidies, other financial mechanisms
- Incentives to change to low carbon heating
- Information and advise, best practices
- Low carbon roadmaps
- Energy Efficiency Agreements
- Competence and capacity building
Long-term renovation strategy 2050

Energy Performance of Buildings Directive (EPBD), art 2a), March 2020

Brings out a wide scope of views on renovation, its ways, means, and needs.

Strategy that meets Finnish needs while complying to the directive’s requirements.

Long-term renovation strategy aims for very energy efficient and low carbon building stock by 2050.

Ministry of the Environment (by Motiva Oy, VTT, Tampere University of Applied Sciences and Finnish Environmental Institute) with over 540 participants representing nearly 150 Finnish organisations.
Long-term renovation strategy - goals

Goals by 2050

- **reduce** CO$_2$ emissions from buildings by **90 %**
- **increase** the share of near-zero energy buildings from **10 %** to more than **90 %**

- The strategy applies to residential and service buildings completed by the beginning of 2020, which total 1.4 million.

- Heating residential and service buildings causes about 7.8 Mt of carbon dioxide emissions per year.
  - This is about **17 % of Finland's current carbon dioxide emissions** (46 MtCO$_2$).

Approx. 30% of old buildings will be decommissioned by 2050.

Organizational space efficiency strategies are often implemented by abandoning old buildings.

All buildings require long-term and well planned property maintenance. Strategy for 15-20 years.

Investments in energy efficiency improvement measures and low-carbon heating.

Improving energy efficiency of buildings is the most cost- and material-efficient when done in connection with other renovations.

This is also mandatory as stated in the decree on improving energy efficiency of buildings undergoing renovation or alteration, that came into force in 2013.
Financial mechanisms

• **Governmental grants, aids, subsidies and guarantees for loans**
  - Energy aids for residential buildings (including single family homes) 2020-2022
  - Aid to replace oil heating in single family homes (2020-2022)
  - Planned: aid to replace oil heating in municipal buildings
  - Renovation subsidies: for special interest groups (including single family homes)
  - Interest subsidy loans: Renovation of residential buildings (publicly owned)
  - Quarantees for loans: Renovation of private housing companies

• **Other financial instruments and mechanisms**
  - Green/sustainable bonds
  - Environmental impact bonds
  - Green mortgages
  - Public and private partnerships
  - Private funds
  - ESCOs

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Other measures to stimulate investments in renovation

Communication, information
Financial mechanisms, Examples and Best practices of cost effective measures

Advise on renovation and financing to relevant target groups
(what, how, and with what money?) Neutral, reliable advise

Competence and capacity building
How to procure financing? How to plan and execute renovations?
Drivers of renovation

Low carbon roadmaps
2020

Sectoral low-carbon road maps (>10)
- Prepared in cooperation with companies and organizations
- A detailed picture of the scale and measures needed into transition of low-carbon society.


Energy efficiency agreements
(2008-2016), (2017-2025)

The principal method to promote the efficient use of energy. Covering more than 60% of Finland's total energy use.

16 TWh annual cumul. energy savings in 2016
- Corresponds more than the annual heating energy consumption of all residential block of flats

Sustainable Energy Investment – Forum in Finland Tuesday 29th September

Cross-sectoral dialogue on available energy efficiency financing possibilities and needs. Current information on financing, including recovery funds.

Interested?
Contact Motiva by Friday 25th of September to receive your invitation!
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Organisers:

Morning plenary
Remarks from the EU Commission and national actors from the government and different sectors.

Afternoon thematic sessions
Cross-sectoral discussions on financing energy efficiency of buildings and the challenges of declining areas
Thank You!

Päivi Laitila, Motiva Oy