

Energy Renovations Benefit Communities, not Speculators

Over 1.8m refurbished households in Europe received an average €724 a year cut in their energy bills over the first half of this decade, but more impressive is the growing body of evidence that their communities blossomed as a result. Around half a million jobs have been created by the €33bn of EU monies spent on social housing programme in areas of high social deprivation – that's 15 jobs for every €1m invested. But the renovation projects have also left a legacy of friendlier communities and improvements to the quality of life.

Urban regeneration is the redevelopment of rundown areas of high density urban land use, typically done in a way which enhances or **revitalises the quality of life for an existing community**, rather than gentrifying it for property speculators.

Sorcha Edwards, the Secretary General of Housing Europe, said that “de-linking” urban regeneration from energy renovations was problematic. “If the organisations we work with want to regenerate an area and reduce their CO₂ emissions they won't be focusing on getting buildings from a 'B' to 'A' energy class,” she said. “They will look at the bigger picture and bring the 'D's 'E's and 'F's up to 'C' and 'B' standard.”

This approach can have profound multiple benefits. A [recent report from the European Commission](#) found that energy efficiency measures had “a positive effect on both GDP and employment,” and that impacts increased with the level of ambition. The study found that a 40% cut in energy use by 2030 could increase GDP by more than 4%, employment by more than 2% and public budgets by €511bn. Industrial competitiveness would also be boosted. But it was the **social benefits of urban renewal** that were the real eye opener.

The study concluded that a 40% target could save €77bn a year in health costs, mostly by lowering power plant emissions of NO_x, SO_x and PM_{2.5}. More than 8m households could be lifted out of fuel poverty and 3m could be taken off Europe's dole queues, underlining the redistributive value of targeted renovations. “Lower income groups appear to benefit the most from increased energy efficiency,” the assessment says.

Projects

Urban regeneration strategies that begin with energy renovations can rapidly spread beyond tackling energy poverty and immediate jobs creation, to boost social cohesion and improve the quality of life. Richard Twinn, policy advisor to the UK Green Buildings Council, which will launch a report on the issue in October said: “Improvement to homes on its own won't completely regenerate an area, so we focus on what can be done in an area alongside

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home retrofits to create a 'retrofit-led regeneration scheme'."

These parallel gains are recognised by EU institutions such as the European Investment Bank, which has invested £2.35bn over the last decade in loans to local housing associations.

Projects that have benefited include a Croydon school now partly powered by solar panels and a £1bn project in Barking and Dagenham, a poor east London suburb hit by job losses at a nearby Ford factory. Among other things, the money will build 560 affordable energy efficient houses, in a project set up to assist local young apprentices, low-skilled workers and the long term unemployed to find work in their community.

A £129m project is also transforming social housing in Plymouth – with **attendant benefits for community cohesion, health, wellbeing and job opportunities**. Chris Penberthy, a local councillor and cabinet member said the renovation scheme was “one of the most exciting and ambitious schemes for Plymouth,” bringing jobs and training, better community facilities and improved green spaces.

Renovations are sometimes seen as a burden by Member States, with upfront costs examined in isolation from wider social benefits. It is difficult to **quantify the financial advantage that quality of life improvements** can bring to a community, and few studies have tried. In Sweden though, one did, with startling results.

A renovation of Gothenburg's Gårdsten housing suburb in 1997 created a net social profit of 100m SEK (€10.5m) after the social surplus of 300m SEK was factored against a business loss of 200m SEK. The profit came not just from lower energy and water bills but from lower unemployment, fewer welfare claims, and an increased sense of safety that manifested in higher consumer spending. Falls in the crime rate – particularly for robbery – and less use of natural resources also contributed to a rise in the area's house prices, which was markedly faster than in comparable neighbourhoods.

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“The transformation of Gårdsten is profitable mainly because more people are now at work than before the renewal process started,” the paper said. “When people are at work they do not need support from the public and increase the output to society.” But the report's authors warned: “The conclusion about profitability is only valid as long as the social capital created through the project is intact.”

Across Europe, a slew of projects has taken this lesson to heart, with similar results. In Goedkope Woning, an estate in the Belgian city of Kortrijk, many homes had fallen into disrepair and were plagued by low standards, communal disputes and vandalism. But by **involving tenants in discussions about renovations** - as conscious citizens - the city's only ecological district was created.

As well as trimming utility bills, energy renovations also reduced costs at the local doctor's surgery. And a healthier environment fed through to decreases in living costs and increased contributions to a community garden, which now serves as a communal meeting place.

Social cohesion

John Relou, a technical marketing manager for Rockpanel, said: “**The moment you upgrade an area with playgrounds, green spaces, nice buildings, people will enjoy living there and take more care of their environment.** They will feel proud of it and look after the buildings and that's first step in getting more social cohesion. It can also stimulate other things like small businesses, entrepreneurship and social gatherings.”

To qualify for a renovation scheme in Brussels, candidate projects must have above average unemployment rates and population densities, and a below average income distribution. Most areas currently benefiting from Brussels' €50m a year sustainable neighbourhood contracts (SNC's) and urban renewal contracts (URC's) are canal side or central city districts, such as Molenbeek, Anderlecht, Schaerbeek, St Josse, and St Gilles.

The SNC's have been running for two decades and cover buildings, kindergardens, and sporting or cultural infrastructure, while projects among the newer URC's include a canal side bridge by Andelecht's old abattoir for cyclists and pedestrians, a new museum and a 2 km-long rectangular city park.

Philippe Pierreuse, the Director of Brussels' Direction Rénovation Urbaine said that housing projects were not his organisation's direct priority. But “we want to give an impulse,” he added. “We paid for one study to correctly renovate a tower block and after a few years the regional department began to do that.”

A similar process is now underway in a Molenbeek, where Pierreuse's team prepared a 'financial envelope' study for an estate renovation. The intent was to spur another city housing team into action. “After such work, they of course have to renovate,” he said.

According to Relou, a focus on high density, high rise blocks is inevitable in funding allocations. “They are often owned by housing associations and subject to government targets, because they are a way to achieve bigger volumes,” he said. “You see that in the UK, Netherlands and Germany. They are relatively quick wins.” Renovating single family homes was “the next step,” he added.

When refurbishing estate blocks it is vital to engage with residents first. Eigen Haard's CO-Green project in the Amsterdam metropolitan area brought tenants into the developer's tent to help devise a renovation of their post-war building blocks. Efficient lighting and recycling facilities were rolled out, along with sports initiatives for young people on the estate.

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Other support resources were set up as part of the plan, including refurbishing derelict gardens and houses, provision of work spaces and cleaning services for vulnerable tenants. The estate's image has improved significantly as a result, with residents taking more responsibility for their buildings' upkeep and neighbourhoods becoming cleaner, safer and more comfortable.

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In nearby Amsterdam, unused office buildings have been converted into soundproofed student accommodation and business premises, while across the country comparable projects now house vulnerable groups such as refugees and autism sufferers. In Den Bosch, a 't Meijerke meeting place has become a neighbourhood living room where elderly residents can escape their isolation, and lonely tenants can connect with each other, listen to music, and play games.

The creative use of colour when renovating can also play a part in brightening a neighborhood. In Manchester, a vibrant retrofit of four towers in the sprawling Collyhurst estate, after extensive consultation with tenants, is credited with restoring civic pride as well as cutting energy bills.

Case study

No matter how many projects report glowing results though, policy makers will still search for academic evidence, and the study of links between urban regeneration and energy renovations is still in its infancy.

Perhaps the most detailed analysis of the issue was last year's Decent Homes Impact Study by Nottingham City Homes, which analysed the effects of a £187m renovation programme on 28,000 council-owned properties. This installed double glazing, loft insulation, new heating systems, bathrooms and kitchens to estates suffering multiple deprivations. The effects were dramatic.

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Within three years, burglaries had fallen by 42% on two estates – twice as much as a city-wide decline - and these relatively lower crime rates have been sustained in the years since. Tenants reported feeling safer, warmer and less exposed to condensation, noise, damp or draughts. At the same time, their carbon dioxide emissions have been cut by 43,500 tonnes of CO₂ a year, meeting 17% of the city's carbon reductions target.

In an unusually detailed analysis, the study says that the renovations would each year improve the respiratory health of over a thousand children, the mental health of over 1,400 tenants, prevent 144 accidents requiring medical attention, and save two lives. Half of the 560 people employed by the project live in Nottinghamshire county.

Unsurprisingly perhaps, the £37.6m invested in Nottingham Secure, Warm, Modern project in 2010/11 generated an additional £54.9m of spending, much of it in the local area. In fact, the analysis found that **every £1 spent on improving tenants homes, generates £4.76 in social value** in the decade after the work is completed. Where energy renovations are carried out with a social intent, and implemented in coordination with tenants groups - particularly where local workers and businesses are prioritised for training and contracts – the evidence linking it to urban regeneration looks set to grow.

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Renovate Europe is a political communications campaign with the ambition to reduce the energy demand of the building stock in the EU by 80% by 2050 compared to 2005 levels through legislation and ambitious renovation programmes. This will bring the energy performance of the entire building stock in the EU to a Nearly Zero Energy (NZEB) performance level.

Renovate Europe brings together 36 partners from across the building value chain (trade associations, companies, trade unions, city networks and 14 national partners):

