

# ENERGISING THE COMMUNITY HOUSING SECTOR: CASE STUDY



Community Housing  
FEDERATION OF VICTORIA



**ENERGY**  
FOR THE PEOPLE

This project involved the development of business cases for optimised clean energy infrastructure, focused on three housing typologies in the social housing sector, being:

1. Rooming Houses
2. Aged Care Facilities; and
3. Apartment Buildings

The business cases primarily sought to assess solar power, but also complementary technologies including heat pumps (hot water), LED lights and battery storage. They also considered a range of commercial models for investment in solar energy, including debt finance and embedded networks, where appropriate.

## The Deliverables

Energy for the People were contracted to conduct a desktop energy assessment of 47 buildings, housing over 2,000 residents. EFTP conducted data gathering and interrogation to identify any material data gaps or issues, and assessed:

- Maximum available roof-space, including the orientation and roof material type;
- The relative difficulty of solar installation based on roof pitch, material type, height and site access;
- Whether Microinverters or DC Optimisers would be required to manage system shading or other design constraints (this is factored into all system price estimates);
- Solar investment options, considering smart meter data files, all available site information, and tariff details, using industry benchmarks of installation; and
- The costs and site-specific solar irradiance data

These assessments generated financial metrics/outputs for solar investment, including Internal Rate of Return (IRR), Net Present Value (NPV) and simple payback periods.

## Outcomes

We found that a total investment of \$1,561,550 in 1.4MW of solar photovoltaic (pv) systems could be achieved, with a better than 10-year simple payback. The savings from these investments to community housing organisations and their tenants, are estimated to be \$215,346 per annum. Of these, 41% (\$649,144 of solar investment) achieved better than a seven-year payback, with a blended simple payback of 7.25 years across all recommended solar investments, combined.

## For more information please contact:

Alex Houlston  
Director  
alex@energyforthepeople.com.au  
0431 073 556

The vast majority of community housing tenants are Concession Card holders. Therefore, we estimate savings to the Victorian Government's energy concessions budget of between \$69,311 - \$73,842. When these government savings are combined with direct energy bill savings, the blended simple payback is reduced to just 5.47 years.

## Sector capacity, resourcing and understanding

We find the sector has a strong motivation to reduce energy costs for tenants and (where they pay energy bills) to reduce their own energy costs. However, they often face significant resourcing challenges - they rarely have dedicated staff who can focus on energy management, as this is (quite rightly) not core business. Where asset and financial managers, tenant engagement staff, or others, are empowered to explore energy opportunities, they face a steep learning curve as individuals, as well as the challenge of engaging and influencing the broader organisation to invest in new energy. There are individuals and organisations doing this successfully. However, we find they tend to be in the minority.

Our findings suggest there are limited and/or arguably no regulatory/policy barriers to successful energy projects in the community housing sector. With the right commercial model for energy management and/or asset management, the split-incentive barrier can be resolved. Access to finance and financing costs are rarely a barrier, as provider's typically own at least a limited proportion of their property portfolio, or have sufficiently lengthy lease terms to justify their investment. Therefore, they usually have sufficient security/collateral to secure against debt finance.

The primary barrier is resource constraints within the organisation. The sector is likely to find implementing the recommendations of business cases, or expanding their program of energy upgrades beyond the buildings included in this work, difficult, without ongoing support and assistance through the procurement and project implementation stage of their energy projects.