Engaging Retail Lenders in Home Renovation

Presented by Peter Sweatman, CEO
Climate Strategy & Partners

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CEE SUSTAINABLE FINANCE SUMMIT
Context for a €2 trillion investment to Renovate EU Buildings

- **71%** of people living in the EU live in a home they own.
- **€20 trillion** is the value of EU residential buildings.
- **€7 trillion** is the value of EU27 residential mortgages.
- **25 mm** homes in Europe are publicly owned.
- **€3 trillion** is the value of institutional real estate investments in the EU27.
Striking the Right Blend of Public and Private Renovation Finance in Europe

Breakdown of €6 trillion of EU home renovation finance by household economics (2023-50 in € bn.)
“Mortgage Portfolio Standards” defined in recast EPBD and activated through Delegated Act process.

Distribution of EPC Label ratings (%) in Europe

Top 30 European banks (by assets) and the climate alignment of their mortgage portfolios

Already apply a form of Mortgage Portfolio Standard

12 top lenders (40%)

* Nearly all of the remaining banks are some way through a process that involves components or the entirety of a portfolio alignment.
A great way to lever public EU green guarantees (EGGs)

“The EU-backed, privately contracted, collateralised loan that provides all homeowners fair and equal access to long-term financing for the deep renovation of their home. The funding is provided on a zero-coupon basis with repayment of principal and accrued interest at EU-borrowing costs upon the earlier of transfer, sale or its 30 year maturity.”
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CLIMATE STRATEGY SL
Paseo de Recoletos, 5, 28004 Madrid SPAIN

EMAIL
info@climatestrategy.es

PHONE NUMBER:
Tel local: +34 91 576 4837
Tel UK: +44 (0) 20 7193 4807
Fax: +34 91 435 5983

Turning Sustainable Finance Commitments into Household Energy Savings and Climate Resilience

Prepared by

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Thanks!

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