Third-party financing companies to boost private housing energy-efficient renovations in France

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Agenda

- What are Third-party financing companies?
- Early feedbacks
- Joining forces
What are Third-party financing companies?

The concept of Third-party financing companies was defined by law in 2013 and specified in 2015

• « sociétés de tiers-financement » have to include:
  ✓ a technical assistance for energy renovation works
  ✓ a financing offer that may be delivered by banks or by « Third-party financing companies » which are controlled by local governments

• 7 STF have been set up so far
  ✓ Still at experimentation stage

• Third party financing companies correspond to the "one-stop shop" concept mentioned in the 2018 Energy performance of Buildings Directive.
What are Third-party financing companies?

- Regional councils' impulse to aggregate individual projects in order to
  - Create a virtuous circle for local economy: funding of renovation works performed locally through savings on energy bills (i.e. losses for the local economy)
  - Be able to impact both supply and demand through a new trade

Financing allows to make the STFs’ process affordable to low-income homeowners.
Quantitative results of third-party financing companies

- **2000 construction sites** in 2019 (individual houses and co-ownership apartments)
- **50 M€** Investment in renovations
- **42 GWh/year** reduction in primary energy consumption
- **25 000 € to 50 000 €** Average work costs for individual houses
- **50 %** Is the minimum level of energy savings commonly achieved
Quantitative results of third-party financing companies

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2014 - 2019

- Number of contacts with qualified prospects
- Number of audits performed
- Number of projects voted or completed
- Amount of completed or committed renovation work (M€/year)
- Annual production of STF receivables (million€/year)
Quantitative results of third-party financing companies

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2019 - 2023

- Number of contacts with qualified prospects
- Number of audits performed
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- Amount of completed or committed renovation work (M€/year)
- Annual production of STF receivables (million€/year)

30 juin 2020
Early feedbacks

- OSS should be part of a chain with other public provisions and facilities

- OSS model is a Service of Economic General Interest
  - Need stable public resources to be maintained
  - Improved efficiency

- Need to
  - streamlining public incentive schemes and direct them to deep refurbishment is a key enabling factor for OSS
  - Levelling the playing field

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Joining forces

The Plan for Urban Construction & Architecture

- Encourages local authorities to experiment global approaches to energy efficiency renovations in private housing -> all kinds of A to Z « one-stop-shops »

✓ Lobbying towards ministries and Parliament:
  ✓ Adapt subsidies and premiums schemes according to the energy impact of home improvement measures
  ✓ Sustain the financing of the upstream counselling phase which is a public service, while making it more efficient
  ✓ Extend the experimentation concerning the distribution of the 0 % green loan to all third-party financing companies
Joining forces

- H2020 technical assistance awarded to ORFEE: Office for Renovations and financing Energy Efficiency

Just starting!

- Create a resources centre for one-stop-shops to
  - Issue green loans and achieve attractive volumes for investors
  - Co-build standardized and optimized procedures
  - Implement a quality and compliance framework

Building an overarching resource center (ORFEE) to support the STF in originating energy-efficient home renovations and financings

1. Assist the STF to optimize their funding for energy-efficient renovations
2. Gain the confidence of stakeholders through the control of compliance of energy-efficient renovations and issuance of quality
3. Define the legal organization and business model of the ORFEE and facilitate the development phase of the STFs

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