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ACHIEVING ENERGY EFFICIENCY IN HOUSING



Achieving Energy Efficiency in Housing

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Homes and Carbon Emissions

In 2009 this State was tasked with reducing greenhouse gas emissions by 20% by 2020.

The Climate Change Advisory Council published its annual review of 2018 where it starkly laid out this State's failure to reduce its greenhouse gas emissions:

"Irish greenhouse gas emissions are rising rather than falling. Ireland is completely off course in terms of achieving its 2020 and 2030 emissions reduction targets. Without urgent action that leads to tangible and substantial reductions in greenhouse gas emissions, Ireland is unlikely to deliver on national, EU and international obligations and will drift further from a pathway that is consistent with transition to a low-carbon economy and society."

With the signing of the Paris Climate Agreement in December 2015 the EU adopted three new key targets for 2030; 40% cut in greenhouse gas emissions, 27% share for renewable energies and 27% improvement in energy efficiency.

In terms of housing, according to the Sustainable Energy Authority of Ireland (SEAI) the residential sector accounts for a quarter of the energy used in Ireland. It is also responsible for a quarter of the energy-related CO₂ emissions.¹

The Energy in the Residential Sector report, published by SEAI in April 2018 states that Irish homes emit almost 60% more CO₂ than the average EU home.²

1 SEAI <https://www.seai.ie/resources/seai-statistics/key-statistics/residential/>

2 Energy in the Residential Sector- April 2018- <https://www.seai.ie/resources/publications/Energy-in-the-Residential-Sector-2018-Final.pdf>





The SEAI estimates that in 2016 61% of all energy used in households was for space heating, 19% for water heating, 17% for lighting and appliances, and 2% for cooking.

The SEAI also point out that from 2006 to 2014 there were significant reductions in the amount of emissions from homes. Since 2014 this trend has reversed and carbon dioxide emissions have started to increase.

This is consistent with the Climate Change Advisory Council annual review of 2018 where it confirmed that Ireland's greenhouse gas emissions increased again in 2016. Instead of achieving the required reduction of 1 million tonnes per year in carbon dioxide emissions, consistent with the National Policy Position, Ireland is currently increasing emissions at a rate of 2 million tonnes per year.

While reducing carbon emissions is important tackling fuel poverty should also be a reason to create more energy efficient homes.

This State has the fourth highest electricity prices in the European Union and approximately 400,000 households suffer from fuel poverty in Ireland.

Fuel poverty also is linked to socio economic circumstances and housing quality.³

When assessing fuel poverty in this State, Healy and Clinch (2004) find that almost one third of respondents in energy inefficient properties reported an inability to pay for energy retrofit measures.

³ Householder preferences for the Design of an Energy Efficiency Retrofit Subsidy in Ireland- The Economic and Social Review, Vol 49, No. 2, Summer 2018 pp 145-172

What is current government policy?

The SEAI was established in 2002 as the State's national energy authority under the Sustainable Energy Act of that year. Its function is to provide policy advice and research, collate statistics and administer the energy grant programmes.

The agency is responsible for number of programmes to upgrade the energy efficiency of the existing housing stock. These programmes include:

- **Better Energy Homes**
- **Better Energy Warmer Homes**
- **Better Energy Communities**
- **Warmth and Wellbeing Scheme**
- **Deep Retrofit Pilot**
- **Social Housing upgrades**
- **Rental Sector – Housing Assistance Package Pilot**
- **Energy Efficiency Obligation Scheme**

The Better Energy Homes and Better Energy Warmer Homes schemes have delivered energy efficiency improvements to over 375,000 homes since 2000. The level of subsidy support for works done is 35% of the cost of the eligible measures paid to homeowner after the works has been completed by an SEAI registered contractor.

The SEAI is also the statutory agency responsible for the implementation and management of the Building Energy Rating (BER) Scheme. These regulations require every new building to have a BER Certificate since 1 January 2007.

In addition, any existing dwelling, offered for sale or letting on or after 1 January 2009, also requires a BER certificate.

A Building Energy Rating (BER) certificate indicates a building's energy performance. The certificate rates a building on a scale of A-G. A-rated homes are the most energy efficient and will tend to have the lowest energy bills. G-rated are the least energy efficient.

According to the SEAI following the introduction of the 2008 building regulations, there was an increase in energy performance. Of all dwellings in the BER database constructed in 2016, 98% achieved an A rating. (CSO table below)

CSO Table of Domestic Building Energy Ratings

Quarter 4 2018

Table A: BER Ratings by Period of Construction

% of row

Period of construction	ENERGY RATING						Total
	A	B	C	D	E	F-G	
1970-1977	0	4	18	25	20	33	245,143
1978-1999	0	5	40	36	13	6	233,323
2000-2004	0	9	60	22	6	2	145,725
2005-2009	1	35	51	10	3	1	138,375
2010-2014	36	55	7	1	0	0	10,793
2015-2018	97	3	0	0	0	0	29,214



Near Zero Energy Buildings

The Near Zero Energy Build policy is a result of an EU Directive (2010/31/EU) on the Energy Performance of Buildings. This directive makes it a requirement for all new buildings to be nearly zero energy buildings (NZEB) by December 31st 2020 and all new buildings owned and occupied by public authorities to be NZEB after 31 December 2018.

The Directive defines NZEB as “a building that has a very high energy performance and that the nearly zero or very low amount of energy required should be covered to a very significant extent by energy from renewable sources produced on-site or nearby.”

This definition was incorporated into the Building Regulations in January 2017.

According to the Minister of State at the Department of Housing Damien English:

“The Part L performance requirements of the Building Regulations have been advanced incrementally since 2007, and the final improvement to move from the current standard of 60% better than 2005 standards or a typical BER of “A3”, to a performance of 70% better than 2005 standards or an “A2” BER, can be more easily achieved as a result of these incremental improvements.”

The Minister also confirmed that draft regulations and accompanying technical guidance to implement this have completed public consultation and the regulations are expected to be signed into law shortly.

“These regulations will also require that where Major Renovations take place which are greater than 25% of the surface area of the dwelling, the dwelling should achieve a cost optimal performance where feasible. This is equivalent to a B2 building energy rating for a typical dwelling.⁴”



4 <https://www.kildarestreet.com/wrans/?id=2019-01-16a.548&s=speaker%3A407#g549.q>

Case Study

The recent completion of 12 new social houses in the Dún Laoghaire-Rathdown area of Dublin is an example of how the NZEB can be met by local authorities. The houses built have a Building Energy Rating of A1, with heat recovery ventilation systems that deliver good indoor air quality, and triple-glazed windows. These homes will also ensure low running costs and energy bills for families.

Monitoring compliance with the NZEB Directive

Under the current building regulations, a typical dwelling is built to an A3 Building Energy Standard (BER). Currently, based on CSO statistics, 98% of all new dwellings are built to an A3 rated BER standard.

The Nearly Zero Energy Building (NZEB) performance for new dwellings will be typically equivalent to a BER of A2.

According to the Department of Housing, Planning and Local Government and the Department of Communications, Climate Action and the Environment:

The draft regulations and accompanying technical guidance to implement NZEB for new dwellings are expected to be signed into law shortly.

According to a response to a parliamentary question from the Minister for Communications, Climate Action and Environment on the 22nd of January 2019

"The implementation of the NZEB requirement in public buildings is the responsibility of the relevant bodies and I am advised that at this time that the Department of Housing, Planning and Local Government does not have figures available on the percentage of NZEB in place in the public sector. However it should be noted that all buildings, public and private, which commence construction after 1st January 2019 must be NZEB under Part L of the Building Regulations and the compliance of these buildings is monitored and enforced under Building Control Regulations."

It is clear from the responses provided by the various Ministers that we still do not know who will be responsible for monitoring compliance with the NZEB requirements.

Furthermore given the NZEB performance requirement for new dwellings is equivalent to a BER rating of A2 and that 98% of all new dwellings are built to an A3 rated BER standard, there is still some way to go before this State will be fully compliant with the NZEB requirement.

Incentives to retrofit homes to achieve better energy efficiency ratings

The Citizen's Assembly in its Third Report on 'How the State can make Ireland a leader in tackling Climate Change, published in April 2018 stated⁵:

"The government should provide incentives to retrofit homes to achieve better energy efficiency ratings."

The challenges associated with retrofitting properties should not be underestimated.

The Tipperary Energy Agency, a social enterprise which supports energy transition, observed that climate change requires nearly zero energy emissions from buildings in 15-30 years.

As it stands 97% of domestic properties in this State use fossil fuels for heat. The Agency estimates that there is 1.6m to 1.8m homes needing renovations which would cost around €50 billion.

The SEAI administered Better Energy Homes and Better Energy Warmer Homes schemes have delivered energy efficiency improvements to over 375,000 homes since 2000. The level of subsidy support for works done is 35% of the cost of the eligible measures paid to homeowner after the works has been completed by an SEAI registered contractor.

Currently households who are not local authority tenants can avail of a 100% grant under the SEAI (Better Energy Warmer Homes Grant) and since 2000 135,000 households have benefitted from this scheme)

However the qualifying criteria is tight and there is a long waiting list. You must own your home which must have been built and occupied by 2016 and you must still be living in it.

You must also be in receipt of one of the following payments from the Department of Social Protection; Fuel Allowance, Working Family Payment, Jobseeker's Allowance for over 6 months and have a child aged less than 7 years, Domiciliary Care Allowance, One Parent Family Payment or the Carer's Allowance and live with the person you care for.⁶

5 <https://www.citizensassembly.ie/en/How-the-State-can-make-Ireland-a-leader-in-tackling-climate-change/Final-Report-on-how-the-State-can-make-Ireland-a-leader-in-tackling-climate-change/Climate-Change-Report-Final.pdf>

6 http://www.citizensinformation.ie/en/housing/housing_grants_and_schemes/warmer_homes_scheme.html



Social Housing

Local authorities are responsible for about 144,000 homes.

It is estimated that around 50% of these dwellings are considered to be of poor energy efficiency with a BER of D or below.

Research carried out by the ESRI found that households living in relatively energy inefficient properties spend between €160-€419 per year more on energy than households in a home rated with a BER of B.

In 2013, the Energy Efficiency Retrofitting Programme was commenced to improve the energy efficiency and comfort levels of local authority homes under the Department's Social Housing Investment Programme, local authorities are allocated capital funding each year in respect of a range of measures to improve the standard and overall quality of their social housing stock.

The programme includes a retrofitting measure aimed at improving the energy efficiency of older apartments and houses by reducing heat loss through the fabric of the building and the installation of high-efficiency condensing boilers.

Funding of up to €15,000 per dwelling may be provided, depending on the energy improvement achieved, for necessary works such as attic and wall insulation, the replacement of windows and external doors and the fitting of energy-efficient condensing boilers.



In addition €3,000 per unit may be provided for non-energy related improvement works to the dwelling.⁷

According to the DHPLG, funding of some €128.7 million has been provided from 2013 to end-2018 to improve energy efficiency and comfort levels in over 68,000 local authority homes.⁸

In addition, energy efficient measures have been incorporated into the 9,000 plus vacant social housing units that have been returned to productive use since 2014. This effectively means that approximately 50% of the social housing stock has been energy retro-fitted.

According to DHPLG the second phase of the retrofitting programme for social housing stock is being finalised which will aim to target the oldest social housing stock.

In October 2018 the Secretary General of the DHPLG said during a hearing of the Oireachtas Committee on Climate Action

"How quickly we complete this element of phase 2 will depend on the cost per unit and the overall funding available. As there are some 40,000 such units, it is a significant programme that will take a number of years to deliver."

In response to a parliamentary question the Minister for Housing said that the budget allocation for social housing energy efficiency works in 2019 is €25 million.

He further stated that:

"The number of social homes to be targeted in 2019, and for subsequent years, will depend on the work proposals and priorities submitted from the local authorities, and the available funding."⁹

7 <http://www.housing.gov.ie/housing/social-housing/other/improvements-existing-dwellings>

8 <https://www.kildarestreet.com/wrans/?id=2019-02-06a.555&s=section%3Awrans+speaker%3A407#g556.q>

9 <https://www.kildarestreet.com/wrans/?id=2019-02-06a.555&s=section%3Awrans+speaker%3A407#g556.q>

Private rented sector

In Ireland, over 705,000 people live in 324,000 tenancies owned by 172,000 landlords. This has increased from 81,000 tenancies in 1991.

Landlords and owners of more than one property can apply for grants under the Better Energy Home scheme. However, it is estimated that more than 55% of private rented dwellings have poor energy efficiency; with a Building Energy Rating (BER) between D and G11.¹⁰

This means that people in the private rented sector are more likely to experience fuel poverty.

Research conducted by the International Energy Agency has shown that owner-occupiers have a greater incentive to invest in energy saving measures than either the landlords or tenants of rented accommodation.

They state this is because in rented accommodation, the landlord typically pays for the work, but the benefit, in the form of improved comfort and lower heating bills, is typically received by the tenant. This reduces the motivation for the landlord to invest in energy efficiency measures, and is widely recognised as a significant barrier to increasing the energy efficiency of rented residential housing.¹¹



10 <https://www.threshold.ie/news/2017/02/23/threshold-calls-for-greater-energy-efficiency-as-p/>

11 P 21 <https://www.seai.ie/resources/publications/Energy-in-the-Residential-Sector-2018-Final.pdf>

Conclusions

From the data above, clear differences emerge in the government's approach to New Builds and greater energy efficiency and it's slow pace towards the energy retrofitting of local authority homes and homes in the private rented sector.

The grant and subsidy schemes offered by SEAI are difficult for lower income households to access and there is no incentive for landlords to increase the energy efficiency of private rented properties.

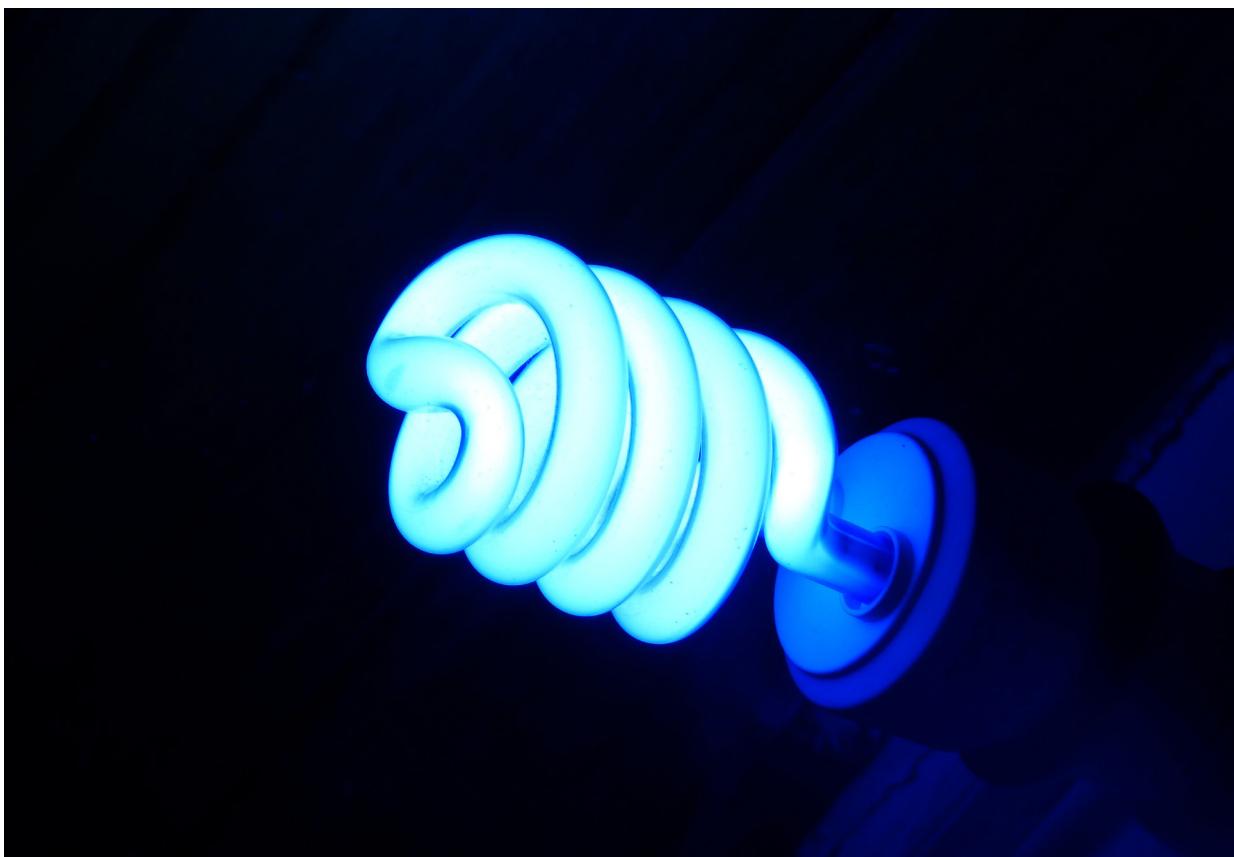
The energy retro fitting of local authority homes has a small budget and no targets for phase two of the programme.

The statistics on the incidences of fuel poverty within lower income households should be incentive enough for the government to get on with it.

RETROFIT Table

Dwelling type	Private	Private Rented	Social
Number of Homes	444,966	324,000	40,000
Total			808,966

*The estimated figures above are drawn from figures from the CSO, the Department of Housing and the SEAI. They are a rough estimate of the number of dwellings that will need energy retrofitting and do not include the BER rated A3 properties that will need to be upgraded to A2.



Sinn Féin Recommendations

- The Department of Housing, Planning and Local Government must produce a plan with clear deadlines for the energy retrofitting of all residential dwellings. This plan should outline clear funding commitments and ambitious targets for the energy retro fit of both local authority and private dwellings.
- Low cost loan finance options to be made available to households in order to fund retrofitting. A vehicle such as Home Building Finance Ireland could be utilised for this purpose.
- Mortgage switching options should be available from conventional mortgages to lower interest Green Mortgages with retrofit loan included.
- The government must make it easier to access the SEAI Better Energy Home grant for energy efficiency retrofits of homes. A review of the scheme must be carried out with consideration to introducing an upfront cash subsidy or a refundable tax credit in lieu of the current situation where households finance the whole cost of the retrofitting works and the subsidy is paid once all the documentation has been processed.
- The review should consider expanding the range of grant aided SEAI measures to include, for example, double-glazing and it should explore the feasibility of increasing income thresholds for householders currently not deemed eligible to access the grant.
- Set a target date by which all private rented sector accommodation will meet an energy rating of at least B or higher. The Residential Tenancies Board should be provided with the funding to launch an information campaign directed at landlords advising what government grants and supports are available for energy retrofitting.
- A cross departmental working group, including the Department of Housing, Planning and Local Government and the Department of Communications, Climate Action and the Environment should be established to monitor the implementation of the NZEB directive. The working group should publish quarterly reports and appear in front of the Housing Committee and the Committee on Communications, Climate Action and Environment.



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