

PUBLICATION

# Green living: encouraging investors to go retro

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Just because your home was built in the 1950s or 60s doesn't mean it can't be green. Retrofitting – the process of modernising properties using the latest technologies – can save energy and reduce CO2 emissions.

But, with more than 50 percent of Europe's residential properties owned by private, single owners, it can be a hard sell. "When there are small developments, it's all about making the owners aware of the advantages of retrofitting," explains Dr Sergio Olivero, Head of Energy and Security Research at the Higher Institute on Territorial Systems for Innovation (SITI) in Italy.

"With those who own larger numbers of homes, financial reliability is a crucial factor. The ability to create business plans which have the capacity to reach investor thresholds is important. Other investors are attracted to the clustering of thousands of homes, but that can mean more complexity unless the properties are owned by one entity."

Olivero stresses that financial incentives are key to attracting investment. He points to Italy, where he says up to 75 percent of funding for retrofit projects can be offered over a period of up to 10 years. "In Italy, there are 18 million homes which are primary residences, and 70 percent of them were built in the 1950s, 60s, 70s and early 80s, so regeneration is required to maintain both their market value and their ability to be sold – owners need an opportunity to protect their asset value," he says.

But energy efficiency measures are often based on public funding, made available directly to customers who invest in small, single initiatives with limited scope for wider take-up.

SITI is collaborating with the European BuildHeat project, which is aiming to lever larger private and public investments in urban regeneration, through the green retrofitting of multi-family properties. It hopes to bring new technologies to the market, along with more attractive business models for investors.

"Instead of the term 'retrofitting,' we should 'active and passive measures to make buildings become prosumers,' in other words users and producers of energy," says Olivero. "This can be achieved by combining active measures such as thermal panels and electric storage with passive measures such as new windows. In this perspective, we can talk of energy-driven urban regeneration, where cities become networks of smart prosumers."

Joris Pauwels, a Senior Associate at London-based Zaha Hadid Architects, says the secret of unlocking funds is to get forward-thinking investors on-board – those who are prepared to take an element of risk to support new ideas and thinking.

"There is obviously a cost attached to sustainable measures. But if you go away from the here and now, and you look at the overall projected lifetime and life cycle of buildings, and you calculate the costs on that long-term span, then you save that cost down the line in terms of energy consumption of buildings, in terms of water consumption, electricity and so on," he explains.

"We all know where the world is going and that harsh measures are needed. I think there's a lot of research and innovation that can lead to making specific solutions more mainstream. We need to develop measures that allow us to build more sustainably."

Milan-based renowned architect Stefano Boeri, stresses the process is not necessarily more expensive than a new construction – and can be the only option in many cases. "Sometimes it is the only possible way of acting in buildings that are part of a country's architectural heritage and that need to be updated in terms of energy performance, quality of living and contemporary requirements," he says. But, of course, future retrofitting is dependent on funds flowing in from investors who can see the longer-term gains of going green.

By Damon Embling