



## Financial schemes for home renovations

### → DELFT, THE NETHERLANDS

**KEYWORDS: ENERGY EFFICIENCY,  
SUSTAINABLE BUILDINGS**

**DURATION:** Since 2006

**WHO:** City Council, citizens and other stakeholders

**BUDGET:** €3.5 millions in 2015

### SUMMARY

In 2003, Delft adopted a Local Energy Action Plan with the aim of reducing CO<sub>2</sub> emission and increasing the consumption of renewable energy. As a follow-up action of this plan, in 2003, Delft set up the **Delft Climate Investment Fund (DCIF)** including a budget of €12 million to invest in the built environment (e.g industrial buildings, office buildings, new housings, social housing companies, etc.). This fund was not including existing private residential buildings and there were no financial instruments available to private homeowners. For this reason, in 2006, the city council of Delft set up financial instruments with the aim of encouraging residents to invest in renewable energy and energy-saving measures: **a revolving fund** and **a soft loan scheme**.

### GOALS

- Contribute to achieving the goals defined by **the Local Energy Action Plan** adopted in 2003: decrease the energy consumption of Delft by 15%; reduce CO<sub>2</sub> emissions by 15%; cover 5% of total energy consumption with renewable energy;
- Encourage residents to **invest in renewable energy** and **energy-saving** measures;
- Integrate tailor-made financial incentives with non-financial incentives such as communication campaigns and technical assistance for homeowners.



## HOW IT WORKS

In 2006, the Municipality set up a revolving fund and a soft loan scheme with the seed money of €200,000. The Fund has been growing and in 2013, its value reached €500,000. For the first 9 years, the fund was under the direct control of the city's financial department.

In 2015 the Fund merged with other municipal revolving funds.



In the same year, its management was taken over by the bank Stichting Volkhuysvesting Nederland (SVn), but the decision making power stayed with the Municipality. This way, the Fund is more flexible as it does not need to undergo regular administrative procedures linked to municipal budget negotiations and allocations.

The Delft Revolving Fund has been funded by the city of Delft using its own budget. It issues **low-interest loans** on attractive terms to homeowners.

The following steps were taken to implement Delft's Revolving Fund:

- A team of experts with different backgrounds (e.g. financial, juridical, communication and environmental) was created to examine the options for a financial instrument and to encourage private homeowners to apply for the fund by offering advice and support.
- Since 2010, the municipality has launched a **communication programme** to stimulate awareness and activate investment in energy-saving measures. More specifically, a communication campaign "Delft wordt Groen" (Delft becomes Green) was launched on Facebook to raise awareness and stimulate action. The soft loan scheme is promoted more discreetly, as the municipality do not want to encourage citizens to live 'on credit'.
- The city of Delft has signed **agreements with two organisations** playing the role of local Energy Advice Centres: the cooperative Delft E Design and the company Reimarkt Delft. These organisations provide energy advice to homeowners and guide them in the process of house renovation. The city of Delft is also cooperating with other local stakeholders such as the Technical University of Delft, energy companies, etc. Homeowners can find all the information regarding the criteria and procedures to obtain the loan on the city's website. The homeowners can also download the loan application form. If they wish, they can get support from Delft E Design or Reimarkt Delft but they can also hire another advisor or make their own renovation plan.



- Once the homeowners apply for receiving a soft loan, the City board needs to make a decision in a maximum of eight weeks. The maximum loan amount is € 10,000. A higher amount is possible only in case of special requests. The interest rate is 4% lower than the market (10-year interest) with a minimum of 1.5%. Once the loan is approved and granted, the process of renovation can start. Delft E Design or Reimarkt Delft support the homeowners in the process of renovation.

Since 2006, the municipality has approved **35 loans for a total amount of €400,000**. The total costs of measures carried out were €500,000. The municipality does not monitor results in terms of energy savings or type of households who took a loan. It has set the minimum value for insulation measures and can thus estimate energy savings.

## TRANSFORMATIVE POTENTIAL

Implementing financial instruments to encourage residents to invest in renewable energy and energy-saving measures represent an important potential for reducing CO2 emissions in urban areas. Other cities have been implementing similar projects, including Riga (Latvia), Parma (Italy), Frederikshavn (Denmark), Bordeaux Metropole (France). These cases, in which tailor-made financial incentives like soft loan financing schemes have been used in **combination with non-financial incentives** such as technical assistance and communication campaigns show how to effectively motivate homeowners to invest in more sustainable measures for their houses.

### MORE INFORMATION

[Delf city website](#)

[Energy Cities' website](#)

[Infinite Solutions project](#)

