IMAGINE A BUILT ENVIRONMENT THAT ENABLES A HIGH QUALITY OF LIFE FOR ALL

BUILD UPON

CO-CREATING AN AMBITIOUS NATIONAL RENOVATION STRATEGY FOR IRELAND

Mini Workshop
Setting the right Standards - 1

6

Irish Green Building Council – Dublin

Thursday, 1st December 2016

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IGBC
IRISH GREEN BUILDING COUNCIL

Roinn Cumarsáide, Gníomhaithe ar son na hAeráide & Comhshaoil
Department of Communications, Climate Action & Environment

SUMMARY

In early 2016, the Irish Green Building Council (IGBC), in conjunction with the department of communications, climate action and environment organised a series of workshops on Ireland's National Renovation Strategy V.2. These events were attended by over 170 key stakeholders and led to the publication of a "Declaration in 10 Points for a Better National Renovation Strategy".

Since the beginning of the consultation process, workshop participants have consistently said that for large scale deep renovation to happen in Ireland, the right standards must be in place – See recommendation number 8. A follow-up event was organised on Thursday, 1st December to explore the opportunity of gradually banning leasing of properties that do not reach minimum BER standards and to look at technical standards.

Key Suggested Actions

- Considering a gradual ban on leasing of residential properties that do not meet minimum energy efficiency requirements
- Supporting the development of building performance leases
- Developing quality data on the co-benefits of deep renovation in the commercial sector to help building the "business case"
- Introducing elemental and overall performance standards for residential and non-residential buildings
- Introducing statutory minimum standards for indoor air quality
- Extending S.R. 54 to cover non-residential buildings
- Introducing minimum entry level (building physics and energy efficiency principles) and lifelong learning requirements for both construction workers and construction professionals

Gradually banning leasing of properties that do not reach minimum BER standards

- **Residential Sector**

During the first phase of the consultation process, workshop participants expressed strong support for the introduction of a gradual ban on leasing of properties that do not meet minimum BER standards. Yet, they also acknowledged that this could be difficult to implement.

This initial feeling was echoed at the December's meeting. First of all, participants highlighted the diversity of landlords (public and private) - many of them being very small.

One participant explained that the least energy performant properties were currently found in the private rental market, and that the housing shortage meant there were currently little incentives to retrofit these buildings. Gradually banning leasing of properties that do not meet minimum BER standards could thus improve the situation. However, other participants expressed concerns that this change could actually fuel the housing shortage crisis - if it's not complemented by extra support for landlords, some of them may decide to withdraw properties from the market.

In fact, for such a measure to work, landlords would need certainty on both standards (that they won't change in 5-10 years' time) and the level of support.

Although the Home Renovation Incentive (HRI) Scheme already provides for tax relief for landlords, extra support would be required if such a ban was introduced. This could include specific grants, green loans or tax credits – the introduction of a mechanism similar to the "accelerated capital allowance" but for landlords was mentioned. Sliding benefits – with early adopters benefiting of higher level of support - should also be considered. Furthermore, most landlords have limited awareness and knowledge of deep renovation and are likely to need technical support. According to the workshop participants, the ban would also require a high level of inspection and enforcement could be an issue. One participant highlighted that as it currently stands, the level of inspections made by local authorities is low and enforcement arising from inspections is small.

Finally, while supporting the introduction of a minimum energy efficiency standard for rental properties, several participants objected the use of BER in its current form (open to abuse and potentially leading to moisture risks if not complemented by minimum technical standards) and suggested to use where possible measured data instead (e.g. DEC).

- **Commercial Sector**

During the first phase of the consultation process, some workshop participants suggested a gradual ban on leasing of commercial properties that do not meet minimum BER standards. Yet, the support for such a ban was lower than in the residential sector – Some participants saying progress in the commercial sector should be primarily market driven.

In December, workshop participants made it clear that in the commercial sector there are different horses in the race (e.g. SMEs vs. larger organisations, organisations on short or long term leases).

While many large organisations are already looking at energy efficiency, most SMEs are only influenced by cost (and lease less energy efficient buildings). There is also a real difference between organisations on a short or long-term lease: In a long-term lease it may make sense to pay a premium for a more energy efficient building and building performance leases can have a role to play.

For large scale deep renovation to take-off in the commercial sector it must make financial sense for investors, owners and landlords.

More than a ban, putting an accurate monetary value against asset appreciation, health and wellbeing, productivity increase, as well as energy savings could help in building the business case for deep renovation in this sector and lead to an increase in deep renovation. Nevertheless, where there is not enough data or where it does not make financial sense yet (e.g. due to the cost of the technology), this could be further supported through tax incentives. Potential tax incentives include the extension of the Accelerated Capital Allowances for Energy Efficient Equipment (ACA) to retrofitting solutions, a reduced VAT rate for retrofitting solutions and tax breaks for x years on rental incomes (based on pre and post-renovation energy performance). As in the residential sector, workshop participants suggested a sliding scale approach to encourage action. ESCOs and the introduction of feed-in tariffs for private organisations' PV, etc. could also contribute to an increase in deep renovation in the commercial sector.

In the SME sector, awareness and trust in the technology / process remain low. Skilled, trusted local intermediaries that would support them at all stages of the renovation process could thus have a role to play. For this sector, workshop participants felt that it would make sense to target first high energy users and low hanging fruits – This would contribute to awareness raising and organisations that have, for instance, change their lights to LED are more likely to consider other energy efficiency actions.

Finally, workshop participants stated that the publication of buildings' BER (or even better buildings' DEC) online as well as information on price index could contribute to an increase in deep renovation in that sector. Regulatory confidence is also key in driving large scale deep renovation in the commercial sector.

Technical standards

During the first phase of the consultation process, workshop participants had suggested to:

- Introduce BCAR type process for all deep retrofit projects
- Introduce minimum NZEB retrofit regulation
- Introduce statutory minimum standards for insulation, thermal bridging, air tightness, indoor air quality, renewables, MVHR and heat pumps
- Introduce Minimum skills requirements (following introduction of skills cards) for all deep renovation public tenders

At the December's workshop, participants expressed reservations about the potential introduction of BCAR type process for all deep retrofit projects and / or minimum NZEB retrofit regulations. Several participants stated that the level of NZEB awareness remain extremely low among architects.

Furthermore, while the due diligence required under the BCAR process is positive, one participant explained that it was often perceived as burdensome and expensive by architects. According to him, what is required is for architects to clearly define intention and to make sure it is achieved. However, the same result may be achieved without introducing BCAR process, through better monitoring and improved quality assurance.

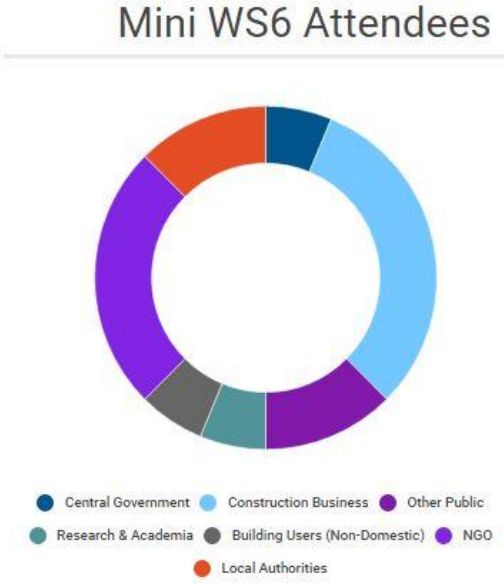
Workshop participants agreed that risks associated with deep retrofit are often higher than risks associated with new builds and that too often principles defined for new builds are simply apply to retrofit. According to them, current standards on retrofit are too loose (e.g. air tightness regulations). One participants explained that you can comply with existing legislation and make serious damages to a building. While standards for residential and non-residential retrofits should be different (e.g. higher air tightness in commercial buildings can lead to extra energy being used for cooling), elemental and overall performance standards are required for both building types. More specifically, workshop participants called for an extension of S.R. 54:2014 Code of Practice to cover non-residential buildings. Yet, some participants felt that S.R. 54 in its current form is too complex and that publishing a simplified version of same would be useful for both building owners and occupiers (Cork rural design guide was presented as best practice). Workshop participants also called for changes to Building Regulations Parts L and F, i.e. removing "where practical" from part L and changing part F to better promote smart ventilation.

Workshop participants reiterated their support for indoor air quality standards and suggested to introduce new legislation to protect private organizations investing in PVs (Australian and US legislations were mentioned) and to guarantee access to the grid.

Nevertheless, workshop participants made it clear that new/better standards alone won't be enough, as on site application is usually the main issue. As such, they suggested to:

- Consolidate existing legislation and guidance documents to remove any contradictions, and to publish good quality cases studies to make these documents more accessible
- Improve post retrofit monitoring e.g. through humidity / indoor air quality sensors and the introduction of mandatory thermal imaging as part of SEAI grants quality control
- Upskill construction workers and construction professionals to make sure they all understand the basic principles of building physics and energy efficiency. Beyond these minimum entry level requirements, workshop participants said that lifelong learning should be encouraged. To make apprenticeship more attractive they suggested to make some of them "protected occupations" as in Germany, where a set of qualification is required for each skill associated with retrofit.

WORKSHOP'S PARTICIPANTS ANALYSIS



THANK YOU TO ALL OUR WORKSHOP'S PARTICIPANTS

COLLABORATING ON WORKSHOPS AND EVENTS

A series of over 80 events in the 13 project countries will bring stakeholders together during the project. As part of this process, six high level Energy Efficiency Building Renovation Workshops will be organised across Ireland by the Irish Green Building Council. The workshops are supported by the Department of Communications, Climate Action and Environment and are a must for anyone who wants to ensure their voice and views are heard in Ireland's National Renovation Strategy Process.

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