



Heating replacement in apartment buildings/multi-family houses (MFH) of private, non-institutional owners

Results and recommendations

1. February 2024: Workshop «Energy-efficient buildings: accelerating the transition»

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Content

1. Starting point
2. Key results
3. Conclusion and recommendations

1.1 Starting point and objectives of the project

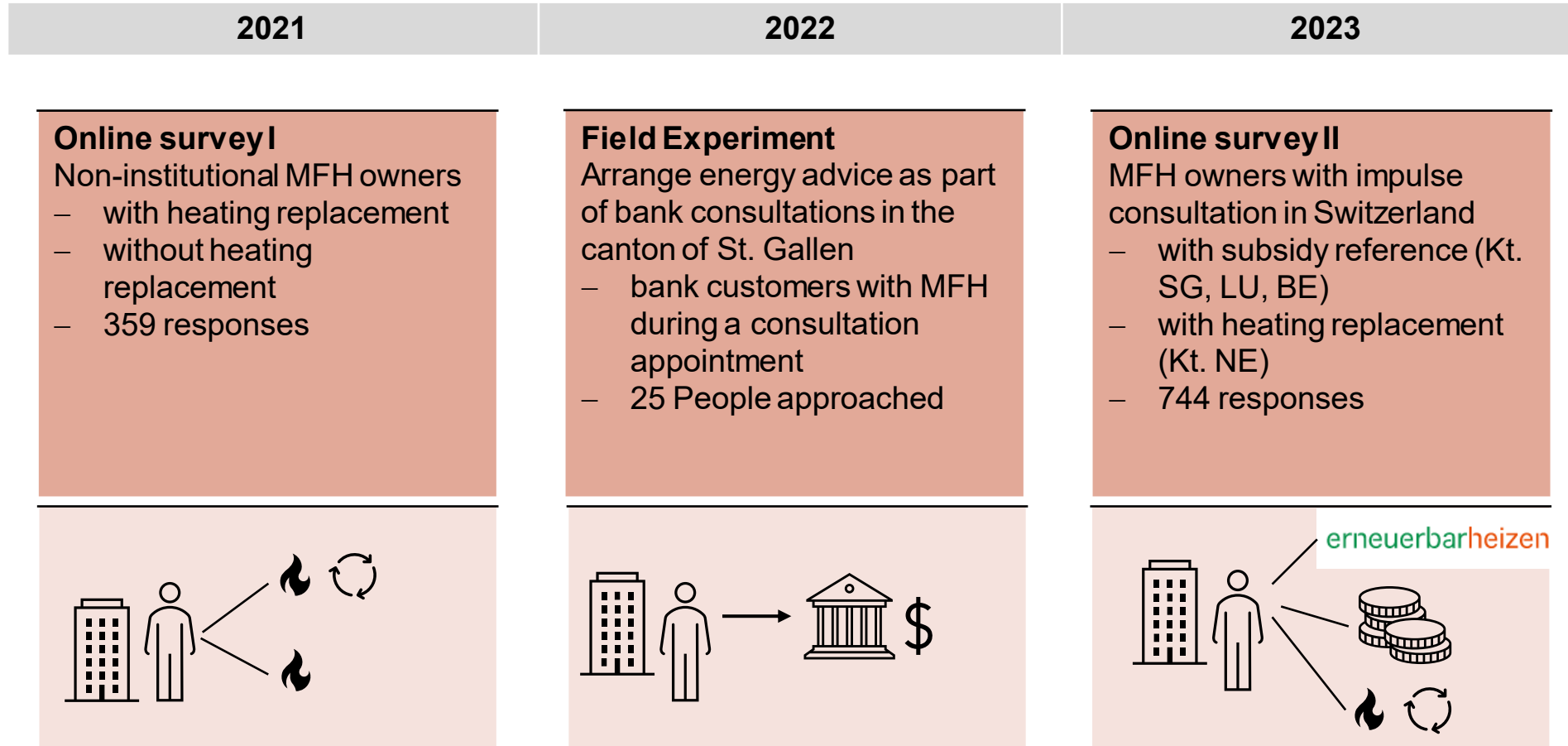
Starting point

- Slow(er) switch to renewable energy sources when replacing heating systems, especially in apartment buildings/multi-family houses (MFH)
- 49% of rental apartments in private ownership*. Assumption: MFH has an average of seven residential units = approx. 157,000 MFH owned by private, non-institutional owners

Objectives

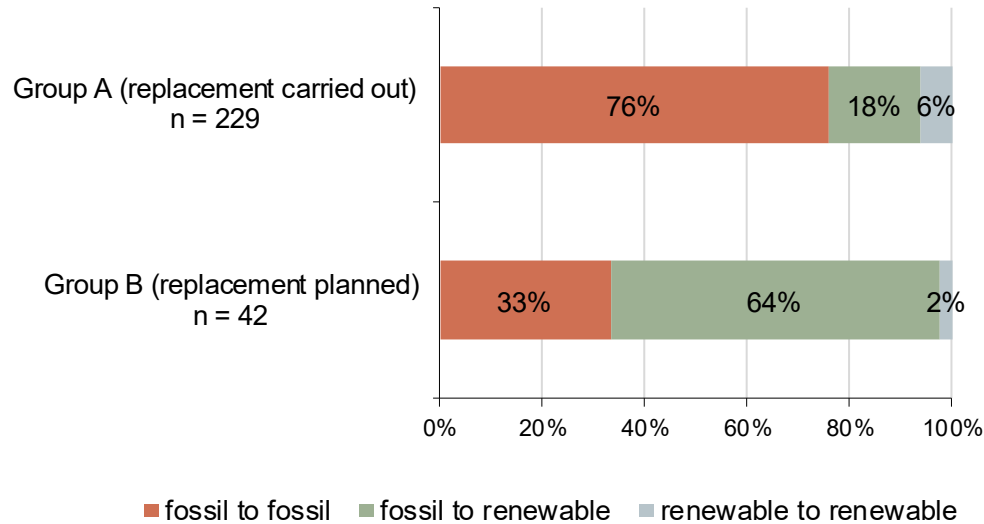
- Identify factors that could specifically hinder or promote the transition in MFH owned by non-institutional owners.
- Determine the potential of advice on heating replacement in the "bank consultation" window of opportunity (purchase of an MFH, inheritance, retirement or renewing/extending mortgages).
- Focus of survey II (fallback option): Impulse consultation «erneuerbar heizen», financial incentives and challenges in implementation.

1.2 Main elements of the study

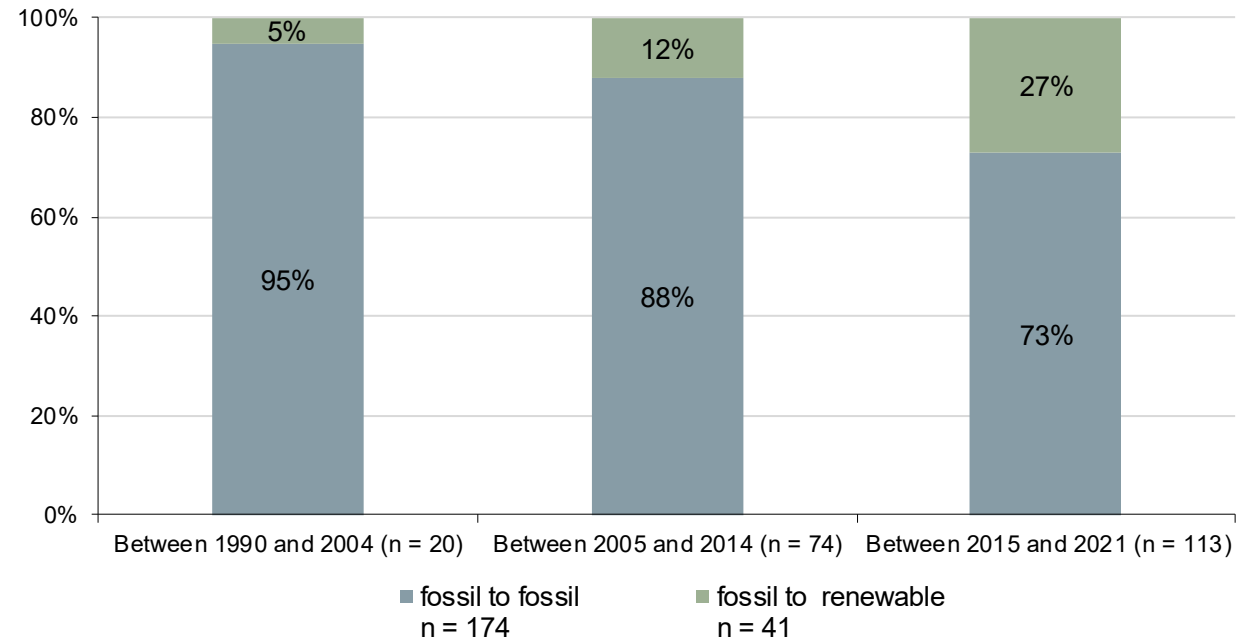


2.1 Key findings from survey I in spring 2021

Choice of energy source for heating replacement 2021



Development of heating system replacement over time



- Status 2021: Switch to "renewables" for heating replacements on the rise - yet a third still planned to replace their heating with fossil fuels in 2021
- *Note since spring 2023:* in 22 cantons, fossil heating may no longer be replaced 1:1 by law.

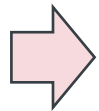
2.1 Key findings from survey I in spring 2021: influencing factors

Main influencing factors for system change fossil-renewable:

- ecological considerations (82%)
- investment costs (62%)

Main influencing factors for system change fossil-fossil:

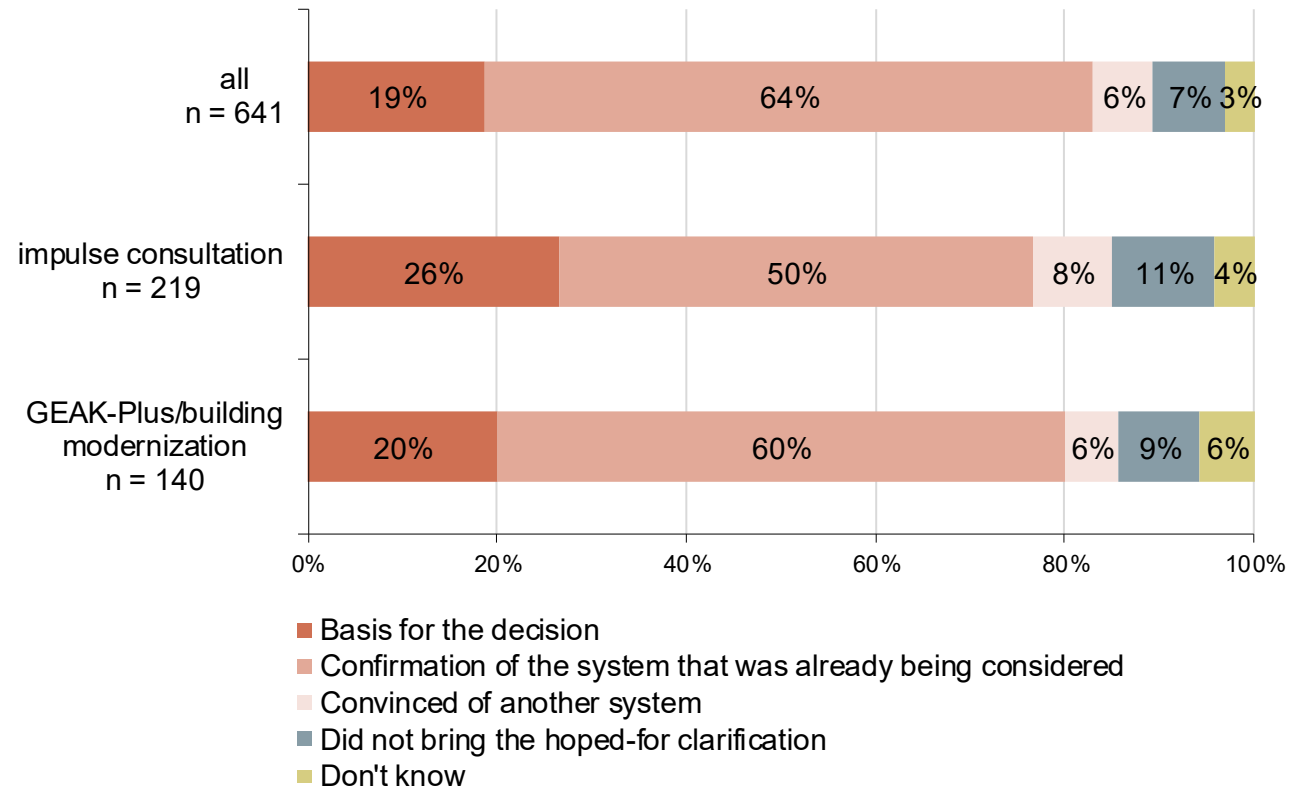
- investment costs (68%)
- unfavorable conditions (55%)



Both groups are cost-sensitive

2.2 Key findings from survey II in spring 2023: impulse consultation

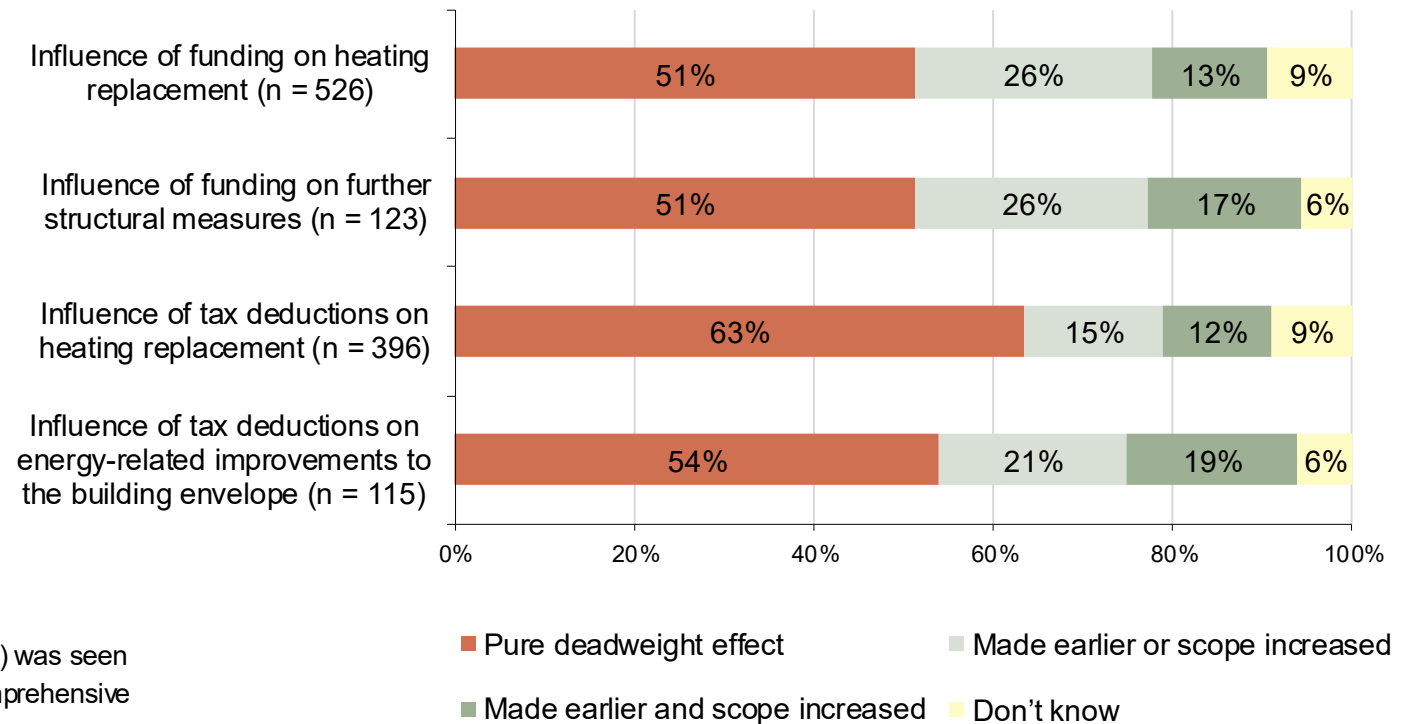
Effect of the consultation



- Impulse consulting supports MFH owners who have already considered switching to renewables.
- Recommendations by the impulse consultant are very important for 2/3 of the decisions.

2.2 Key findings from survey II in spring 2023: financial incentives

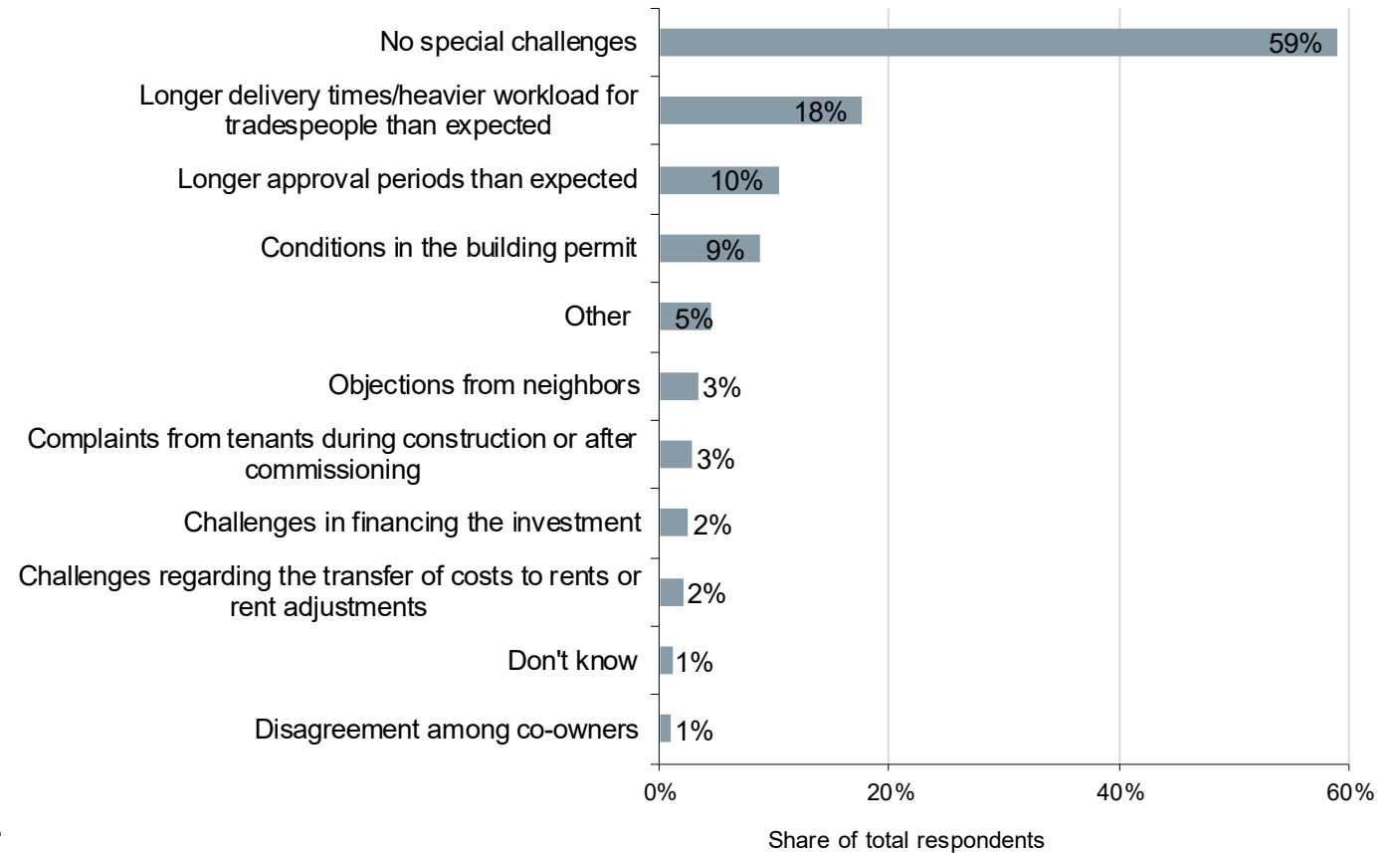
- Funding on heating accelerated the switch to renewable energy sources when replacing heating systems (30%).
- Tax deductions lead to more extensive investments for energy-related improvements to the building envelope (30%).
- There are observed (high) deadweight effects* for subsidies and tax deductions of 51% up to 63%.



* “pure deadweight effect” (i.e. where financial incentives had no impact) was seen among people where the incentives did not result in earlier or more comprehensive investments.

2.2 Key findings from survey II in spring 2023: implementation challenges

Specific obstacles (n = 329):



- No special challenges/obstacles stand out.
- Effort required for clarification, coordination and bureaucracy represents a challenge.
- 40% of respondents found the workload needed to apply for funding to be (quite) large.

3. Conclusion

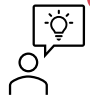
Research project generated new findings on private, non-institutional MFH owners, e.g.:

- A large proportion of MFH owner-occupiers want to avoid changing tenants and therefore refrain from passing on the additional costs of replacing heating systems to the tenants.

The impulse consultation „erneuerbar heizen“ is a low-threshold offer that supports property owners willing to make the switch.

Banks still need to build up their knowledge to create an effective "bank consultation" window of opportunity.





3. Recommendations

erneuerbarheizen



1 Impulse consultation (public sector)

- Continue with easily accessible impulse consultation for MFH.
- Objective: Increasingly reach those with low awareness via multipliers (e.g. homeowner associations, banks, municipalities, installation companies, tax advisors, administrative associations, building insurance companies, etc.).

2 Cooperation along the value chain (public sector and service providers)

- Public sector maintains a pool of cooperation partners/multipliers and provides them with information for MFH owners.
- Service providers refer to each other.

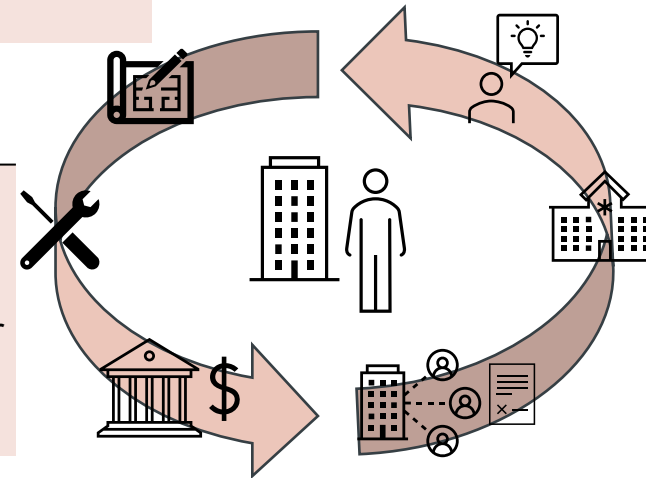


3 Banks as intermediary (public sector and banks)

- Support knowledge building at banks on energy efficiency and renewable energies.
- Testing of tandem energy/bank consultations, or energy consultation in branches, etc.

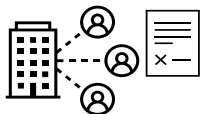
5 Establish basics for MFH owners (researchers)

- Expand knowledge on non-institutional MFH owners, particularly on challenges or psychological barriers at the landlord/tenant interface, financial possibilities, priorities, etc.



4 Support during administration and implementation (public sector and homeowner associations)

- Creation of leaflet for the exact calculation of the transferable costs, e.g. by associations.
- Test a follow-up consultation (after impulse consultation): Communication with tenants, tenant law.
- Financial support when supervising implementation.



Questions

