

Green Landlords

Solving the Rubik's
Cube of Energy
Efficiency in
Rental Housing



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ASSOCIATION

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The BCSEA is a solutions orientated non-profit association committed to promoting sustainable energy and energy conservation in BC through education, advocacy and tangible community projects.

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Executive Summary

Climate change demands urgency, and BC must move quickly to reduce its carbon emissions and build a thriving low-carbon economy. Our aim in this project is to catalyze action in rental housing, a sector that has received little attention until now.

The Green Landlords Project directly addresses provincial mandates, municipal commitments and utility company obligations to reduce energy consumption and cut greenhouse gas (GHG) emissions across the province, and specifically within existing rental buildings. It provides a comprehensive solution to help landlords and tenants keep up with the demand for sustainability and reduced environmental impacts.

Rental housing makes up a third of BC's rental dwellings and caters for a high proportion of low and middle-income households. It produces approximately 1.4 million tonnes of GHG emissions per year and is the sector of society most vulnerable to energy price rises and a weak economy.

Despite the social and environmental benefits of energy efficiency, wide scale investment in efficiency measures is not happening in rental housing. Unless building owners have confidence in the payback of energy efficiency measures, they are unlikely to invest significant time or money in these measures. Thousands of rental homes will remain inefficient, and low-income households will continue to face unaffordable energy bills until this is solved.

Demonstrating payback in rental housing is a complex issue. Market barriers, such as split-incentives, make savings hard to quantify and to capture. Split leadership means rental housing is currently neglected and under-served by funding programs for energy efficiency. These challenges are tackled in the body of this report.

The provincial government has recently announced four funding schemes through LiveSmart BC that will offer free energy efficiency assessments and direct installation of measures for low-income residents, whether they own their own home, or rent. The low-income strategy is an important step but covers only part of the rental market.

The Green Landlords Project offers a more holistic approach that champions all rental housing. We propose an integrated approach – the Green Landlords Model – that would co-ordinate energy efficiency programs and initiatives for rental homes through one dedicated agency, and enable greater market investment in energy efficiency upgrades in rental homes.

The Green Landlords Model provides accessible solutions for tenants and landlords, regardless of income level. It would enhance current programs, and attract private investment as well as government funding. It is intended to empower both tenants and landlords by promoting clear, accessible and reliable information, and leadership.

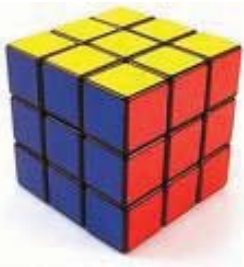
We have compared the challenge to a Rubik's Cube to emphasise that co-ordinated action is needed to overcome the barriers. Outlined here are nine interconnected solutions based on international best practice, which, if all were put in place, would slot together to create substantial demand for energy efficiency improvements in rental housing.

The ultimate goal of the Green Landlords Project is to effect the energy efficiency retrofit of all existing rental buildings in BC by 2030.

With government support, and a strategy of mixed public and private investment, investment on this scale could total \$2.5 billion over 20 years, and create over 80,000 person years of employment. Allowing for a development of the solutions and phased implementation, we estimate that 35% of rental homes could be reached by 2020, with productivity increasing as the market matures, to reach the remaining 65% of rental homes by 2030.

At an achievable average of 25% reduction in GHG emissions, this could result in a reduction of 118,000 tonnes per year by 2020, and 338,000 tonnes per year by 2030.

The Green Landlords Model – Nine Clear Solutions



1. Legislate for Building Energy Labelling
2. Create a Robust Calculator of Costs and Payback
3. Improve Financial Incentives
4. Establish New Financing Options
5. Set up an “all-in-one” Green Landlords Concierge
6. Create an Energy Efficiency Fund
7. Build Workforce Capacity
8. Invest in Behavioural Education
9. Use a Unified Promotion Strategy

Next Steps

The BCSEA is hoping to develop the Green Landlords Model in Phase 2 of the Green Landlords Project.

Phase 2 would take the Model to a point where the legal, financial and technical frameworks are established and the delivery processes can be established. Through clear leadership and close partnerships with key stakeholders, Phase 2 would enable legislation to be introduced on the Model during 2010 – 2011 (Phase 3), and this in turn would enable delivery to begin (Phase 4).

During Phase 2, a number of actions could also be taken to begin the rollout of the model. Improving financial incentives, investing in workforce training, and trialling of building labelling are likely to be the first actions that could be implemented. Phase 2 would work to start this process.

Phase 1 2008 – 2009 Conception Stage	Phase 2 2009 – 2010 Detailed Design	Phase 3 2010 – 2011 Construction	Phase 4 2011 – Delivery
Research & Development: Design the Green Landlords Model	Detailed Development of the Model: Establish a Business Plan and Legislative Proposals	Action the Business Plan: Effect Legislative Change and Establish Management Structures	Rollout the full Green Landlords Model, Leading to the Retrofit of all Rental Homes by 2030