

## Case Study 3: Social Housing Energy Efficiency Renovation Programme (Apartment Block Renovation Programme)

Hungary

### Summary

Social Housing Energy Efficiency Renovation Programme (SHEER) is carried out by the D.V.D. company located in Budapest, Hungary. The company has developed a Global Environmental Social Business (GESB) mechanism and completed energy efficiency renovations in around 45 pre-fabricated apartment blocks in Budapest and other Hungarian cities. The renovations include installation of new heating systems, windows frames, and insulation of walls, basement and roofs. Solar panels and passive housing standards are planned to be the next step in the development.

The role of the company is develop and manage the renovations by providing financial guarantees, developing portfolio for the banks, recovering loan defaults, collecting common costs and disseminating the information. The company follows a social business model which is reflected in the reinvestment of profit into new projects and benefits for middle-low income tenants who would not be able to implement energy efficiency renovations otherwise.



The programme is successful in the way that 45 apartment blocks have already been fully or partially renovated, and the mechanism is ready to be replicated on the EU level. However, so far there has been no in-depth evaluation and quantification of impacts. Also the behavioral aspects do not seem to be properly addressed.

### Lessons learned

- Prior experience in a similar international project of the manager helped to build the network of stakeholders, explore the market, as well as assist in identifying the right target group.
- Benefits offered by the programme, together with the chosen social business model are effective and attractive for the target group.
- It is important to build trust between all the stakeholders and eliminates the danger of financial failure which is important given the finances involved.
- The company's individual approach in 'hard cases' and follow-up actions after the programme also contributes to credibility and commitment issues.
- Substantial energy audit before the renovations would allow having baseline information, as well as later on, would make it possible to quantify the savings and use them as evidence in the next projects.