



Infinite Solutions

Local studies and action plans, WP4

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Target group: Private housing

Mapping of existing financial possibilities for the promotion of energy renovation of private dwellings in the municipality of Frederikshavn

FIRST SUB-ANALYSIS INFINITE

Energy City has held individual dialogue meetings with the majority of banks and credit unions, which have physical address in Municipality of Frederikshavn. Prior to the meetings we sent a letter of introduction (see appendix 1), which was followed by a telephone call in which the dates for holding the meetings were agreed. The dialogue meetings were held on the basis of an interview guide (see Appendix 2). After each meeting we have prepared a written summary, which subsequently approved by the interviewee.

The purpose of interview with local banks is exposed to funding for the renovation of private dwellings in the local community. The fact is that in Municipality of Frederikshavn there are 15,000 homes listed earlier than 1980, so these homes have a large energy renovation potential. Loans potential is estimated to be large, if each of these houses, on average, is undertaken energy renovation of 100,000,-kr., it would generate a total lending potential of 1.5 billion kr. The meetings have been based on three main points of impact:

1. Mortgage
2. Professional relations
3. Customer relations

Analysis goal was to:

- A. Get unfolded and insight into lending opportunities, including the factors that come into play that homeowners can get access to loans. For example, loan types, the importance of house location relative. Town – catchment area, as well as each client's personal finances.

B. Ascertain the potential and untapped ways to go in order to promote energy improvements in private homes compared. Financial bets. Below insight into unfulfilled need for financial concepts and new lending products for energy renovation. On certain of these potentials will work with a specific project, which translated into concrete financial pilot tested in practice.

The follow-up should hopefully through pilot projects provide direction on the essential question of how to ensure that it is attractive to banks and mortgage companies actively market and provide loans for energy retrofit.

The long-term aim is to get far more homeowners to energy renovate their homes, which in the municipality create more win-win situations:

1. Increased loan portfolio of local banks,
2. Increased employment of local artisans and
3. Homeowners insuring less operating expense for electricity and heat, as well as maintaining the house's resale value

Danish Energy Agency DEA mapped in 2013 existing initiatives in the financial sector in order to promote energy refurbishment as part of the planning work on "Better Housing concept".

Municipality of Frederikshavn was one of the of DEA 9 municipalities, which will test and deploy Better Housing concept.

In general, the DEA's mapping of the financial sector, there are a number of initiatives are targeted energy renovation within:

1. Marketing
2. Dialogue tools
3. Funding targeted energy renovation and
4. Documentation for energy savings, of which energy loan is the most widely used tool in the toolbox, the practices of most banks is that most of the Energy loans under standard terms and interest rate. Mortgage lenders provides financing up to 80% of the equity and banks / savings banks with the remaining equity of 20% or loans to less than 200,000, - kr.

SUMMARY OF THE FINANCIAL SURVEY OF PRIVATE HOUSING

Financial basis for the renovation of private dwellings are present!

Generally, homeowners have a relatively large savings combined with a good home equity. The banks all say that many of their customers in Municipality of Frederikshavn, due to the crisis, have saved up "keep their money" and repaid on existing loans, even though they have not been directly affected by it.

Energy savings can be fully or partially finance the loan

All banks offer home loans, which can be widely used for improvements to the property including loan for energy retrofit. The loans are of a variable rate ranging from 5-10% up to 20 - 30 year maturity. The basis for determining the interest rate assessed from a risk assessment based on the equity in the house (up to 100% of the house value) and the individual's financial situation. The typical home loan is between 100,000-300,000, -kr. (1 €~7.5 DKK). Most banks energy retrofit contract (loan scheme) also includes an agreement to postpone the first repayment of the loan a year where energy savings can help to fund the loan.

Energy loans at lower interest rate

Several banks offer or have had energy loan schemes and its campaigns specifically targeted energy initiatives. A single bank provides loan with a lower interest rate in the range at 3.25 to 8% and with maturities ranging 10-20 years. The Bank requests evidence in the form of invoice or the like. Banks in 2012, had many customers who chose to borrow for solar installations because of favorable national framework. At present, the means and mechanisms that banks have allocated for the renovation of private dwellings are inadequate.

Energy report counts, but !!!!!!!

An energy report with estimated savings and visibility of potential improvement proposals, which are projected this day is not a prerequisite for getting a loan, but the label can provide easier access to credit from most banks. The crucial parameter is currently home owners equity and personal financial condition.

Myths and facts related to Lending in the basin relative energy renovation

It is a myth that it is not possible to borrow money for energy renovation in villages of the Municipality. The distinction between the village and the surrounding area is significant as the little farmhouse with room for "horse and goat" in some cases may have a high amenity value, and thus is relatively easily shifted.

Generally, it is important for village homes that they are maintained, otherwise they are not negotiable. A problem for the financing of the cheapest accommodations basin below 500,000, - kr. is that credit unions do not lend more against them.

It is usually possible to borrow up to the house's sale value and in some cases more if the home owner has a good personal finance. The individual's financial circumstances are weighted higher in the basin than in the city, due to the transferability of country houses are slower. But the problem is that in many places the houses are cheap, so it often does not lead to acceptance by the banks to provide loans for energy measures

At the same time these homes in the hinterland often have a huge potential for energy improvements, whereby the operating costs are often higher than the interest / principal payments on the property could be reduced substantially.

Cooperation with the professionals

Similar to the banks' cooperation with professional relationships, the general assessment with one exception, there is no basis for a "one stop shop" solution where customers can just turn to one of the actors (energy consultant, craftsman or bank). The individual banks each have a solid partnership with a credit union and the picture is more varied in relation to the real estates, which in most places is a relative openness of informal cooperation with more than a cluster. The most there is not established a formal collaboration with energy consultants / energy supply companies, neither with craftsmen. A single bank subsidizes execution of thermography survey of the houses and the cost would be subsequently included in an energy loan.

Development potentials

There are a number of ideas that could promote energy retrofit efforts in private live-calms based on interviews:

1. Active marketing of energy loan
2. Dissemination and of-publication of good customer cases compared. Energy initiatives
3. Concept of energy initiatives in affordable housing hinterland, thereby achieving financial freedom
4. Motivation and information distribution efforts targeted homeowners
5. Desire for cooperation with energy advisers who can qualify assessment in connection with lending
6. Enhanced cooperation with real estate agents about energy efforts prior to the sale of residential
7. Reference to the website / concept "www.byggestart.dk" to get involved local craftsmen
8. Using mortgage Danish program "wise m2 ", which allows a simple calculation model for the energy renovation efforts.

Existing Loan offers to home owners from local banks

(Current situation)

A. SPAREKASSEN VENDSYSSSEL

Sparekassen Vendsyssel has two relevant types of loans connection. Energy renovation:

- 1: A conventional home loan, a variable rate loan with up to 20 years maturity. The interest rate depends in the individual's financial situation and security typically consists of an owner's mortgage the house. With this type of loan will combine the energy retrofit, renovation and car loans.
- 2: The bank offers also energy loan, but it has not actively marketed the scheme. You can borrow up to 350,000,- kr. The loan is offered at a lower interest rate in the range of approximately 3.25% – 8%, the former secured by the property (which is about 2.5% below normal interest rates for home loans). Basically, loans for energy retrofit must be guaranteed, but it is assessed in each case on the individual customer's personal finances.

This type of loan could be a "door opener" to establish dialogue with the customer.

The Bank's total lending to energy retrofit loans do not have an upper limit, it is driven by the market demand. In connection with loans for energy retrofit can be agreed that the first installment be postponed for one year so that energy saving is partially or fully funding the loan.

An energy report is not a prerequisite for a energy retrofit loans, but the watchman, but is not essential (energy report could be a recommendation / requirement if the loan portfolio for energy loan growths significantly).

Professional cooperative relations (status)

Sparekassen Vendsyssel has a formal partnership with the real estate agency Nybolig, but is open to others. Regarding credit unions, the bank cooperates with Total kredit and DLR. The bank does not have a formal collaboration with artisans, but can refer to its own customers, which means craftsmen, who are customers in the bank. Bank Vendsyssel has a formal partnership with a utility, called Nyfors, but would like to cooperate with Frederikshavn Utility energy advisor and other local Better Housing Counselors.

The bank does not believe in "one stop shop" solution where the customer is addressed to one of the actors (energy consultant, craftsman and banking), where this takes care of the whole package (advisory, lending and execution of energy renovation). It wouldn't be durable in Frederikshavn, due to already customer loyalty, related to artisans or bank advisor.

Existing Loan offers to home owners from local banks

(Current situation)

B. SPAR NORD BANK

Spar Nord Bank does not currently have a dedicated loan portfolio earmarked for energy refurbishment measures. Spar Nord Bank, is very familiar with the concept, then the bank has previously had several specific loans for energy renovation of homes and simultaneously exposed to these efforts through increased promotional activities (eg. Energy renovate your house and get a free kitchen!).

The Bank currently uses a more general home loan option, which, due to the historically low interest rates, is attractive. The bank is open again to take measures that focus on energy renovation when the bank sees sense to invest in energy-enhancing-ring action. This applies both for the purpose of improving the operating costs for homeowners here and now, but also with the aim to make the house marketable in the long term.

An energy report is not essential to establish a loan for the renovation, because the bank always sends its own valuator to the customer. Yet it is believed that an energy report is a good tool.

Spar Nord declares, that in principle they always help with loans when a customer wishes energy renovation of his/her house. However, it is necessary to emphasize that the geographical location of the property is essential. Nevertheless kills the bank the myth, that you can't borrow money for the renovation of your property, if you live in a village or rural area.

It is usually possible to borrow up to the NPV (value) of the house, and in some cases even more if you have a good personal finance. This applies whether you live in town or in the hinterland, if you are interested in bank loans. More credit unions are more reluctant when it comes to lending to homeowners in the basin.

Spar Nord is not dismissive of that by loans for energy renovation can defer repayment for one year so that the energy savings can finance the

Professional cooperative relations (status)

Spar Nord has about Three years ago had a formal collaboration with the energy company Energy Nord, which offered free energy advice and the preparation of energy report to the bank's customers. It was a popular offering, the Bank evaluates among other things due to the then very attractive mechanism for the creation of solar cells. The demand was so extensive that cooperation stopped and it has not been established again. Probably because the attractive offers for solar cells was later changed by other legislation.

Spar Nord is now open for new collaborations in general,

Spar Nord has not formalized collaborations with craft industry, but has often referred to "Energiprofferne" (network of local craftsmen specializing in energy renovation of buildings), as they are specifically trained for the job. Moreover, the Bank refers to companies that are customers, while maintaining a good reputation.

In respect to real estate, the bank has a good cooperative relationship with most brokers in the city – including Nybolig, Calundan and EDC. Furthermore, the bank is open to further cooperation.

Existing Loan offers to home owners from local banks

(Current situation)

C. JYSKE BANK

Jyske Bank does not have a specific loan portfolio for energy renovating of homes, on the other hand have a general home loan option.

There is currently not a great activity related to energy renovating of private properties. Jyske Bank may finance the energy renovating of private homes through its standard products in the form of mortgages or mortgage with the ability to create up to 30 year mortgages, where the homeowner can borrow up to 100% of the house value (NPV).

The typical property loan is between 100,000–300,000 kr., with a lending rate that varies between 5.5, – 10% per annum. The risk assessment is done as a combination of each client's personal finances and the value of the house. Mortgages are usually within 80 – 100% of the value of the house, and the bank requires a mortgage of the house.

Once the loan is approached, it would be possible to postpone repayment of the loan for one year so that the energy savings can finance the loan. An energy retrofit report with an estimated budget does increase trust / security in relation to the bank and thus makes "easier" access to credit.

Professional cooperative relations (status)

Jyske Bank has an informal cooperation with the real estate firm Nybolig, EDC and is open to collaboration with others.

Regarding craftsmen, the bank has no formal collaboration with anyone. There is no formalized cooperation with energy companies on energy lending / CO₂ savings.

The bank would not seem to be involved in a one-stop-shop solution. This means that regardless of whether the home owner turns to the bank, energy consultant or artisan, this group would cooperate. The home owner only needs to have a dialogue with one of the three parties on energy management, lending and construction. The bank believes that it may be too difficult to handle this cooperation. On the other hand, the bank would like to refer those customers who want to renovate energy to an energy consultant.

Existing Loan offers to home owners from local banks

(Current situation)

D. ARBEJDERNES LANDSBANK

Arbejdernes Landsbank has established AL-Energy loans, a loan portfolio that is directly designed to energy improvements in the home. The loan may be admitted, only if property owners are customers of the bank, and if you have property in the form of for example detached house, condo or summer house. There is no predetermined requirements for what the loan specifically is used in the frame, but it could be: solar panels / solar cells, natural gas, district heating, geothermal, other forms of heating, energy efficient windows or insulation cavity, the bank mentions on its website.

AL-Energy loans have a low annual interest rate, and the rate depends on the security that each customer can make available for the loan. AL-Energy loans have a maturity of no longer than 10 years. On the website of the bank appear some loan examples of respectively 100,000 kr. (Without collateral at an interest rate of 6.5 per cent.) and 200,000 kr. (With security with an interest rate of 5.5 per cent.).

In order to get the loan paid, the bank must have documentation for energy enhancement in the form of invoice from technology suppliers, which is similar to paying your invoices through the bank.

The Bank has informed that last year was recorded more energy lending, but the bank is experiencing a trend that many customers remain reluctant to borrow funds and to focus instead on savings following the crisis. It was especially during solar boom in Denmark for two or three years ago, which was recorded many loans for energy improvements. At the same period of time, there was a similar request for borrow-

ing means for installing heat pumps. It is estimated that it is because many consumers were willing to coordinate large project, they ought in progress.

Today, the typical loan for the renovation is up to 100,000 kr. among customers, who are residents of the city. The loan covers often conversion to district heating. Outside urban areas, in the rural areas and hinterland you often find wood pellet boilers that are in demand. It is, however, to a lesser extent.

Arbejdernes Landsbank is different from other banks in the sense that customers can't negotiate the interest rates in the same way as with other banks. Customers are treated equally, but from the opportunities, that lie in the individual customer economy. For example the bank has no more expensive home loans than 7.5 per cent, where the cheapest is at 4.5 per cent.

The Bank also welcomes the possibility, that repayments on energy retrofit can wait example one year, so that the energy saving, due to reduced energy costs, which generates a share to fond the loan.

Arbejdernes Landsbank is dismissive of the idea of establishing an energy retrofit-pool, for example 5 million kr. For tis customers, who have few resources with the aim of improving energy performance in their homes (possibly, roof insulation or otherwise, which has an immediate pay-back), as the bank expects that it can be very difficult, because the financial crisis has led to, that the National Financial authority must approve such a scheme, although it only concerns a very small amount.

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Professional cooperative relations (status)

Arbejdernes Landsbank has not formalized collaborations with certain real estate brokers, but has currently a showroom listings homes for sale from real estate companies such as Nybolig and Realmaæglerne. The bank is open to informal cooperation with all brokers in addition to Home, which cooperates with Danske Bank. The Bank cooperates with mortgage association Totalkredit. The bank points out, that Totalkredit, based on a small energy improvement project, does not estimates an increase in lowered value. Therefore it is a good idea to realize broader or larger improvement projects for the house at the same time.

Arbejdernes Landsbank does not have a partnership with specific craftsmen, which is a deliberate strategy by the bank. Instead the bank advises the customer to take home several deals from craftsmen. Therefore, a one-stop-shop option is not durable, because the bank does not want to be indirectly responsible for any poor workmanship. However, the bank could, in principle, communicate advisors from Better Housing Scheme.

An energy report is a good tool, although it is not essential to the individual customers borrowing capacity. It depends on the individual's credit worthiness. However, an energy report could be beneficial to the customers where there is doubt.

Arbejdernes Landsbank offers contribution to thermography to its customers. This is so that, if a customer chooses to have a thermography, the bank will cover the cost (up to 2,000 kr.), If the customer subsequently takes out a loan for energy improvements at 10.000 kr. or more.

Existing Loan offers to home owners from local banks

(Current situation)

E. NORDJYSKE BANK

Nordjyske Bank has allocated a fund of 100 million kr. to energy retrofit loan in private dwellings. (There is a brochure describing the after conditions).

You must be a full customer to access an energy retrofit loan. The loan has a term of no longer than 20 years. In terms of security the bank requires establishment of a mortgage deed. There can be borrowed for everything related to energy improvements in existing buildings.

The required documentation can be in the form of quotation / invoice from artisans etc. The loan costs between 750-1500 kr. in creation. The interest rate varies currently from 4.95 to 6.775% annually.

One of the key schemes, which is particularly motivating in Nordjyske Bank is, that the property owner can defer first payment for a year, so that the energy saving, due to reduced energy costs, which generates a share to fond the loan.

The pool is unfortunately not used to any great extent. In 2012, the year of the solar boom, the scheme was used to a greater extent.

Regarding demands for collateral differentiation is made between small and large loans. A certified energy report will provide easier access to loans, while a report qualifies the bank's assessment base. An improved energy label of the house works in the same way.

Professional cooperative relations (status)

Nordjyske Bank has previously had a partnership with the utility EnergiNord for energy consultancy. DONG isn't chosen, due to the desire of supporting local artisans in performance.

The bank advisers have previously participated in "training", based on energy advisory relation, where the training has been concentrated on a combination of lending – and energy renovation services. Today, for the banking advisers the main focus is on its core mission "loans". This is in recognition of the fact that banking advisers do not have the in-depth knowledge and thus can't give qualified respond to the customers, regarding energy consultancy. The bank can however find potential customers for energy improvement of their houses, and would like to refer its customers to professional energy adviser, for example, better housing counselor who can do the job.

Regarding mortgage, the bank cooperates with Totalkredit, often manages properties equity, whether there is room for another mortgage in connection with the energy retrofit of the house.

The Bank cooperates with EDC real estate agency and would like to get in to more firmly cooperation with the real estate agents and keep their dialogue with homeowners in relation to loans for energy improvements, rather than purchase and intended sale.

Existing Loan offers to home owners from local banks

(Current situation)

F. NYKREDIT

Nykredit consists of a pension company, mortgage company and bank, where the idea behind the policy of the bank is to bring every financial activity of the customer together under one roof.

Nykredit has previously held various lending pools for energy renovation, but do not have a specific loan portfolio designed to market for energy retrofit for the time being. Nykredit experiences, that it is usually the customer, who seeks out the bank with a desire to energy, renovate his home having a description of the proposed project in hand. The bank asks the customer about the size of a desired loan, and if it makes sense in relation to the customer's economy, sends Nykredit its valuator out to assess the house in order to evaluate the house with and without the intended improvements. In the rural area the valuator will also record the value of the reference properties in neighboring properties, if it were to be sold and the price per m² residential in these cases.

The credit rating for each project is based on the individual personal finance of the home owner, documented by using. Paycheck / annual statement combined with the value of the house.

Nykredit is open to the possibility of repayment of loans for energy retrofit can wait for a few months in order to allow operation saving is to finance the loan. However, the estimated customer is always based on whether you can service a fixed-rate loan. Often the amount available is not significantly lower, in the case of loans for energy improvements.

The credit rating for each project is based on the individual homeowner personal finance, documented using. Paycheck / annual statement combined with the house value.

Nykredit is open to the possibility of repayment of loans for energy retrofit can wait a few months, so that the energy saving, due to reduced energy costs, which generates a share to fund the loan. However, the customer financial flexibility is always estimated from, whether he/she can service a fixed-rate loan. Often the amount available is not significantly lower, in the case of loans for energy improvements.

Energy Reports is significant if the customer takes a report to the bank with estimated savings and reasonable potential improvements. However, it is not essential. The decisive factor is still the house's value combined with the customer's economy. Therefore preparing a consultancy report is not a demand, though the customer may be better off. If the reports were compulsory, it was a completely different situation.

Nykredit sees no immediate sense to create separate pools for micro loans earmarked energy improvements (for x. Cavity insulation to about 15,000 kr. with a pool, for example, at 5 million kr.).

When the customer should be able to take out a loan of this magnitude without an outright loan portfolio to it, the loan would become too expensive, due to the relatively high interest rate.

Professional cooperative relations (status)

Nykredit has an established cooperation with Dong Energy, which means that Nykredit may refer to Dong subsequently make an energy report focusing on favorable energy improvements in the home. It is possible that Dong Energy has various local partners to carry / artisans. Cooperation between Nykredit and Dong Energy is in the initial phase and still under development, so there is room for ideas.

Nykredit has a natural cooperation with the real estate agency Nybolig, which is part of Nykredit.

Nykredit has not cooperating with specific craftsmen, which is a deliberate strategy by the bank, as you are not interested in being indirectly responsible for advice to poor workmanship. That's according to the bank a choice the customer must take, however, advise you that the home takes more deals.

Nykredit expects that it can be difficult with a one-stop shop solution and do not think that on their part to participate.

In relation to energy advice and reports can Nykredit in principle co-operate as Better Housing Scheme in spite of their agreement with Dong Energy. However, it does not make immediate sense in Nykredit case, because Dong Energy has a very competitive price of 1500 kr.

Existing Loan offers to home owners from local banks

(Current situation)

G. DANSKE BANK

Danske Bank does not offer a specific house energy improvement loan. Energy improvements are often covered by the owners property bank loans. Offering Loans for private home market is stagnant and there is often repaid remains, which are relatively high.

The interest expense on mortgages vary from about 5.75 to 12.10% depending on the size of the collateral that already is in the house, the customer's personal finance and other engagements / businesses in the bank.

Generally speaking, today the loans are moved from bank loans to mortgages, due to very cheap rate on the latter at 1-2% per annum. Often the bank combines an interest-only mortgage with a relatively expensive bank loan that is paid off faster.

It is possible to obtain a bank loan, which is above the "chimney" if the customer's personal economy is ok, but the interest rate will then be relatively high.

House prices have been falling in the municipality.

The bank means, that for loans for energy retrofit, a certified energy report is not very important. What is weighted is the customer's economy and disposable income before and after obtained loan.

Professional cooperative relations (status)

Danske Bank cooperates with the real estate agency Home, (sometimes the bank make an architect-designed outline proposals for energy improvement in connection with a sales arrangement).

The bank cooperates also with Mortgage Denmark. The Credit union has built a simple and interesting calculation, "wise m2" which may be completed prior to energy improvement projects.

The Bank has no associated energy consultants and craftsmen referred to.

Development opportunities for the local banks

1. SPAREKASSEN VENDSYSSEL

The following initiatives were launched:

1. That Energy City should try to find relevant data (eg number of homes from before 1980, the Energy renovations over one of the last few years) in order that the Sparekassen Vendsyssel could enable energy loan through active marketing, based on specific basis data.
2. That Energy City would like to share a good case study where the customer has borrowed for solar cells and electric vehicles, an effort funded by borrowing against the property.

Sparekassen Vendsyssel attempts to contact Frederikshavn Utiliti's energy advisor in order to establish a cooperation upon preparation of energy improvement reports to its customers. Moreover the bank would like to have a presentation on energy management for the Bank's own staff, who are in daily contact with customers. Energy City provides this contact.

Bank Vendsyssels customers are reluctant to spend their money on housing renovation, which one means that they save up their money, but there's noticed an increase in activity.

A credit will typically rely on housing equity withdrawal, the customer types of debts disposable – including the willingness and ability, as well as the customer's history.

Development of the customer relations

It has been generally stratified customers in three age groups: young people 18 – 28, established families 28–55 and from 55 and up. Financing in relation to housing in residential areas outside the cities is not a problem, but the bank is looking specifically at the individual customer. There is a distinction between the village and the surrounding area (the small country estate with room for "horse and goat").

All customers with pre-heater (diesel driven individual boilers) in Frederikshavn Municipality has received a letter from the Bank calling for replacement of and conversion to another energy source (Annex x)

In the annual budget review, the customer may be invited to an energy retrofit, if energy consumption (heating and electricity) are significantly higher than average.

A concept to must be developed in order make it attractive to live in the country was presented by Energy City (1/3 of the citizens of Frederikshavn Municipality live in the catchment area outside the cities Sæby, Frederikshavn and Skagen): Procurement of cheap housing in the countryside, as energy renovated and be self-sufficient based on green energy (electricity, heating and transport) using the installation of windmill and electric cars. Budget of 1.5 to 2 million kr. would be necessary.

The Bank was interested in participating in the "total solution" with a financing package. But of course, the concept should be developed including, provision of, whether there may draw an all-risk insurance on household wind turbine.

Development opportunities for the local banks

2. SPAR NORD

Spar Nord, the interviewee will examine whether there currently. ongoing formal collaboration with counseling, but there is no cooperation, there might be an opportunity to be part of Better Housing Scheme.

In order to boost energy renovation of the private homes, the bank points out homeowners as the key to get energy improvement of the houses properly started. The issue, which is an advantage to work with, is due to "cracking the code" for making customers confident that they do not have to be hesitant because of the crisis, when it does not directly influence the customer's financial flexibility.

Development of the customer relations

Spar Nord is working with different customer segments: first time buyers, families, childless families / children have left home and the older segment.

Spar Nord says that demand from customers is not particularly high at the moment, although there is sense in energy investments. The Spar Nord tries to avoid mortgage loan when it comes to loans to below 200,000 kr., because of the costs involved in setting up such loans. The risk assessment is done in relation to each client's personal economies-mi and the house's value, and therefore it is difficult to make general possibilities, as each customer has different requirements for loans.

The Spar Nord, it seems, customers generally have good savings as a result of the crisis years, how many have chosen to pay off the loan – and save. At the same time, many good home equity. At the bank, it seems, many customers continue to "keep your money", although they are not directly affected by the crisis. For this reason, suppose you that it can still take time before bank customers feel secure, and thus again have the courage to invest. Other customers still believe in the myth that it is impossible to borrow money, but it is by no means the case. Those who today will not lend money – is the same as it was before the crisis.

However, the slight difference that in several cases before the crisis said yes to customers who wanted to buy a new house before they got rid of the old, because the homes back then were extremely marketable. Today await you in most cases, to the old house is sold before buying a new one.

The credit rating for each project is based on the individual homeowner personal finance, documented using. Paycheck / annual statement combined with the house value, Spar Nord's own valuator. How to assess properties in surrounding areas to the villages too. Generally, it is important for village homes that they are maintained, otherwise they are not negotiable.

Development opportunities for the local banks

3. JYSKE BANK

Jyske Bank, working with real estate agents, the bank could include cooperation with customers, who intend to sell the house, in order to motivate improvements addressed to home's energy consumption "the boring and less visible efforts", with initiatives to promote a sale. New homeowners would like to be in charge of replacing the more immediately visible changes, like replacement of toilet and kitchen)

The bank intends to take the energy improvement plans into the bank's advisory service to its customers, specifically to means Home owners. For the time being the bank doesn't cooperate with an agreed group of companies that make energy consultancy / - reports. There is a potential to establish cooperation between the bank and the local businesses offer energy consultancy.

Development of the customer relations

Jyske Bank finds that homeowners generally have a relatively high savings / equity in their homes, but on top of the international crisis "is a general fear of whether they have jobs in the future."

The credit rating for each project is based on the individual homeowner personal finance, documented using. Paycheck / annual statement combined with the house value.

The same goes for. Homeowners in the basin, where max. the price of the house will be essential. One issue to finance some of the cheapest housing in the country under 500,000, - kr. is that credit unions do not lend more against them.

Generally, it is important for the villages, the houses maintained that they can be sold. The bank wants customers with a reasonable economy of the country. We need success stories, for example, that it is possible to achieve financial freedom by buying a cheap house in the countryside / or in a village and energy renovate this.

It will be a good idea to make a case study carried out in practice in the basin, which achieved financial freedom as the casing, electric car and own energy in the form of a windmill for electricity, heating and transport.

Development opportunities for the local banks

4. ARBEJDERNES LANDSBANK

The bank points to the real estate agents as a major player to get the energy improvements. The estate agents have direct contact with homeowners who want to buy or sell homes. The switch could be used to tell homeowners that the property has just become more widely accepted, if you invest in energy improvements.

The Bank also points out that it is important in relation to the homeowners who are affiliated remove heat, to make visible what it takes to change and reduce consumption.

The Bank would much like to receive material from the Energy City dealing with different cases which they can convey to customers. It could also be digital flyers or other informative material, so that customers can be routed into the energy the city's website for more information.

Development of the customer relations

Arbejdernes Landsbank has pointed out that after the crisis, many customers who choose to make savings and repay existing loans. Customers are currently pending in relation to loans in general, and this also applies to energy renovation ring, because the financial crisis continues to fill mentally. This also applies to customers not directly experienced the consequences of the crisis.

An example of this is that customers previously borrowed 200,000 kr. For a new kitchen. Today, it seems, more customers choose other cheaper solutions with kitchen projects near-more cost 30,000 kr., which make much of the project.

The bank is weighted the personal relationship between high customer and the bank, which works on the value that "all of our customers are our best customers." It's all about trust each customer more than it is about disposable income. It also means that some customers despite the amount available to borrow more if they extended period of time, for example, has shown that they can keep the budgets.

When the question falls on geography impact on lending, says the bank, that it is possible to borrow money for energy improvements, if you live in the catchment area or in villages. However, there are differences in the catchment area / villages and cities, as the bank is aware that there is more risk for loss of profit. It is therefore important that the customer has a sound economy, so that the customer can afford to lose money if the house can't be sold. You are also aware that it is in the basin, there really is a huge potential for energy improvements, although for some it is difficult to borrow money.

Development opportunities for the local banks

5. NORDJYSKE BANK

Nordjyske Bank is currently open to make and test new collaborations that would qualify the risk appetite of example relation. "Certified Better Housing advice". This includes any interaction with energy companies who buy energy-saving (e.g. HMN) to finance part of the cost of Better Housing report. Funding for the remainder of the report could be incorporated into the customer's loan. If the customer / homeowner realizes the recommendations in the report, He/she would pay for the preparation of the report (Energy City can keep up with the development of this setup, as a follow up on the status report).

The website "www.byggestart.dk" concept is a reference option. There should be researched further at this site, which was recommended as a possible solution to get involved local craftsmen.

There was also a discussion of how energy renovation of private dwellings could be boosted. One of the challenges that could be tested was the possibility of establishing a "one stop shop" option. While the first of the three actors (bank manager, energy consultant and craftsman) as the home owner caters to undertake dialogue and necessary actions with the other two and has a total deals on energy management, execution of energy renovation and loans to homeowners. The bank is interested in helping to test such a model.

Development of the customer relations

Regarding lending means to customers from rural "peripheries", this credit is estimated that basically the same in cities ie relation to housing sales value after an energy renovation. If you need to borrow more than the house's sale value, it is the individual customer's private economy under consideration.

Ifm homeowners want on general improvements to the house, for example, kitchen and bath proposes advising banks often combined with energy improvements so that the energy savings can help to fund the entire loan.

Development opportunities for the local banks

6. NYKREDIT

Nykredit has pointed out that raising and campaigning might contribute positively to boost energy renovation of private properties. In addition, it would, according to the bank, be obvious to work with the problem of many customers hesitant behavior as a result of the financial crisis.

Development of the customer relations

Nykredit experiences that customers can continue to operate pending in relation to borrowings, and this also applies to energy renovation. Attention to the financial crisis still takes up mentally, and it also makes it among customers who have not been directly affected by it. Generally learns Nykredit that many customers have chosen instead to save the last few years, which in practice means that the individual has more money to spend.

The bank is open to focus on the benefits of energy renovation, and sees a great potential to reduce operating costs while the house would become easier to sell in the future. When it comes to energy improvements it also points benefits the entire project at once, which the bank experiences as being difficult to grasp for some. However, the bank believes that the information can contribute positively to put new energy retrofit initiatives.

When the question falls on geography impact on lending, Nykredit debunks the myth that you can't borrow money when you are living in villages or in the surrounding area. It is instead about the property's condition and value, and the homeowner economy. However, there are differences in the hinterland and major cities, as the bank is aware that the risk of loss is greater, but it is certainly possible. This is in brief about the customer, whether you live in town or surrounding area.

Nykredit indicate that statistically there is a reasonable potential relative to loans and energy renovation in the age group of 45 and older, although it is of course also possible for young families and retirees to borrow funds for the purpose.

Development opportunities for the local banks

7. DANSKE BANK

Danske Bank recommended initiating a dialogue with a real estate about, what kind of efforts is to carry out, which are most cost effective and have the shortest pay back in order to promote a sale. It is agreed, that Jens Jorgensen from Home tel. 9620 2727 could be a good choice.

Development of the customer relations

Danske Bank has a website www.danskebank.dk, where there are many analyzes.

There quite a significant savings in the average homeowners in Frederikshavn. There is no shortage of money locally, and the bank would like to lend money. The financial crisis has triggered a psychological effect so that bank customers are generally reluctant in relation to money spending and raising new loans. By borrowing assessed much on the individual customer's situation, which include the allowance is indicative. The Bank has no fixed classes of customers, but of course looking at where the customer is in its lifecycle. Bank deposits are a moral code to provide advice to durable solutions.

Excessive volatility in energy consumption in each customer's private budget would generate an issue from the bank advising the page. This topic will be discussed between the house owner and the bank, for example, in connection with an annual budget review.

Regarding loans to customers in the hinterland, which made loans to all postal codes in the municipality. But the bank does not accept grace to all, and in some cases recommend the bank shorter repayment periods. It is the lack of buyers for some homes / properties in the hinterland that is the problem, and not if the property can be mortgaged or not.

Danske Bank should work with the motivation homeowners using cases with different energy retrofit solutions for older houses. The bank shall submit an analysis of the retail situation in general.

Appendix 1

Dear xx bank

We would much like to enter into dialogue with your bank, because the Energy City is participating in a European project called "Infinite Solutions" on the financing of the renovation of private dwellings. The focus is on financing of both large and small energy renovation project.

Our motive to join the Infinite project is that Municipality of Frederikshavn presents more than 15,000 private homes from before 1980, many of which have an energy renovation potential. With a wide brush, most of these houses could be energyrenovated for 100,000 kr. with a payback time of 10 years in saved costs for heat and electricity. Judging from the number of older dwellings in the municipality, it indicates the market lending potential of 1.5 billion kr.

The aim of the project cooperation in the long term is to get far more homeowners to energy renovate their homes, thus creating more win-win situations such as:

- 1 Increased loan portfolio of banks
- 2 Increasing employment in crafts industry
- 3 Finally, ensure homeowners a small operating cost for electricity / heat and maintain the house's resale value
- 4 Better Environment

Our method is that at first we make a local analysis of lending opportunities related to energy renovation of dwellings. This is to get a basic understanding of the key factors, which play a role in lending opportunities, for example, loan types, demands for energy management, the importance of the building's location and the individual's personal finances.

Subsequently, we will try to develop economic energy renovation concepts in a simple manner, so it motivates homeowners to implement qualified energy renovation of their homes. The task includes indication of a possible need to develop new lending products in cooperation with you.

I will one of these days allow me to make contact you by phone in order to arrange a meeting with you, which I hope you, would join.

Sincerely,
Energy City Frederikshavn
Municipality of Frederikshavn

Appendix 2

Interview Schedule for meeting with banks, credit unions for loans for energy renovation of private dwellings

1. Facts

Name of the company:

The interviewee's name:

2. Categories of loan types

Loans for energyrenovation:

What is the total loan portfolio to energy renovation loan?

How to increase the loan portfolio to energy renovation loan in the Municipality of Frederikshavn for example, 100 million kr?

What is the setup fee / loan origination fees and loan rates / APR (annual percentage rate) typically? What does it take to lending rates by energy renovation loan lowered to eg 3%?

What is required on loans for various amounts as security: In 100.000, - kr., 200,000, -kr. and 500,000, -kr.? When will the credit association take over, respecting lending credit means to energy renovation?

Can customers' loan be funded by the reduced budget of energy consumption? What will it take for this type of loan is created (esco-like loans)?

Is it easier and / or cheaper to get a loan, if there is produced a certified energy renovation report on the specific customer's property? Customary for the payment of, for example, better housing report in part 70, -kr. for the certified report, partly the work advocacy work leading to the report (approximately 3500, -kr.)?

How important is an improved energy label of the house for energy renovation loan?

3. Relations

3.1 Professional business:

What interaction has been established with energy consultants? And what setting has your bank to certified counselors e.g. Better Housing Scheme? Is there a connection between advice and lending?

How is the interaction with real estate agents, including loans for energy renovation on purchase / sale?

What interactions are associated with credit unions / banks?

What interaction is there with artisans, who provide services for homeowners? Can your bank imagine an interaction between the craftsmen who are customers of yours and homeowners who are also customers of yours?

Other relevancies

One stop shop:

Are there deal packages, which make the decision on energy renovation easy for example, an input signature (consultancy, execution and financing)?

3.2 Ordinary bank customers

What are the guidelines for the assessment of your customers' credit for loans intake to energy renovation? (personal income?, the current value of the dwelling?, the location of the house?: rural areas?, city and village correlation between housing economics – energy saving, certified energy renovation report, quality of the materials of the skilled work)

Does your bank make outreach related to energy renovation (correlation between housing economics – energy, e.g. in connection with the review of the homeowner's budget)?

What impact will it have on the credit market, if your customers' access to loans for energy renovation will be easier? (how big is the market potential for lending to housing renovation just with your customers?)

What do you / your bank need in order to facilitate academic owners' access to loans for energy renovation?

Has your bank already a specific offer to homeowners regarding energy renovation of their homes? if yes, what are the terms of lending?

Would your bank like to manage a micro loan scheme, for example 5 million kr. to another party? If yes, what are the costs?

What interaction has your bank with local energy utilities? (electricity N-gas and district heating companies)

Could you imagine a form of cooperation on energy lending to private homeowners with energy companies?

Thank you very much for allowing us to visit you

The directory of banks:

1. SPAR NORD FREDERIKSHAVN

Danmarksgade 48

Direktør Ole Vejling
ove@sparnord.dk
Tel.: 96 20 07 02

Contact person: Customer chief Anders Krøgh
E-mail: akg@sparnord.dk
Tel.: 96 20 07 05

2. DANSKE BANK FREDERIKSHAVN AFDELING

Danmarksgade 70 E
Tel.: 45 12 54 10

3. JYSKE BANK

Rådhus Allé 77 A

Contact person: Head of department Henrik Christensen
E-mail: hpc@jyskebank.dk
Tel.: 89 89 45 14

4. ARBEJDERNES LANDSBANK

Danmarksgade 67

Filial director Bent Fick
5349@al-bank.dk
Tel.: 38 48 36 30

5. DRONNINGLUND SPAREKASSE

Søndergade 12

Johnny Jensen
Head of department
Direct tel.: 96 22 17 23
E-mail: jj@dronspar.dk

6. NORDJYSKE BANK

Jernbanegade 4-8

Contact person: Filial director Brian Thomsen
Tel.: 9633 5136, mob. 6161 4524
E-mail: bt@nordjyskebank.dk

7. SPAREKASSEN VENDSYSSEL FREDERIKSHAVN DEP.

Parallelvej 23

Contact person: Torben Gern Madsen
Head of department
Tel.: 82 22 93 73
E-mail: tgm@sparv.dk

8. NYKREDIT

Parallelvej 9
Centerchef Klaus Nielsen
Tel. 44 55 45 38
E-mail: klni@nykredit.dk

9. MERKUR

10. REALKREDIT DANMARK

11. TOTALKREDIT

12. ENERGINORD

13. FREDERIKSHAVN FORSYNING A/S

14. HMN-NATURGAS