

PRESS RELEASE

# Top tech not enough for district renovation success!

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**First in a series of three “Info Packs” from CITYFiED designed to unlock valuable insights and knowledge from the project tackles overcoming non-technological barriers in energy efficient renovation at district level. Additional new insights and public project deliverables available to registered users of [cityfied.eu](http://cityfied.eu)**



Based on workshops and semi-guided interviews with the project's 11 cluster cities, CITYFiED partners and stakeholders analyzed their non-technological barriers and discussed possible solutions to overcome them.

The main non-technical barriers, put forward regardless of city and stakeholder, are financial ones, with a common **limited access to (public) funding** and **lack of investments**. A frequently mentioned explanation to this, hindering retrofitting of both single buildings and districts, is the **high investment costs** and **long payback period** for energy efficient measures. Fluctuations in the real estate market and even mild climate all year round in southern European cities are highlighted as additional factors making profitability and payback of energy retrofitting investments even more challenging.

Luckily, these financial barriers are not seen as impossible to overcome by the city stakeholders interviewed. Among the common solutions to financial barriers suggested by the cities are the possibilities enabled by **public-private partnerships** as well as by adapted and dedicated **business models and financial models**. For example, working closely with private-public partnerships such as Energy Service Companies (ESCOs), integrated energy contracting, energy saving contracting or reducing costs with city procurement and synergies with other energy efficient interventions such as public lightning and sustainable mobility. Many cities also highlight the importance of **fiscal incentives** and benefits in promoting energy efficient retrofitting and overcoming financial barriers, including e.g. tax reductions, subsidy programs and guarantee funds.

Next to financial barriers, **social aspects** were considered most important for successful energy efficient retrofitting. Communication with and involvement of residents, preferably already at an early stage of a project, was considered as a key success factor by most of the 11 cities in the cluster.

**Communication and involvement** facilitate retrofitting by, for example, decreasing dispute and increase acceptance. In some cases, involvement of residents is mandatory by law in terms of reaching absolute majority of private apartments owners or attaining approval by all tenants. At the same time, a **lack of awareness, knowledge and interest** among residents about energy efficiency was seen as a challenge, making it potentially time-consuming and expensive and hindering **acceptance**. This was especially challenging among small housing companies and organisations without the necessary organisational mandate, communication budget and skills to effectively involve residents.

**As much as financial and soft skills joined all respondents together, legal and organizational barriers were much more fragmented** and more dependent on the local or national context. Concerning **legal aspects**, the most common barriers include a high level of bureaucracy in order to carry out energy efficient retrofitting and national regulations (i.e. tax) preventing the installation of photovoltaics and other renewables but also limited possibility to increase rent towards tenants. **In organizational terms**, many identified a gap in skills, competence and resources within and for companies and organisations planning and carrying out ambitious energy retrofitting.

What is further **evident from the workshops and interviews is that all aspects are highly interlinked**: organizational, legal, social and cultural aspects can both reinforce and deepen financial barriers but should also be taken into consideration when suggesting solutions. For example, limitations in legislation or organisational policy for housing companies and landlords to increase rents for their tenants limits retrofitting ambitions and extends payback periods, reinforcing financial barriers. Furthermore, fragmented ownership structures as well as non-homogeneity of districts and buildings in terms of type, age, current energy use within the city and in terms of population demographics affects possibility and organisation of an energy efficient retrofitting.

Register to access the citified "CITY Space and **download the Infopack on Non-technological barriers**.