Energy Efficiency Risks and Benefits

Prof.dr. Dirk Brounen
Tilburg University / TIAS Business School

649656 — RentalCal —**H2020-EE-2014-2015: H2020-EE-2014-3-MarketUptake**

Funded by the European Union

Residential energy, a no-brainer

<u>Society / government</u>

40% of our energy use
30% of our carbon footprint

<u>Household</u>

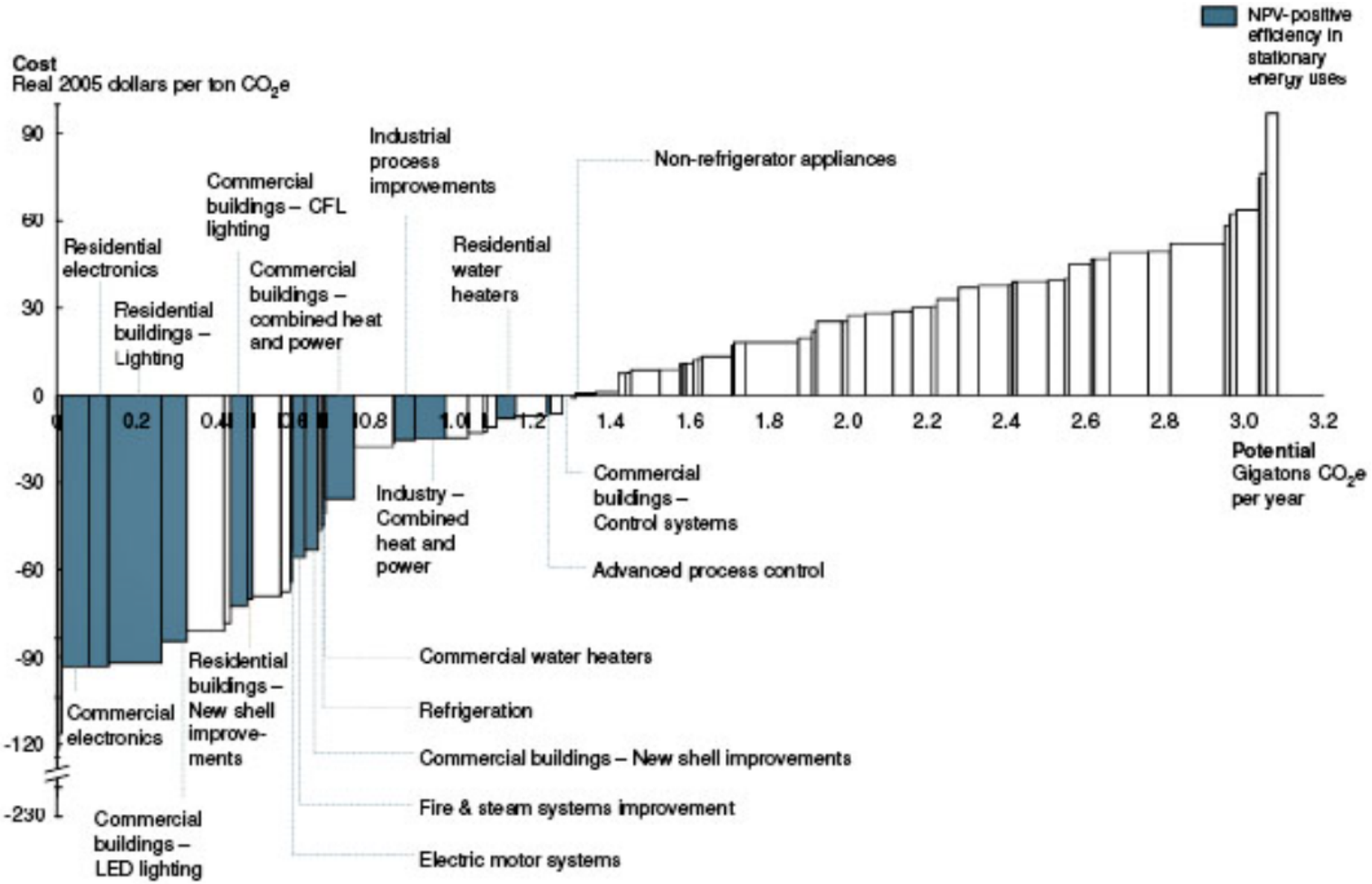
€ 150 / month
20% of monthly housing charge

RENTCAL
European Rental Housing Framework for the Profitability Calculation of Energetic Retrofitting Investments

649656 — RentalCal —**H2020-EE-2014-2015: H2020-EE-2014-3-MarketUptake**

Funded by the European Union

The McKinsey report

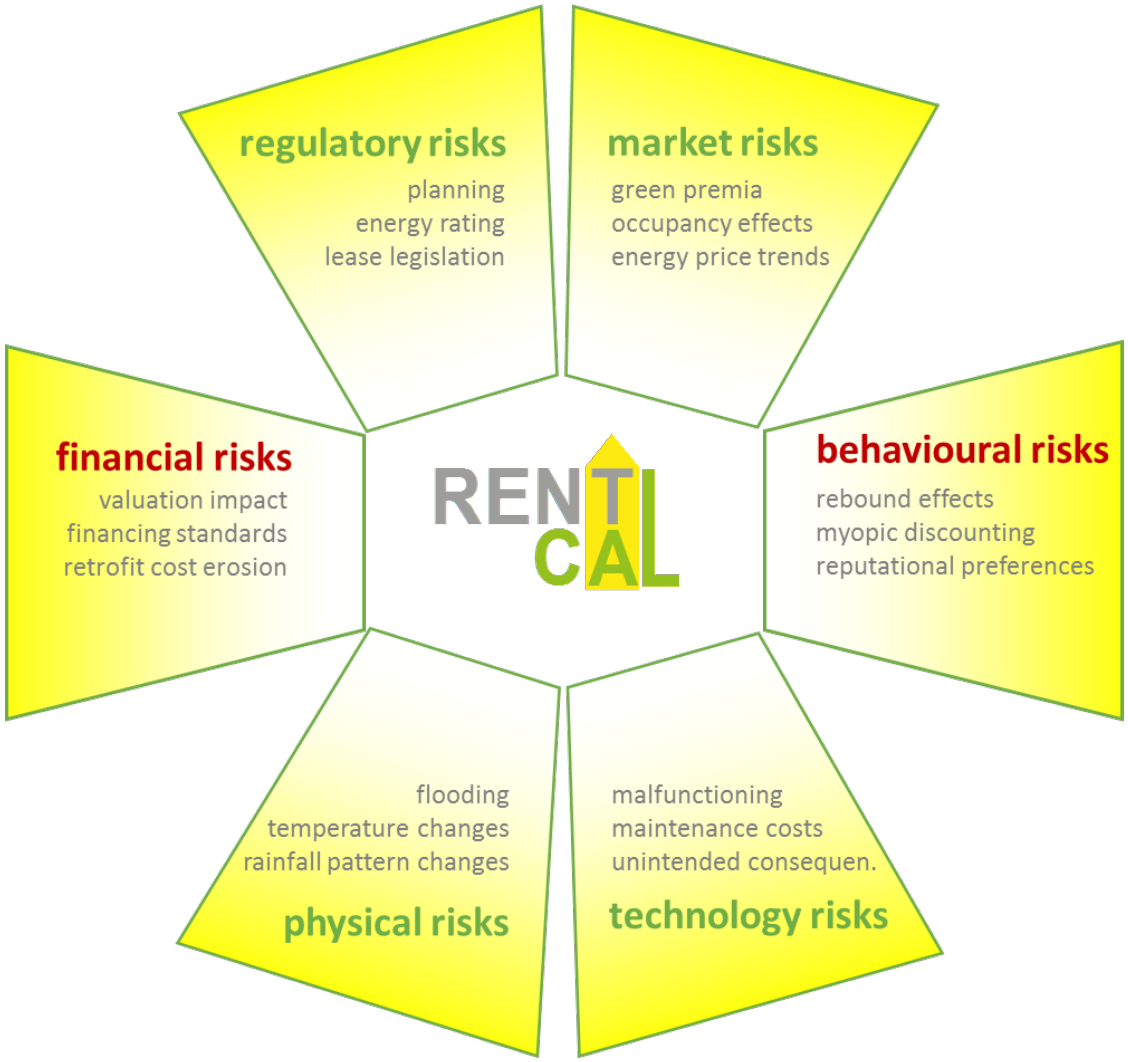


The Energy Efficiency Gap

Sustainable hesitation is due to:

- Imperfect information
- Bounded rationality
- Cost uncertainties
- Future benefits
- Split incentive
- Hassle

The RentalCal Risk Radar



649656 — RentalCal —**H2020-EE-2014-2015: H2020-EE-2014-3-MarketUptake**

Funded by the European Union

Bridging that Gap

- Remedy 1: process simplification

RentalCAL tool design incorporates:

- The split incentive problem
- Information symmetry
- Myopic discounting
- Less hassle

Bridging that Gap

- Remedy 1: process simplification
- Remedy 2: high quality assumptions

  - Energy prices (and trends)
  - Green price premia
  - Vacancy rates

RENTCAL
European Rental Housing Framework for the Profitability Calculation of Energetic Retrofitting Investments
649656 — RentalCal —**H2020-EE-2014-2015: H2020-EE-2014-3-MarketUptake**
Funded by the European Union

Bridging that Gap

- Remedy 1: process simplification
- Remedy 2: high quality assumptions
- Remedy 3: yes but's…

  Visualize alternative scenario's

Visit us….

- www.rentalcal.eu

- We help you make your effort to bridge the Energy Efficiency Gap!

RENTCAL
European Rental Housing Framework for the Profitability Calculation of Energetic Retrofitting Investments
649656 — RentalCal —**H2020-EE-2014-2015: H2020-EE-2014-3-MarketUptake**

Funded by the European Union