

Government energy targets require £48.3 billion investment in national housing stock by 2030

- To meet its target of net zero greenhouse gas emissions by 2050, the Government needs to have largely eliminated energy inefficiencies from housing stock by 2030
 - The Department for Business, Energy & Industrial Strategy is reviewing proposals for lenders to take responsibility for achieving an average EPC Band C, within their own portfolios, by 2030
- At a national level this requires an increase of a further 4.3 SAP points in just nine years, doubling the current annual rate of improvement and requiring an investment of some £48.3 billion

February 22, 2021 – Geo-spatial technology firm Kamma has published the ***Energy Efficiency Investment Index***, in response to a consultation by the Department for Business, Energy & Industrial Strategy ([BEIS](#)) that aims to improve home energy performance through mortgage lenders. Under the proposals, lenders will need to publicly disclose the Energy Performance Certificates (EPC) of their mortgaged portfolios and commit to a target of an average EPC band C by 2030.

60% of UK households currently have an EPC band D rating or below, which rates a home's performance in terms of energy use per square metre, energy efficiency based on fuel costs, and environmental impact. This is threatening the Government's commitment to bring all greenhouse gas emissions to net zero by 2050, with household emissions accounting for 22% of the UK's total greenhouse gas emissions.

Energy efficiency improvements ranging from wall cavities to solar heating panels require an upfront investment that can take years to recoup. By averaging the costs of improvements proposed by the EPC register, Kamma has calculated that raising the average for England & Wales up by just 1 SAP point would cost £11.2 billion. Raising the national average to Band C (69 SAP points) requires a 4.3-points improvement, bringing the total cost of investment to £48.3 billion.

As Kamma CEO, Orla Shields, explained: "Progress in improving the energy efficiency of housing has been slow to date, with the national average increasing by just 2.9 SAP points in twelve years. With much at stake in the fight against climate change, there needs to be more transparency on the pace of

improvement and more clarity as to the costs involved. With a growing market for green finance products, deploying lenders to the front line could provide the impetus for change that we really need.”

EPC data has been made “open” and freely available but integrating this data with lender portfolio data is technically challenging. Disclosing portfolio-wide EPC performance means reconciling and matching the exact property and delivering accurate information at scale. Without a clear view on current portfolio performance, it could prove impossible for lenders to improve it.

Commenting on the findings, Andrew Knight, Data & Technology Analyst at the Royal Institute of Chartered Surveyors noted: “The ability to connect data sets from multiple sources will be key in driving improved energy performance for individual properties. And, in supporting lenders and policy makers analyse at both portfolio and national levels. Data on residential property is currently highly fragmented and unstructured and geo-spatial technology has the potential to support a variety of use cases such as conveyancing, rental and fire safety in addition to sustainability in all its forms.”

Kamma is a world-leading geospatial technology company based in the UK. It specialises in creating unique data and solutions from disparate information for the property and financial sectors. Their unique technology is adept at reconciling large volumes of address data with multiple datasets and providing clear insights that drive business growth. Kamma Sweeper provides accurate and customisable analysis of the back book, segmented by risk, geography and custom categories. It automatically monitors and reports on portfolio-wide energy performance, as well as identifying opportunities for targeted green product offerings. For originations and remortgages, Kamma Checker delivers complete transparency on a property’s EPC status in real-time. At a click of a button, users can gain access to a property’s current and historical EPC data, facilitating smarter lending decisions and opening up opportunities for green finance products.

Learn more about Kamma – www.kammadata.com

Download the whitepaper - www.kammadata.com/EPC

Speak to the team – hello@kammadata.com

– Ends –

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