



ENERGY EVENT
HERIE
HOUSING RENOVATION

BRUSSELS, 15 MAY 2025



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**BNP PARIBAS
FORTIS**

METHODOLOGY

1



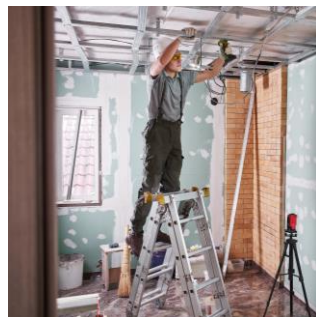
PERCEPTION OF
FINANCIAL PROFITABILITY
AND DOUBTS ABOUT
FINANCING

2



COST OF
RENOVATIONS
AND BARRIERS

3



AGENDA



4

SURVEY CONCLUSIONS



5

THE CHALLENGES OF
RENOVATING CO-
OWNERSHIPS





METHODOLOGY

01

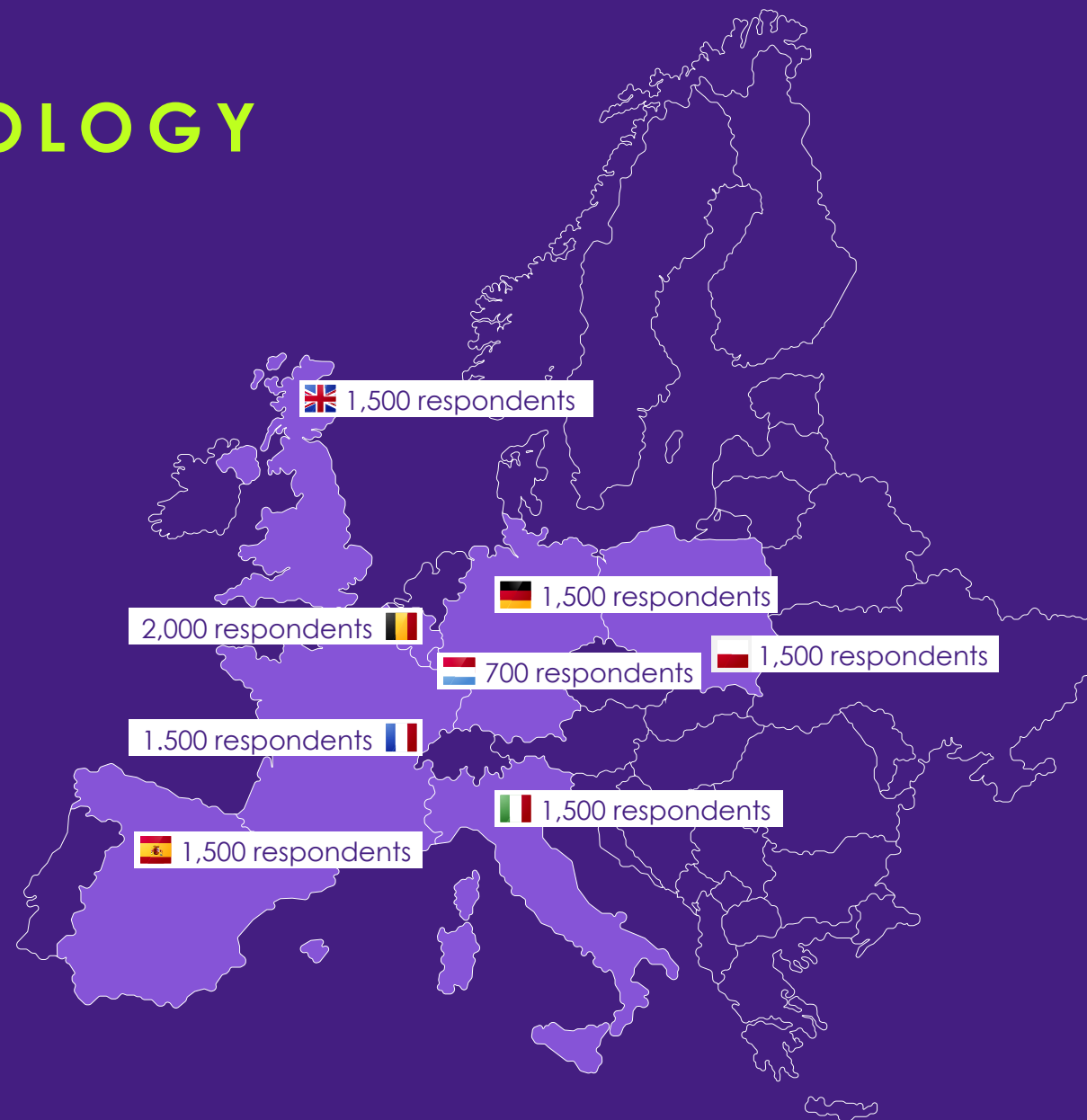
SURVEY METHODOLOGY

Surveys conducted online
and in-person
simultaneously in

8 EUROPEAN COUNTRIES

8 representative samples
of the national population
aged 18 and older were
taken in each country
between 13 and 28
February 2025.

11,700 PEOPLE
were interviewed.



Representation is ensured by
the quota method and
applying a correction to the
following variables: **gender,**
age, place of residence,
and income level (or socio-
professional category in the
case of France) of the
respondents in each
country.

Each country was then
given its own share of the
total sample, depending on
the size of the total
population.

In this report, '**owners**' refers
to those who declare
themselves to be the owner
of their home.

'**Good financial health**' refers
to respondents who say
they are able to save.



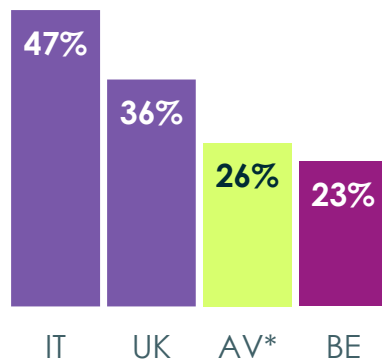
PERCEPTION OF FINANCIAL PROFITABILITY AND DOUBTS ABOUT FINANCING

02



BELGIANS RENOVATE FOR FINANCIAL SAVINGS, NOT FOR CLIMATE RISKS

1/3

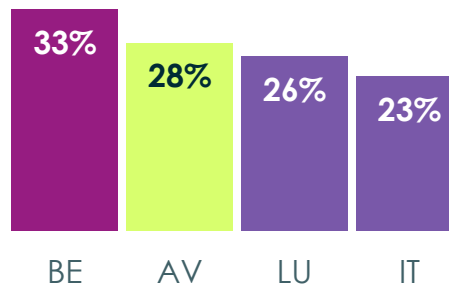


1/5

Only 1 in 5 homeowners has planned to **adapt their home to climate risks**

23%

Belgians rank last among the surveyed countries



For Belgians, **financial savings** are the primary motivation for undertaking home improvement or energy renovation works

33%

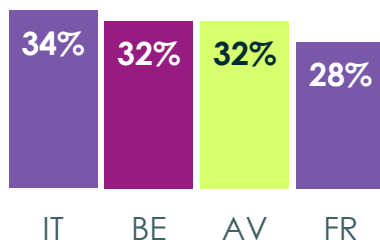
Belgians are ahead of other surveyed European countries



Note: AV means the average of the 8 countries surveyed: Germany, Belgium, Spain, France, Italy, Luxembourg, Poland and the UK.

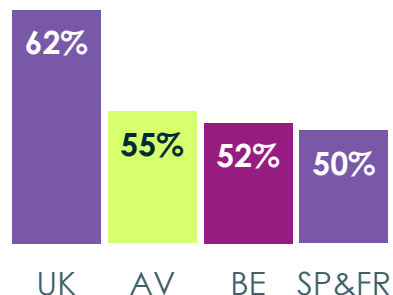
SCEPTICISM REGARDING THE RENTABILITY OF AN ENERGETIC RENOVATION PREVAILS

2/3



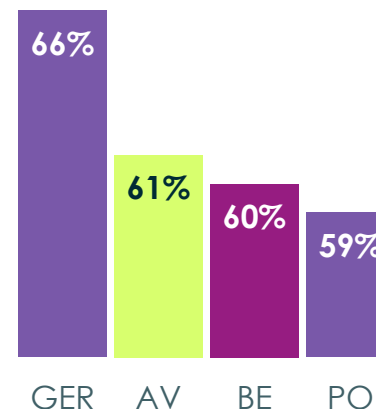
1/3

However, 32% of Belgians would like to improve the energy efficiency of their home but **lack the financial means**



1/2

52% are concerned that "energy renovation works **may not be financially profitable**"



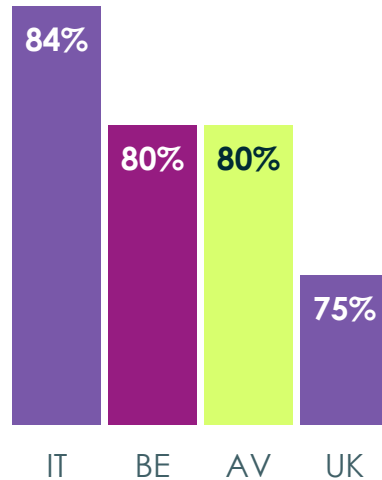
6/10

60% of Belgians believe that "**the savings on energy bills take decades** to offset the cost of energy renovation works in their home"



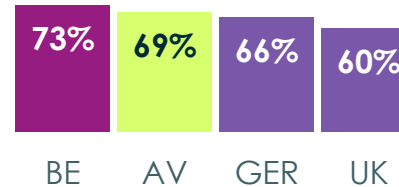
ENERGETIC RENOVATION WORKS CONSIDERED A KEY FACTOR TO IMPROVE PROPERTY VALUE

3/3



8/10

In contrast, 80% of Belgians believe that “*undertaking energy renovation works always **increases the resale value of the property***”



7/10

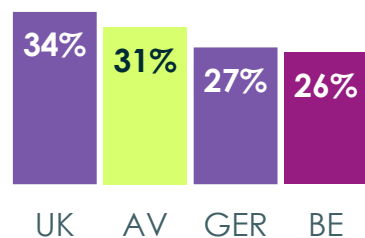
Furthermore, 73% of Belgians consider it essential to invest in energy renovations to **avoid selling their home below market prices**

IMPLICATION

These perceptions influence the decision to invest, **an area where banks play a key role by offering loans or financial advice.** The skepticism regarding profitability could discourage borrowing for renovations, impacting banks' approaches and proposals.

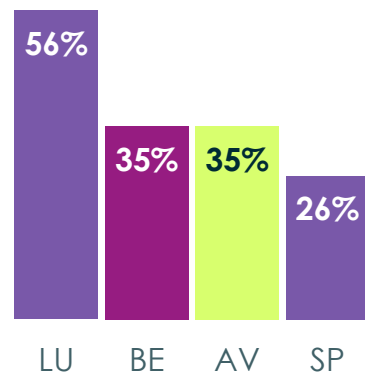


DOUBTS ABOUT FUNDING AND PUBLIC ASSISTANCE



26%

26% of Belgians believe that “the **available assistance** generally covers a large part of renovation costs”



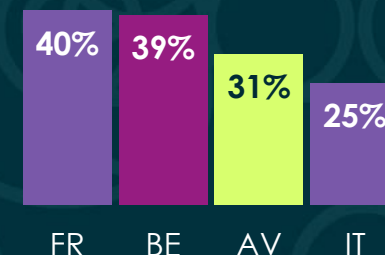
35%

35% of Belgians think that their country provides **ample financial aid** for home energy renovations.



60%

60% of respondents believe that “when undertaking energy renovation works, **one is never certain of actually benefiting from the funding/assistance** promised by public authorities”



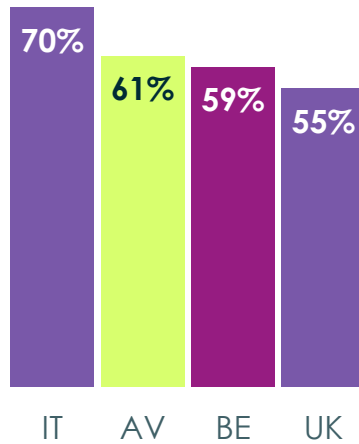
IMPLICATION

Banks could act as intermediaries or partners in distributing these aids (e.g., green loans or subsidies).

Moreover, **39% of Belgians believe that “banks finance energy renovation works for individuals quite easily”.**

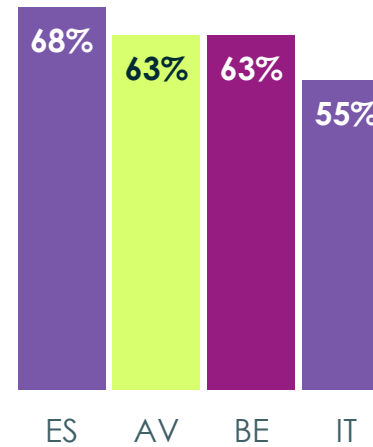


THE INFORMATION & KNOWLEDGE GAP ABOUT ENERGETIC RENOVATION IS SUBSTANTIAL AMONGST THE MOST VULNERABLE OF OUR SOCIETY



59%

59% of Belgians know where to find **reliable end-to-end support** for their project (financing, carrying out the work, efficiency checks, etc...)



63%

63% of Belgians **are unaware** of their home's basic energy certificate (EPC/PEB)

IMPLICATION

As trusted financial advisor we have the opportunity towards our clients to create awareness and information on energetic renovation beyond our core banking role. This we will do together with our commercial partners.



COST OF RENOVATIONS AND BARRIERS

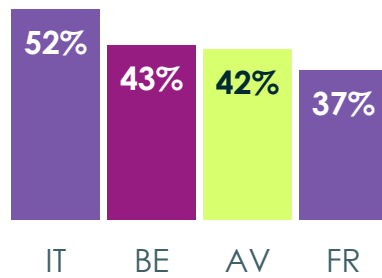
03



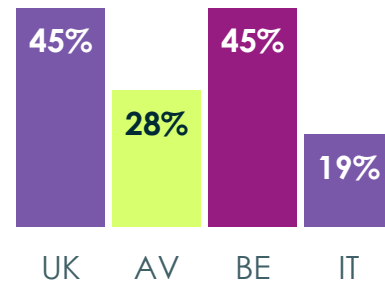
COST OF WORKS AND PREFERENCE FOR PROFESSIONALS

1/2

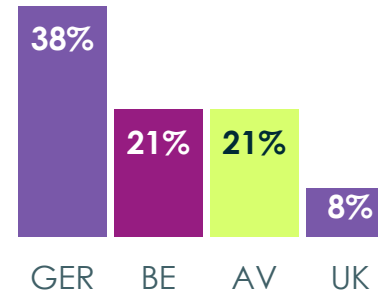
Preferred renovation partners for advice and support on energy renovations



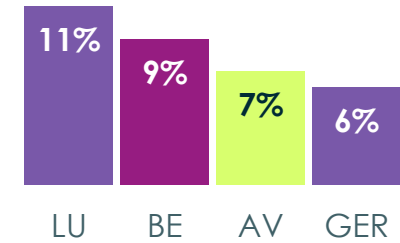
Companies specializing in energy renovation of homes



Energy suppliers



Local craftsmen

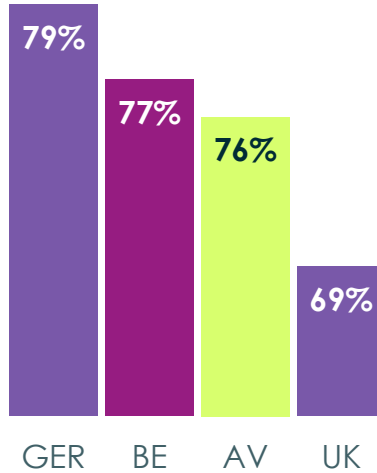


The respondent's main bank



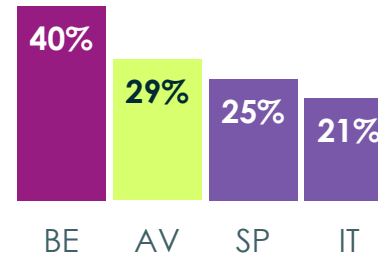
COST OF RENOVATIONS AND PREFERENCE FOR PROFESSIONALS

2/2



77%

77% of Belgians believe that "energy renovation of a home **always costs a lot**"



40%

40% of Belgians think that "**doing energy renovation works themselves costs less and yields the same results as if done by a company**"

Belgians appear to be skilled at DIY, ranking ahead of other countries

IMPLICATION

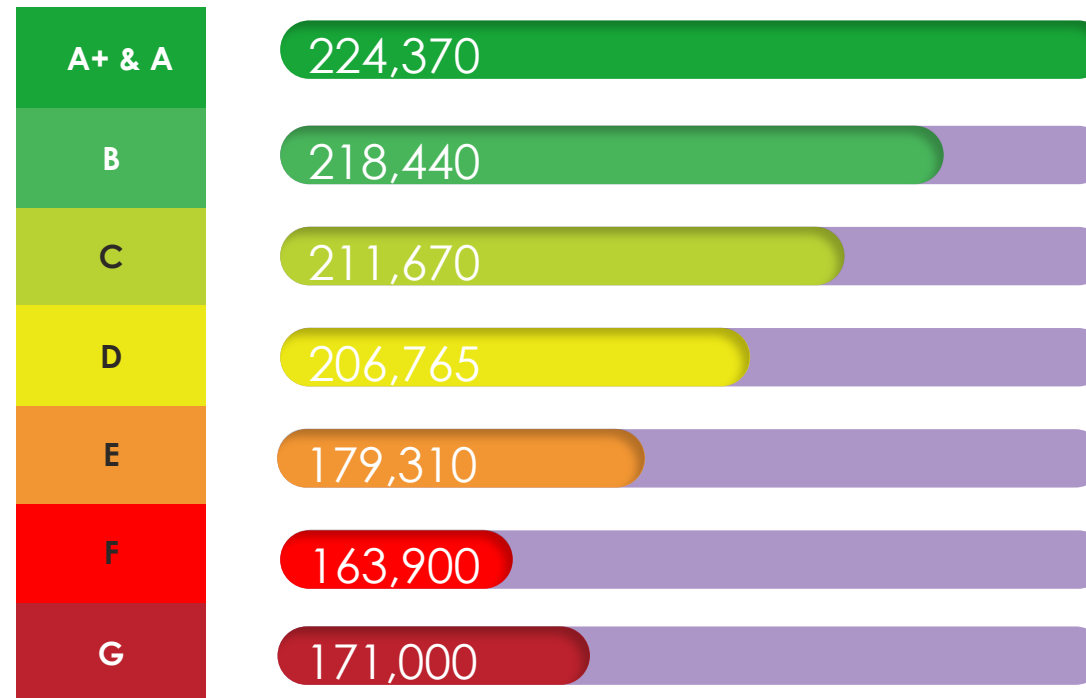
Banks could encourage investments in professional energy renovation works by offering specific loans, thereby ensuring quality and profitability, and influencing households' financial decisions.



WHEN THE EPC IMPACTS THE AVERAGE LOAN AMOUNT FOR HOUSES (EUR)

Buyers are increasingly taking into account the energy score in their purchasing decisions due to the recent energy crisis, future carbon prices for heating fuels, rising renovation costs, and the announcement of stricter renovation requirements in the future.

Although the increased importance of energy efficiency has led to a value difference, we also observe a significant divergence in the evolution of average loans for home purchases.

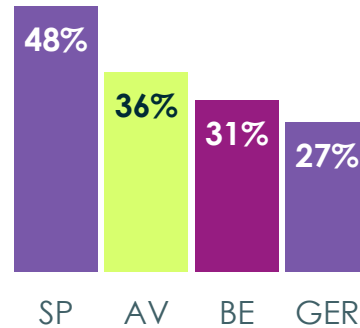
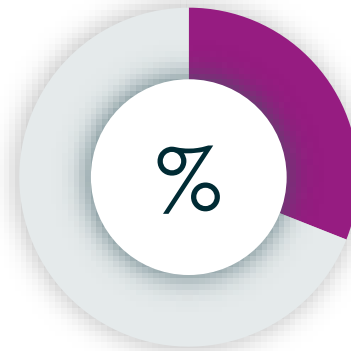


Source: BNP Paribas Fortis Production - Fiscal Year 2024



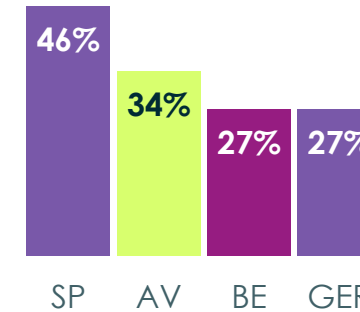
PREFERENCE FOR PURCHASING AN ENERGY-EFFICIENT HOME OVER RENOVATION

1/2



31%

Just under one-third of Belgians say they might move within the next five years **due to their home's poor energy performance**



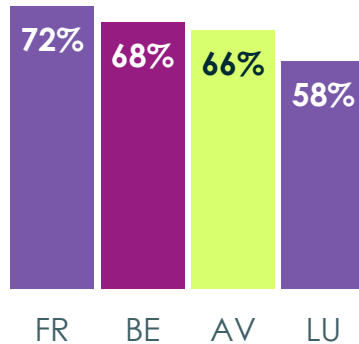
27%

27% of Belgians say they might move within the next five years **due to climate risks**



PREFERENCE FOR PURCHASING AN ENERGY-EFFICIENT HOME OVER RENOVATION

2/2



68%

68% of Belgians would be willing to “buy a home with very good energy performance **even if it means paying a higher price per square metre** than financing energy renovation works”



79%

79% of Belgians consider both energy performance and the need for energy renovation works as **barriers to buying a home**.

No significant differences between countries.

IMPLICATION

This indicates a trend towards **preferring higher initial investments rather than post-purchase renovations**, potentially increasing demand for mortgage loans for new or energy-efficient properties, a sector where banks play a central role.



A ONE-OF-A-KIND ECOSYSTEM

3/4





CONCLUSIONS

04



CONCLUSIONS: ANALYSIS AND SYNTHESIS



ROLE OF BANKS

Although banks are not explicitly mentioned, their role is implicit in managing mortgage loans and potentially facilitating funding for energy renovations.

The data on loans suggests significant penetration of bank financing in the Belgian real estate sector.

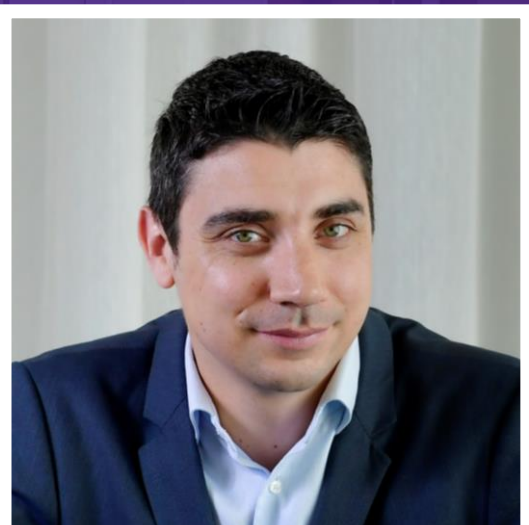
Moreover, 59% of Belgians believe that “banks can support a project for energy renovation works from start to finish”.

FINANCIAL BARRIERS

The distrust in profitability (52%) and public assistance (68% think it will decrease within two or three years) could limit loans for renovations, pushing households towards initial investments in energy-efficient homes (68%).

OPPORTUNITIES

Banks could capitalise on the preference for works carried out by companies specialising in energy renovation of homes (43%) and offer specific financial products (green loans, partnerships with certified companies) to meet identified needs.



Pieter-Jan Bruynooghe
Expert Professional Lending



THE CHALLENGES OF RENOVATING CO-OWNERSHIPS

05

As of 1 January 2024, Belgium had 5,78 million homes. The estimated total number of flats in Belgium is 1,6 million. The total number of buildings is 246.718.

The age of buildings varies significantly from region to region. In Flanders, 34% of buildings were built after 1981, compared to 23% in Wallonia and only 7% in the Brussels-Capital Region.*

247K

As of 31 January 2023, there were 96,679 active condominium associations (VME/ACP) in Belgium, distributed as follows:

Flanders (60%), Brussels (22%), and Wallonia (18%).**

~100k

As of 31 December 2024, there were 2,635 active real estate agents acting as condo board members in Belgium.***

~2,6k

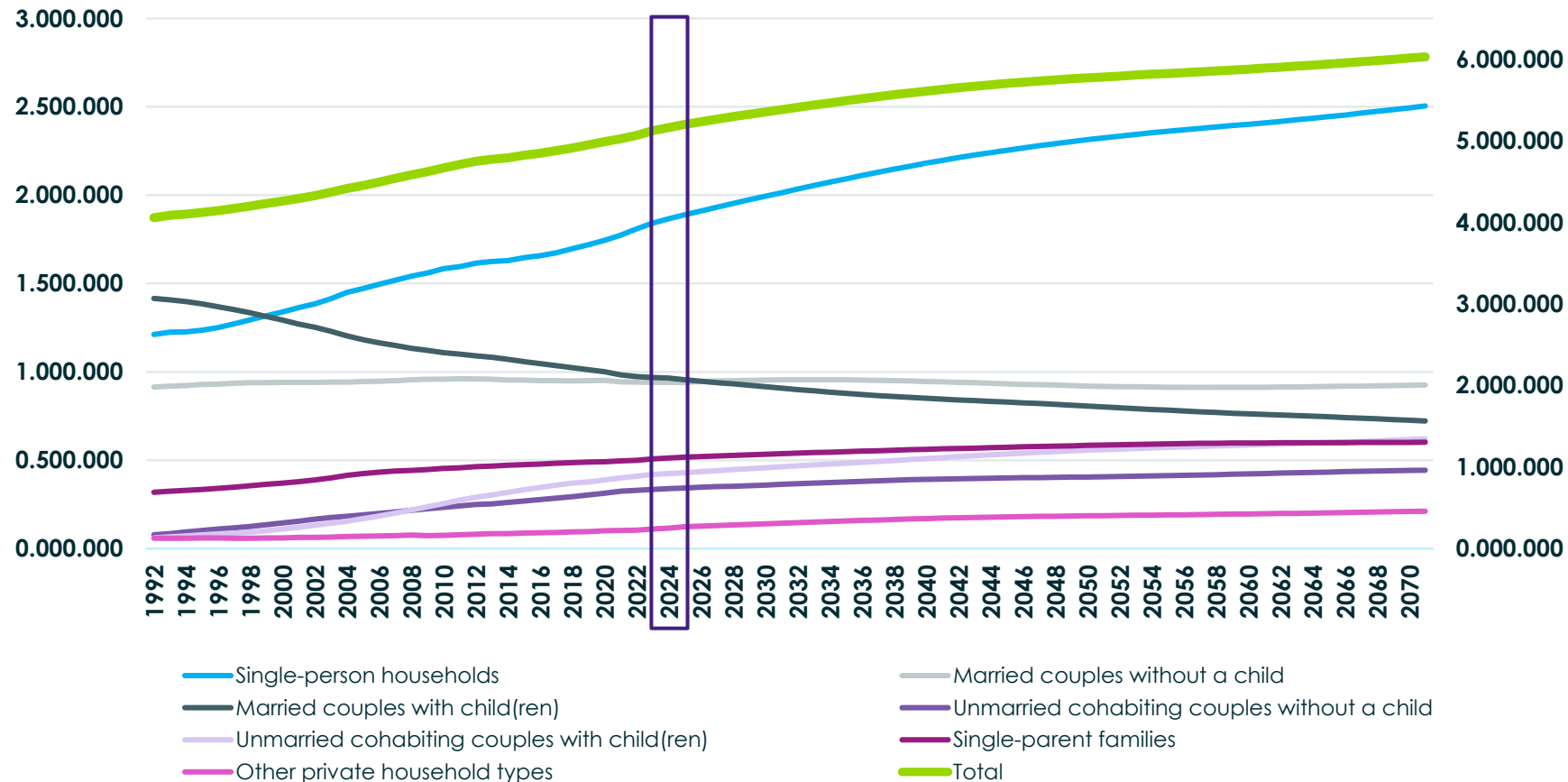
CONTEXT: FLATS, CONDOMINIUM BOARD MEMBERS AND CO-OWNERSHIP



Sources: Statbel; NBB-BNB; BNP Paribas Fortis *; Kruispuntbank van Ondernemingen **;
<https://www.biv.be/nieuws/persberichten/lichte-daling-aantal-vastgoedmakelaars-voor-het-tweede-jaar-op-rij> ***



DEMOGRAPHIC EVOLUTIONS SHOW CLEAR NEED FOR MORE SINGLE - PERSON DWELLINGS



From a demographic evolution standpoint, there is a clear need for more (single-person) dwellings.

At the same time, there is a shift toward less land sealing, which requires building more vertically.

Consequently, there is a growing demand for more apartments, particularly smaller units.

Delays in new construction: fewer building permits issued for apartment buildings is also causing a slowdown in new developments, compounded by increasing construction costs.

It is therefore important to focus on the existing stock of apartment buildings.

Source: 1992-2024: observations, Statbel; 2025-2071: projections, FPB and Statbel

Copyright: Federaal Planbureau; FOD Economie-Statbel



ENERGY PERFORMANCE: A SPRINT AND A MARATHON



The European
Green Deal
2019

Paris Climate
Agreement
2015

Application of the new
Energy Performance of
Buildings Directive
(EPBD).
2024

2021 
European
Climate Law

From 2028, new public
buildings will have zero
emissions.

2028

From 2030, all new buildings will have zero
emissions.

Primary energy use in residential buildings
will be reduced: by 16% by 2030 and by
20% by 2033.

The worst-performing 16% of buildings will
be renovated by 2030, and the worst 26%
by 2033.

2030

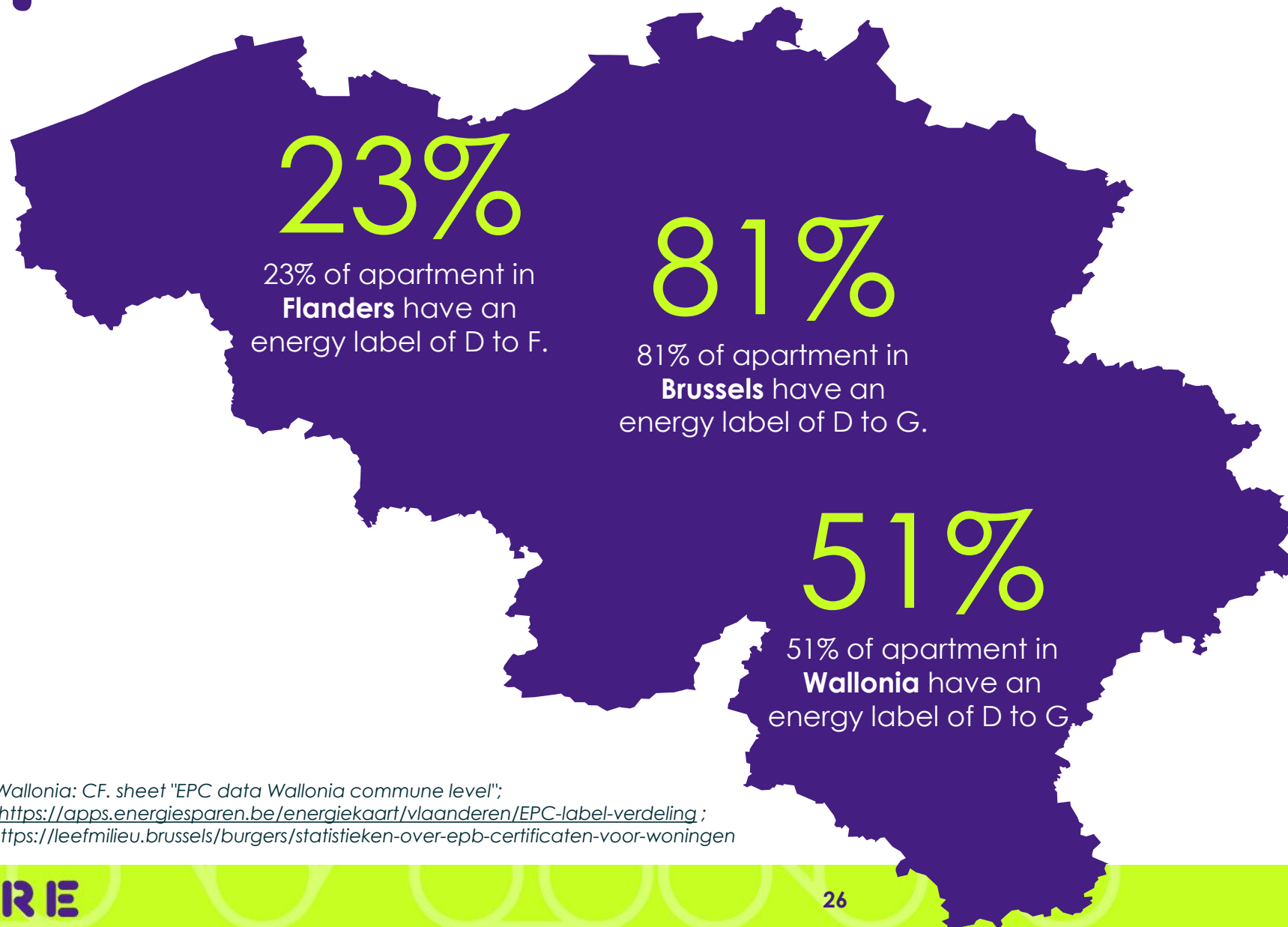
2050

Europe will
become the first
climate-neutral
continent





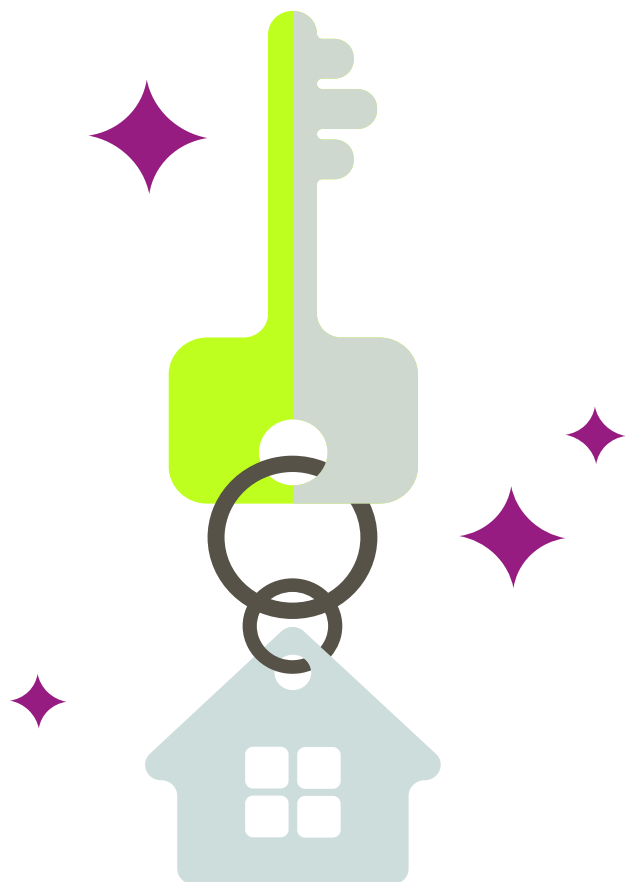
ENERGY AND ENVIRONMENTAL CHALLENGES



Sources: Wallonia: CF. sheet "EPC data Wallonia commune level";
Flanders: <https://apps.energiesparen.be/energiekaart/vlaanderen/EPC-label-verdeling> ;
Brussels: <https://leefmilieu.brussels/burgers/statistieken-over-epb-certificaten-voor-woningen>



ENERGY PERFORMANCE: RENOVATION AND THE COST OF SUSTAINABILITY



ESTIMATED AMOUNT
OF APARTMENT
RENOVATIONS
BY 2050

≈ 80B & 130B
euros



*Source: NBB- BNB



HIGH-LEVEL CUSTOMER JOURNEY: CREDIT APPLICATION



Pre-financing

Request for credit
and insurance offer
by property
manager

Approval at the
general meeting of
the VME/ACP

Property
manager
confirms credit
offer

Enforcement
and BAU

General Assembly of the Condominium Association (VME/ACP)

Discussion of
renovation needs

Investment plan
presented by the
syndic

The syndic collects:

Loan offers from banks for
renovation financing (they
are authorised to request
a loan on behalf of the
VME/ACP)

Mandatory credit
insurance to cover cases
where co-owners fail to
pay their share of the
monthly repayment

The syndic presents the proposed loan and credit insurance

After the decision is
made at the General
Assembly, a 4-month
waiting period begins,
during which VME/ACP
members can object

The syndic pays
the insurance
premium
(mandatory) and
signs the loan offer

The loan is made
available based on
invoices

Owners pay their
monthly share to the
VME/ACP

The VME/ACP repays
BNP Paribas Fortis



MAIN OBSTACLES IN THE CREDIT REQUEST PROCESS

1/2



Different visions by the mix of type of owners (renters, owners, landlords,...) make it more complex to find a consensus on the planned renovations



Decision has to be taken by General Assembly, which is not easy to be scheduled on short term



A 2/3 majority vote is needed, however unanimity is more preferred. If not, a 4 month delay has to be respected before the credit can be granted



Most building managers prefer to finance renovations using the co-owners' own funds or the 'reserve capital'. Taking out a loan requires more administrative follow-up from the building manager



OUR STRATEGY TO BECOME THE TRUSTED FINANCIAL PARTNER OF VMES/ACPS

2/2



Dedicated VME/ACP expertise team



Centralised expertise



Dedicated solutions (e.g. investment credit for ACP countries to finance both structural and sustainable renovation projects)



CONCLUSIONS



WAITING IS NOT AN OPTION

- Bottlenecks are to be expected if we wait too long with renovating apartment buildings
 - » Not enough workers capacity to do all renovations in last 10 years
 - » As a consequence, price increases will heavily impact the total renovation project



COMPLEXITY IN RENOVATION PROCESS

- Regional policy discrepancies
- Aligning divergent visions among co-owners



CLEAR ADVANTAGES

- For co-owners :
 - » Better protection against unexpected situations (e.g. energy crisis)
 - » Preservation of property value
- For society :
 - » Phased planning of required renovations to help meet European targets



QUESTIONS?

ANSWERS

HERE



THANK YOU