



**Strategic Asset Management in Social Housing:
What's needed to become Carbon Neutral?**

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Central Housing Investment Consortium

Background



- A consortium of social housing landlords (c.80 members managing 750,000 homes)
- Aggregated order books = savings + added value outcomes
- Working together = R + D role

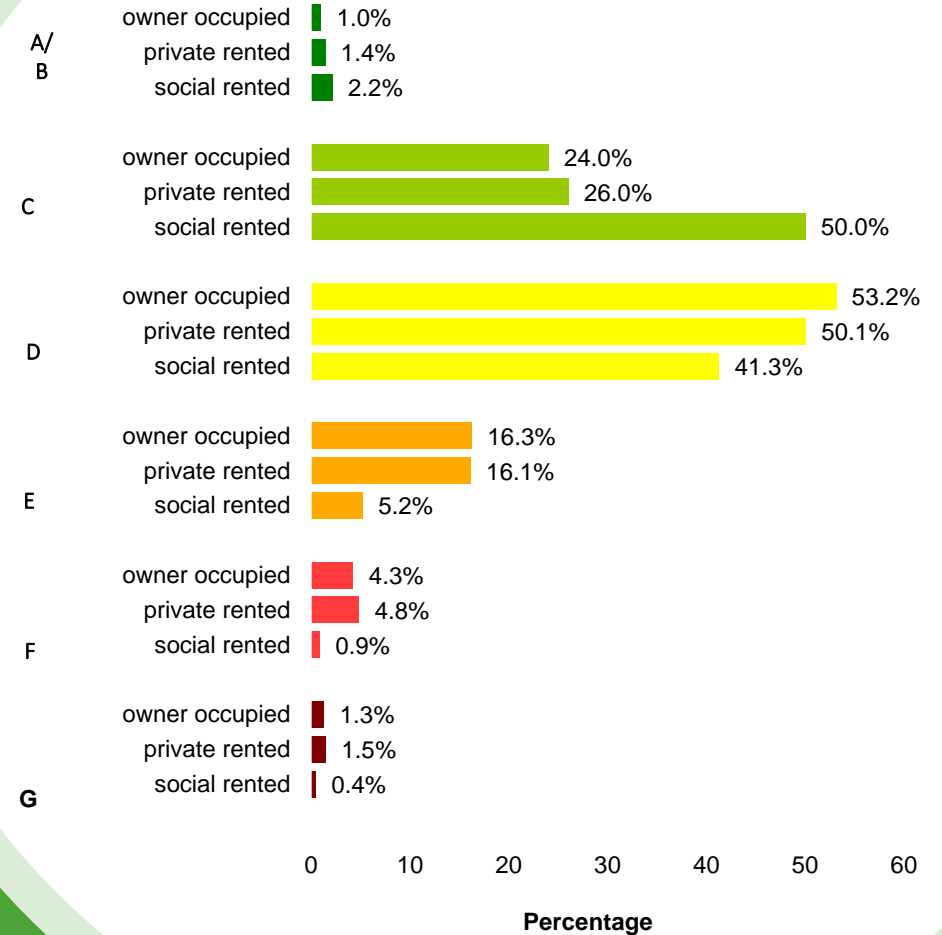
John Fisher – Key Themes

- Strategic Asset Management (25+ Years)
- Compliance (10+ Years)
- The next big challenge = **REDUCING CARBON**



Did You Know?

- 40% of UK carbon emissions come from our homes?
- UK Government = Net Zero-Carbon target by 2050
- Gas boilers to be banned in newbuild by 2025
- 81% of new homes EPC B (SAP 86)
- Most existing homes are C/D
- Social housing is better = more flats
- Landlords Asset management Strategies 30 years investment plans = 2049



What about the Tenant? Affordable Warranty?

Typical energy bill by House Size (£/year)

Based on typical domestic consumption values and 2014 prices.

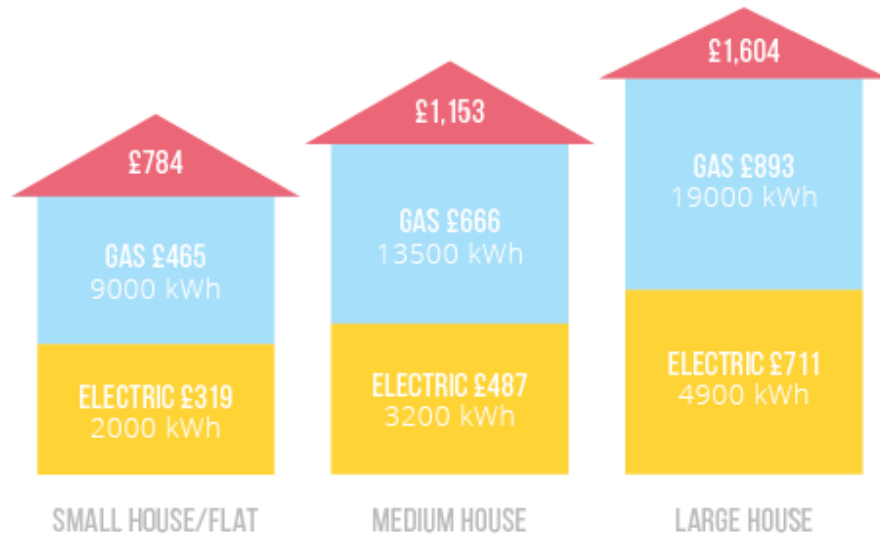
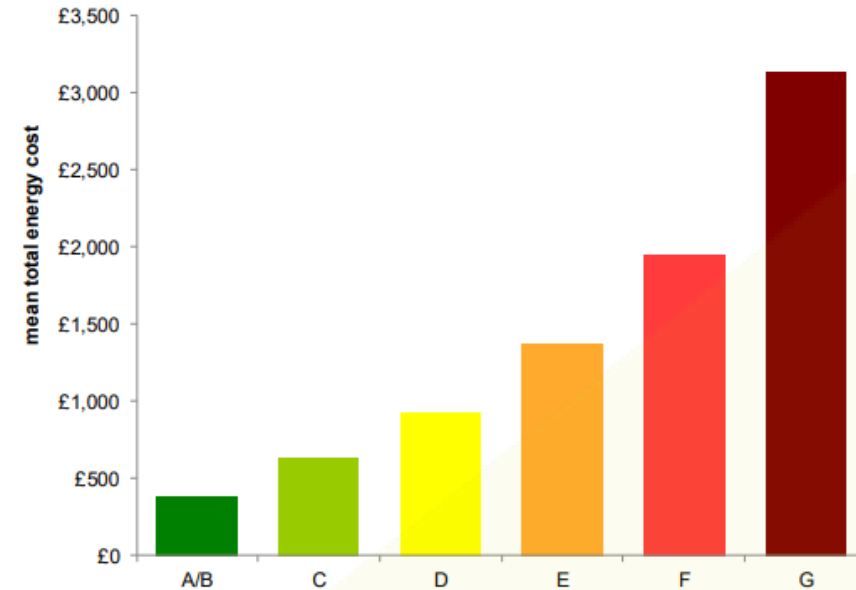


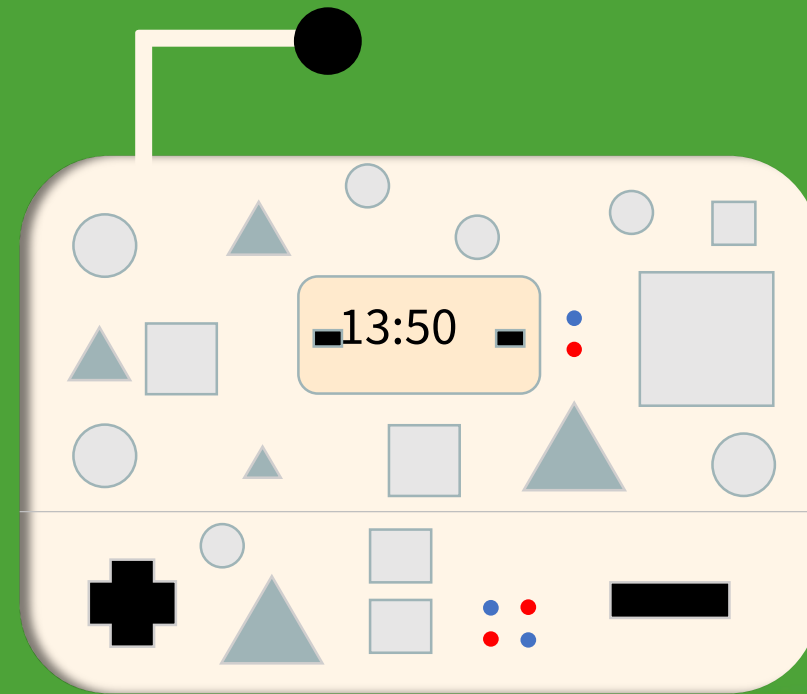
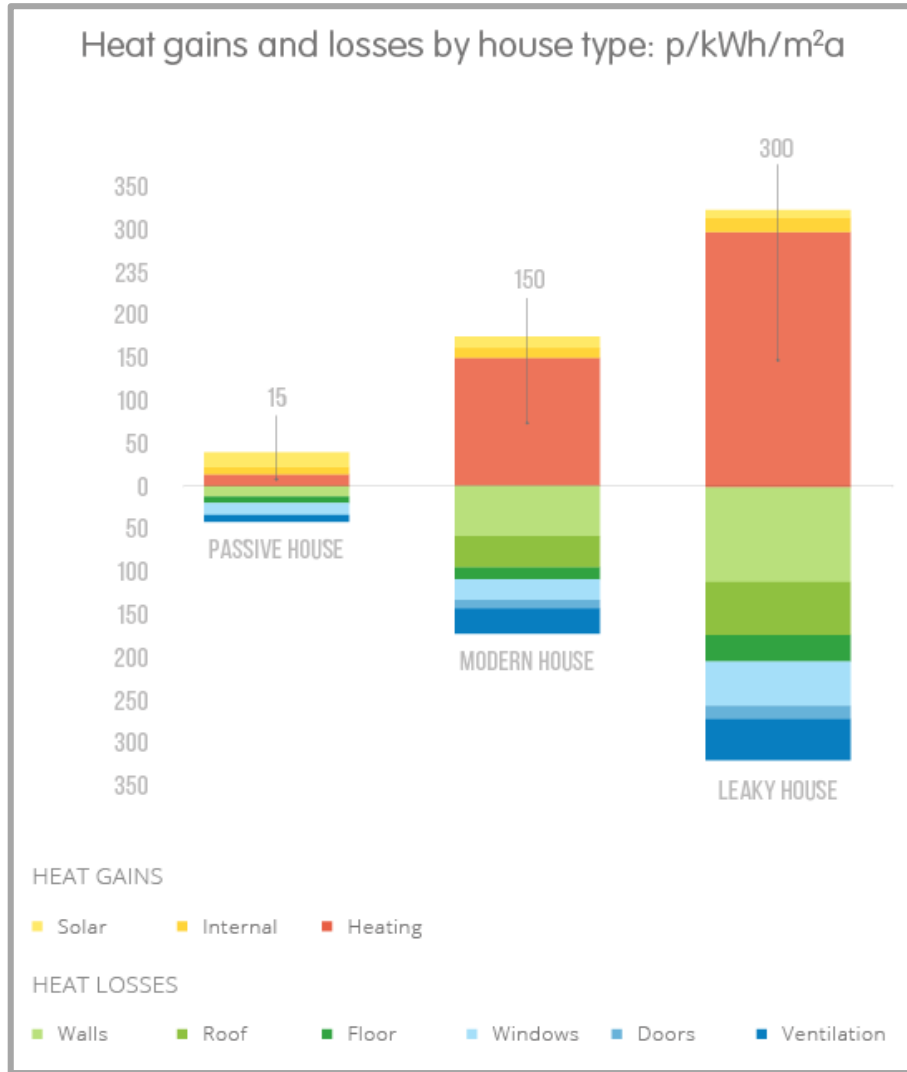
Figure 2.3: Average modelled annual cost of energy in homes, by energy efficiency rating, 2017



Base: all dwellings
 Note: underlying data are presented in Annex Table 2.11.
 Source: English Housing Survey, dwelling sample

£10 per week more to heat a D/E banded property than B/C

KEEP IT SIMPLE: FABRIC FIRST

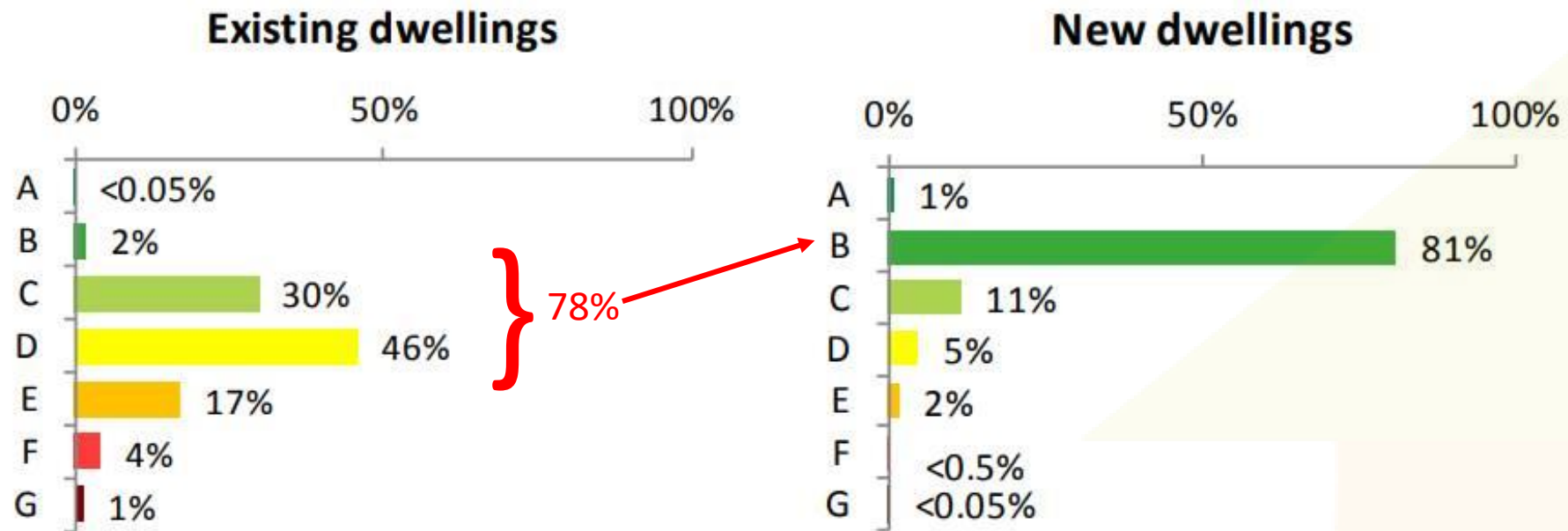


Health and housing =
keep the moisture out (mechanical ventilation)

The Government on Carbon Neutral

- Mid-B average rating (SAP 86) = 80% carbon reduction in Climate Change Act 2008.
- Balance for 2050 target = offset?

The scale of the Asset management challenges



Challenges: conservation areas, listed buildings, solid walls, non – traditional dwellings

The Government on Carbon Neutral

- New London Plan is calling for 20% of car parking spaces in new build developments to have ready to use chargers. The remaining 80% must be ready for them to be installed at a later date.
- Nationally the Government is working on changing building regulations to ensure all new homes can power electrical vehicles.



Where do we put all the charging points for existing homes? Who pays?

The Affordable Housing Sector

- 3.9m Homes
- 17% of all UK homes
- Key contributor to building new homes
- Strategic Asset Management = 6/10
- Carbon reduction strategies = 3/10



Solutions – New Build

- Off Site Manufacture
- Better quality / less waste / less energy
- Fabric First – super insulated
- All electric
- > SAP 86

TIME TO CHANGE THE APPROACH
TIME TO CHANGE THE A



Solutions – Existing Homes

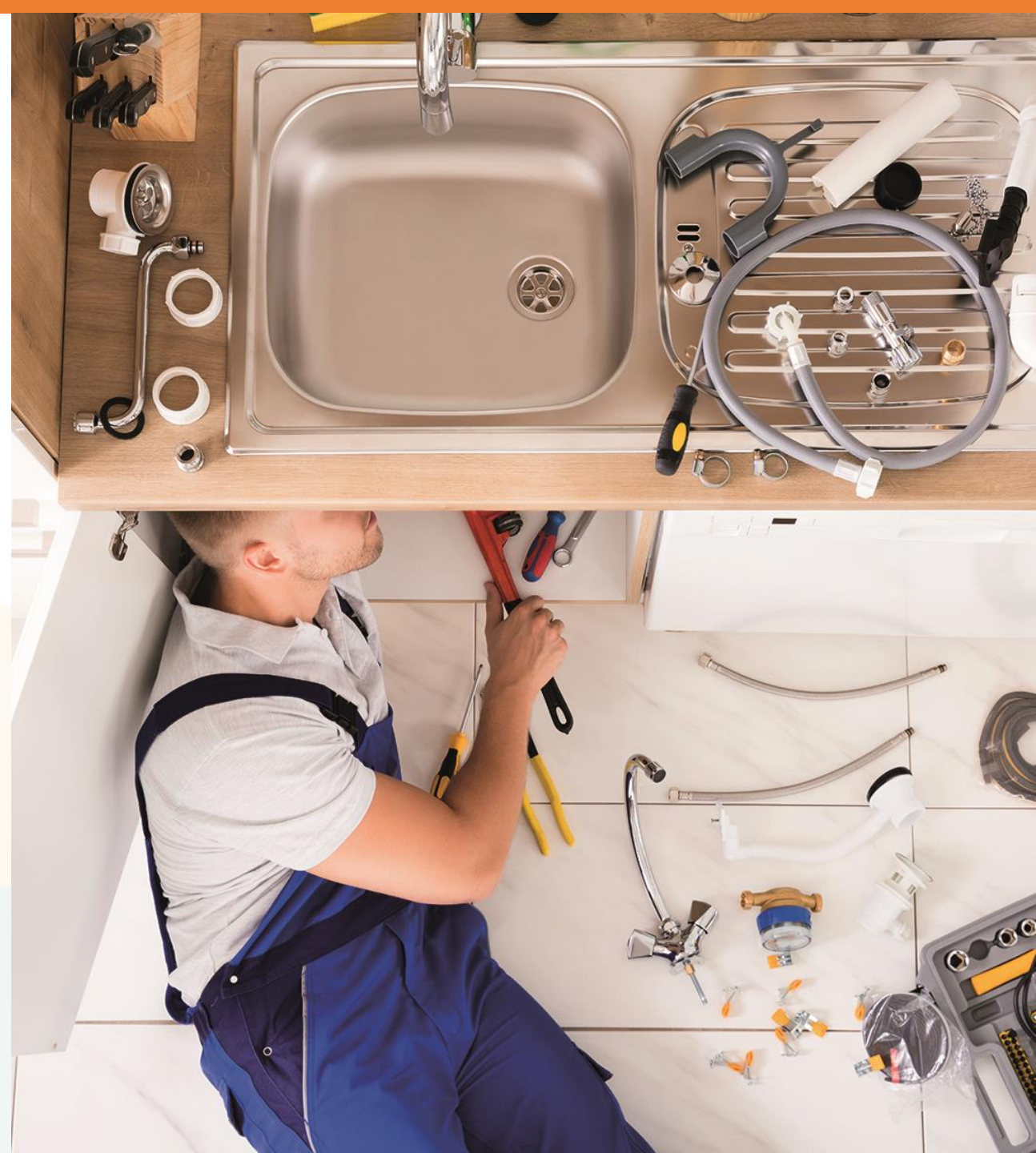
- Fabric First – Insulation (lofts, floors, EWI, IWI)
- Mechanical Ventilation and Heat Recovery (MVHR)
 - Maintenance Issue
- More efficient heat sources – air source / ground source heat pumps
- PV panels
- Battery power storage
- Estate battery storage
- Communal and external lighting
- Redevelopment – find the tipping point

RETROFIT PLAN



Paying for it?

- £10 per week => £10k of debt management
- Rebalance rents and energy costs
- PV / battery packs for free – supplier pays and tenant gets reduced cost energy
- Integrating into normal planned maintenance costs (£1,220 p u p a)
- Designing maintenance out (damp = disrepair claims)



Cultural Change

- The sector needs to lead (not just react to legislation)
- Board / executive teams need to take action now
- Combine rent and energy costs to measure affordability – be flexible
- Embrace off site manufacture
- Must be mainstream, not niche
- Engage the whole business
- Customer accountability

ASSET MANAGEMENT STRATEGY
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Timescale

- Update asset management strategies by 2022
- OSM mainstream by 2022
- 28 years to deliver Retrofit challenge = 'normal' planned asset lifecycle

NEEDS TO START NOW
NEED TO START NOW

THANK YOU

