



**WWF** *for a living planet*

**WWF-UK**

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## PARLIAMENTARY BRIEFING

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### One Planet Homes

#### **SUMMARY**

- The UK's housing stock is responsible for nearly 30% of our carbon emissions. Tackling emissions from the existing housing stock is critical to meeting the new carbon reduction targets under the Climate Change Bill. As many of the savings can be made relatively quickly in this sector, it is particularly important for meeting the first three carbon budgets.
- WWF believes that Energy Performance Certificates are an important tool for people to make informed decisions in buying a home, and their widespread use should be encouraged at the earliest stage of property marketing.
- A package of fiscal incentives is needed to encourage home owners and developers to reduce the carbon footprint of their homes. This could include a Council Tax duty scheme, a cut in VAT on energy efficient measures in existing homes, Green Loans and a stamp duty rebate scheme.
- A one stop shop scheme would provide people with a service that would provide them with the necessary information to accompany the whole process. This could be an extension of the Green Homes Service, or based on the Green Concierge Service model.
- WWF also believes that tackling emissions from the existing housing stock will drive forward investment in the green collar sector, providing the necessary boost to stimulate thousands of small businesses in the in the homes retrofit, construction and technology sectors.
- The forthcoming consultation on energy saving and heat provides a crucial opportunity to create a raft of policies which will reduce emissions from the UK's housing stock, create green jobs and improve the quality of people's homes.

#### **BACKGROUND**

WWF has been active in the housing sector for a number of years, working on both new and existing homes. WWF sits on the 2016 Zero Carbon Task Force, and also chairs the Existing Homes Alliance, a coalition of organisations calling for urgent action to transform the UK's existing housing stock and make it fit for the 21st Century. WWF also co-founded the NextGeneration home-builders' benchmarking club, which promotes best practice and highlights exemplary developers and developments with high environmental standards.



INVESTOR IN PEOPLE

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## **MEETING CO<sub>2</sub> TARGETS THROUGH THE HOUSING SECTOR**

The Climate Change Bill outlines an ambitious direction of travel for reducing carbon emissions. The housing sector has a crucial role to play in achieving at least 80% cuts in carbon emissions by 2050. As the UK's housing stock is responsible for nearly 30% of our carbon emissions, existing homes are essential to achieve the deep cuts that this new climate change legislation requires. As many of the savings can be made relatively quickly in the housing sector, it is particularly important to use this opportunity to meet the first 3 carbon budgets.

WWF calls for an ambitious programme of low carbon refurbishment across the UK's housing stock. WWF believes that it is possible to make existing homes contribute greater than its sectoral share of first three carbon budgets, in order to enable greater flexibility for other sectors. WWF are calling for at least 80% carbon reduction target to be set for the housing sector, with at least a 40% cut by 2022 (the end of the third five year budget). The Government should take the opportunity to invest in improving the housing stock now, thus avoiding unnecessary burden on other sectors.

## **ENERGY PERFORMANCE CERTIFICATES**

Energy Performance Certificates (EPCs) provide clear indications to buyers and renters about the energy efficiency performance and carbon footprint of a property. They also help homeowners identify what improvements are needed to make the most savings on energy bills and CO<sub>2</sub> emissions. WWF believes that EPCs are an important tool for people to make informed decisions in buying a home, and their widespread use should be encouraged at the earliest stage of property marketing.

WWF also believes the Government should ensure that a minimum standard of energy efficiency is set and progressively tightened to transform the housing sector, by preventing the resale (or letting) of the most energy-inefficient houses. For example, with appropriate exemptions, by 2016 no property with an EPC rating of E could be resold, a target that can be achieved with the most cost-effective measures for the majority of properties.

## **FISCAL INCENTIVES**

There is also a crucial role for Government to play to make low carbon homes more financially attractive to home-builders and home-buyers and to increase investment into this sector. WWF is calling on the Government to introduce a suite of fiscal incentives, including:

- a national Council Tax rebate scheme, to increase uptake of energy efficiency measures;
- a cut in VAT on the refurbishment of existing homes that result in a reduction in CO<sub>2</sub> emissions, to ensure a level playing field for low or zero carbon technologies;
- low-interest Green Loan offers, to encourage people to retrofit energy saving measures;
- and/or a stamp duty rebate on energy efficiency improvements made within a year of moving into a property.





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## **A ONE STOP SHOP**

WWF recognises that the difficulty in seeking advice about, and carrying out, energy efficient measures can be a real barrier to householder action. To avoid any complication and to simplify the process, WWF believes that there should be a one stop shop that will provide guidance throughout the whole process. This could be an extension of the Government's Green Homes Service, or take on the model of the private sector's Green Concierge Service. However, proper implementation of such measures would require greater investment commitment.

## **THE SUPPLIER OBLIGATION FROM 2011**

To achieve the scale of change required in the housing sector, we need to look at revolutionising the current energy supply model providing a framework for moving the profitable business model to be that of Energy Supply Companies. WWF is exploring the benefits of a hybrid approach to the supplier obligation from 2011. In a hybrid system, emissions would be capped and traded among suppliers, with a separate measures-based social obligation for low income households. We do not believe that the EEC and CERT have sufficiently encouraged the uptake of low or zero carbon technologies. However, a hybrid approach would combine a traditional measures-based approach to reduce carbon emissions and a cap and trade system to encourage the necessary reduction in demand.

## **INVESTING IN A LOW CARBON ECONOMY**

In a recent report, 'Greener Homes for the Future', the Environmental Audit Committee stated that 'the Government should not dilute its environmental ambitions, but should seize the opportunity to help the economy by investing in skills and supply chains needed for a step change in environmental construction standards'. WWF believes that investment in the necessary jobs and businesses can lead to a twofold gain of higher environmental standards in buildings and improved skills and businesses better equipped for future challenges. Whilst the EAC report was primarily referring to newbuild homes, WWF believes that similar opportunities exist in the retrofit sector and is releasing a report in early 2009 which illustrates the economic benefits to the economy of an ambitious programme of home retrofit.

## **REFERENCES:**

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