

# ENERGY EFFICIENCY RENOVATIONS IN THE REAL ESTATE SECTOR ARE KEY TO ACHIEVING CLIMATE TARGETS

Copenhagen  
Economics



## SOCIETAL AND INDIVIDUAL BENEFITS OF THE NEEM CORE SOLUTION

### The Nordic Energy Efficient Mortgage (NEEM) Core Solution rests on four pillars:

- 1 To close the energy efficiency gap, it is key to identify and provide incentives** for relevant households to conduct energy efficiency renovations.
- 2 It should be economically beneficial for an individual household to conduct the renovation**, implying that all households recommended to conduct a renovation would make a yearly saving.
- 3 The cost of conducting energy renovations is relatively small** when picking the lowest-hanging fruits, i.e., improving energy efficiency up to EPC label C.
- 4 Society benefits from low-cost CO<sub>2</sub> reductions**, as improving the energy efficiency of the real estate sector has a favorable trade-off between cost and amount of CO<sub>2</sub> reductions achieved.

### HOW THE NEEM CORE SOLUTION WORKS

#### Value chain



### THE BUSINESS CASE FOR FINANCIAL INSTITUTIONS OF THE NEEM CORE SOLUTION

The NEEM core solution is an automated solution utilising digital outreach and national data to provide personalised energy efficiency recommendations to bank customers. It helps banks achieve the following goals:

#### Greening the portfolio

The solution identifies which parts of the real estate portfolio have low energy efficiency and high transition risk, thus requiring immediate action.

#### Attracting new customers

By offering green mortgages and guidance on energy efficiency renovations to potential new homeowners, the bank is more appealing.

#### Retaining customers

Proactively engaging existing customers in discussions about energy costs and efficiency renovations leave a positive impression, creates greater value, and fosters customer retention.

#### Join the journey

We are working with key areas to scale up the NEEM core solution and customise its implementation according to your specific requirements.

- Ensuring aggregated national data hubs for energy consumption data (making data access easy and efficient) NEEM is working to establish a data hub in Denmark.
- Optimising outreach channels, i.e., digitalisation of outreach to customers and consent channels. NEEM identified email, phone calls and webinars as the most effective means of dissemination.
- Refining and automating the NEEM core solution, allowing for instant energy efficiency recommendations to be shared with customers as soon as they consent to being contacted.

