

PRESS RELEASE

February 2021

Report to the Flemish Parliament

Energetic renovation of social housing in Flanders

The Court of Audit investigated which measures the Flemish government took to improve the energy performance of existing social rental housing by 2020 and what the results of the Flemish energy renovation program 2020 are. It found that this program had fallen behind. Its targets had not yet been fully achieved by August 2020: 6.3% of social housing did not meet the roof insulation target, 8.1% did not meet the insulating glass target and 9.6% did not meet the target on central heating. The investigation also showed that the realization of roof insulation, insulating glazing and up-to-date central heating is hardly sanctioned.

Energetic renovation in Flanders

Under the impulse of Europe, Flemish government from 2007 onwards worked out the 2020 energy renovation program (ERP 2020), with which it wanted to realize an insulated roof, double glazing and an up-to-date heating installation in every Flemish home by 2020. It also established a long-term strategy that by 2050 the minimum energy performance level of all homes must be comparable to the energy performance level of a new-build home that was licensed in 2015. The government's exemplary role in the energy performance of buildings applies not only to public buildings, but also to the social housing supply. In Flanders, some eighty social housing companies (SHC) offer approximately 160,000 social rental homes. The Flemish Social Housing Agency (FSHA) is responsible for financing their new construction and renovation activities with subsidized loans.

Audit of the Court of Audit

The Court of Audit evaluated the measures taken by the Flemish government to improve the energy performance of existing social rental housing. It also analysed the results of the 2020 energy renovation program. The energy efficiency of social rental houses is important in the light of, among other things, the affordability of living in social housing and the climate objectives of the Flemish government.

Social housing measures

The 2009 coalition agreement led to the further elaboration of the ERP 2020 action plan, which applied to all homes in Flanders, for social housing. However, the objectives for social housing were formulated less strongly than for other housing, among other things to make it easy to monitor progress. Social housing meets the standard for roof insulation unless it is determined that no insulation is present, the double glazing standard if the house has predominantly double glazing, and the heating standard if the heating is not provided by the tenant, is not electric and is not a stove (unless a closed gas stove).

Whether or not to achieve roof insulation, insulating glazing and an up-to-date central heating is also hardly enforced through the housing quality decision.

Moreover, the policy-based investment program the Flemish Government has developed for social housing projects does not meet the requirements of the Flemish housing code: there is no distribution of resources between new construction, replacement construction, renovation and adaptation works, nor any regional distribution. Neither has it been shown that the program meets real housing needs.

Finally, the pursuit of the ERP 2020 through smaller interventions can make it more difficult to achieve the long-term target for 2050, for which a total renovation will be required more often. However, Flemish government has taken measures to make renovation decisions in social housing more systematic and substantiated, although in practice many renovation projects often consist of limited interventions.

Results

In 2010, the FSHA began to monitor energetic characteristics of social rental houses and to develop a database. In 2017, it concluded that significant progress had been made, but that renovations had to accelerate to achieve the targets.

In August 2020, the 2020 energy renovation targets for social housing had not yet been achieved: 6.3% of social housing did not meet the roof insulation target, 8.1% did not meet the insulating glazing target and 9.6% did not meet the central heating target. For some improvements, such as the adaptation of electric heating in relatively recent buildings, improvement is virtually impossible, partly in view of the other needs of the sector.

If the social housing sector consistently moves towards the 2050 renovation targets, failing to fully meet the ERP 2020 targets need not be problematic. The question arises, however, whether the long-term objectives are financially feasible, taking into account other policy objectives, such as expanding the number of social rental houses considerably. Based on SHC's plans, the FSHA estimates that in the period 2020-2024, approximately 385 million euros will be needed annually for improvements to the social houses, of which 163 million euros for replacement construction and 222 million euros for renovations. At the very least, it can be expected that the final element of the financing model, the regional social correction that compensates for deficits at SHC, will require the necessary budgetary efforts. Up to now, the Flemish government has been helping itself with additional ad hoc subsidies, such as subsidies for rational energy use and subsidies from the Climate Fund.

Response of the minister

The Flemish Minister of Housing replied on 11 January 2021. He largely agreed with the report.

Information for the press

The Court of Audit exerts an external control on the financial operations of the Federal State, the Communities, the Regions and the provinces. It contributes to improving public governance by transmitting to the parliamentary assemblies, to the managers and to the audited services any useful and reliable information resulting from a contradictory

examination. As a collateral body of the Parliament, the Court performs its missions independently of the authorities it controls.

The audit report on the *Energetic renovation of social housing in Flanders* has been sent to the Flemish Parliament. The full version and this press release can be found on the Court's website: [**www.courtofaudit.be**](http://www.courtofaudit.be).