



Australian Government



CEFC invests in first green home loan



Clean Energy
Home Loans

+7 Star

NatHERS

<\$1.5m

loan size

\$90m

CEFC finance

Financing sustainable design for new and existing homes

The CEFC has supported the development of cleaner, greener homes by creating an innovative green home loan product to spearhead the construction of market leading, energy efficient housing.

Bank Australia was the first home loan provider to take up the CEFC finance, which it drew on to deliver discounted interest rates to qualifying home buyers and borrowers. The finance was suitable for both new homes and for energy efficient upgrades to existing homes.

The Bank Australia Clean Energy Home Loan provided the interest rate discount via its Premium Package Home Loan to mortgages below \$1.5 million. The Bank Australia Clean Energy Home Loan featured a range of discounts for up to five years of the loan term.

Bank Australia Clean Energy Home Loan

“

It's predicted that more than half the properties that will be standing in 2050 will be built from now onwards. This means that the housing decisions we make today will impact emissions over the long term, and we want to help homeowners make more sustainable choices.”

Bank Australia 2020 Impact Report

The initial CEFC commitment of \$60 million in 2020 was extended by a further \$30 million in 2021 in response to strong customer demand from Bank Australia customers.

The CEFC has a strong track record of investing in a diverse range of cleaner, greener residential options, from build-to-rent and masterplanned communities, to seniors living, student accommodation and community housing. The CEFC tailored green home loan finance demonstrates an important extension of this activity.



Housing and emissions

According to the Australian Sustainable Built Environment Council (ASBEC), the property sector accounts for about 23 per cent of Australia's greenhouse gas emissions.

About half of those emissions come from residential buildings – largely from heating, ventilation and air conditioning (40 per cent), appliances (25 per cent) and hot water systems (23 per cent).

ASBEC and ClimateWorks Australia have identified potential energy savings as high as 25 per cent through the adoption of higher energy efficiency standards in new residential buildings.

The benefits would flow from measures such as improved air tightness, double glazed windows, insulation, adjustable outdoor shading, ceiling fans and more efficient air conditioning, lighting and domestic hot water systems.

The upfront costs of energy efficiency inclusions would be more than offset by lower energy bills, reduced spending on heating, cooling and ventilation equipment, and savings to the electricity network.

More information:
[Built to Perform: An Industry Led Pathway to a Zero Carbon Ready Building Code](#)

Pathway to cleaner, greener homes

Australian homeowners and tenants can benefit from lower electricity bills and more comfortable homes with the adoption of a range of emerging best practice initiatives for cleaner, greener homes.

These include:

1

Incorporating information on energy efficiency ratings in new and existing homes at the time of sale.

2

Developing a national whole-of-building energy efficiency measurement tool, to help create a common approach to low emissions housing for home buyers, builders and renovators.

3

Adopting energy efficiency building design and construction

4

Supporting the widespread inclusion of rooftop solar and energy storage technologies.

More information:
[Every Building Counts – A practical plan for emissions reduction, 2019.](#)

Benefits of green homes

Australians lead the world in residential rooftop solar. Our next challenge is to embrace energy efficient building design and construction practices to cut our energy use and reduce our emissions.

New homes built today will be in use for decades to come. We want those homes to have the strongest energy efficiency and to deliver the smallest carbon footprint possible.

Preliminary economic modelling undertaken by ASBEC and CSIRO has found that investing in measures to accelerate Australia's transition to sustainable homes by 2030 would:

- Deliver more than half a billion dollars of extra investment in the construction industry
- Create over 7,000 new jobs
- Save Australians more than \$600 million on their energy bills.

More information:

[Growing the Market for Sustainable Homes: Industry Roadmap](#)

Nationwide House Energy Rating Scheme

The Nationwide House Energy Rating Scheme (NatHERS) star ratings provide information about the thermal performance – heating and cooling needs – of a home's construction.

Star ratings are based on information about the home's design, construction materials and the climate where it is being built.

NatHERS Accredited Star Ratings are conducted by professionals using purpose-built software and assess heat gains and losses through the building envelope every hour over a year in a particular location, to determine how much additional heating and cooling may be required to maintain human thermal comfort.

More information:

www.nathers.gov.au

Bank Australia

Bank Australia is Australia's first customer owned bank. Founded in 1957 as the CSIRO Co-operative Credit Society, it subsequently evolved to bring together 72 credit unions and co-operatives.

Bank Australia was the first bank in Australia to have its deposit and home lending products certified 'responsible' by the Responsible Investment Association of Australasia.

More information:

www.bankaustralia.com.au

Market demand for green homes

Market momentum on energy efficiency in properties has been building in Australia, with the CEFC receiving increasing interest from mortgage providers and investors about the potential for green home loan investment opportunities.

In its December 2018 Energy Consumer Sentiment Survey, Energy Consumers Australia reported that:

- 48 per cent of respondents supported mandatory labelling scheme for energy efficiency rating for houses for sale
- 60 per cent of respondents said energy efficiency would be a factor when buying a home
- only 26 per cent of households said their home was energy efficient, with a further 36 per cent saying they don't know whether they have a problem.

The Energy Consumer Sentiment Survey of more than 2,000 household consumers is the largest of its kind in Australia.

More information:

[Energy Consumer Sentiment Survey](#)

CEFC finance for cleaner, greener homes

New homes built today will be in use for decades to come. We want those homes to be energy efficient and deliver the smallest carbon footprint possible.

The CEFC has a track record of investing in a diverse range of cleaner, greener residential options, from build-to-rent to masterplan communities, to seniors living, student accommodation and community housing. Our tailored green home loan finance has demonstrated an important extension of this activity.

Reflecting the CEFC's unique role as a clean energy investor, we are supporting the adoption of best in class clean energy standards in residential accommodation, from design to construction, and extending to fittings and energy efficient appliances.

Please note:

The CEFC does not provide finance to individual borrowers and is not involved in individual financing decisions. Interested borrowers should contact Bank Australia directly.



Community Housing providers go green CEFC commitment up to \$283 million

NSW Community Housing Providers SGCH and Housing Plus are developing energy efficient homes for low-income families, providing tenants with homes that have an increased level of comfort and require significantly less energy for day-to-day activities.



Come home to clean tech CEFC commitment up to \$90 million

Leading developer Mirvac is planning communities where new homes aimed at first and new home buyers will have built-in solar-plus-battery systems that are expected to reduce household energy costs by as much as 90 per cent.



Opportunities for the home rental market CEFC commitment up to \$50 million

Mirvac's Australian Build-to-Rent Club will bring the benefits of clean energy and energy efficiency to families and tenants in the home rental market, from on-site solar PV to high-efficiency LED lighting, energy efficient appliances and passive solar design.



Seniors' living village of a model of sustainability CEFC commitment up to \$60 million

A Canberra office park is being transformed into the LDK Greenway Seniors' Living Village, providing homes for up to 450 people and creating a new model for sustainability for Australia's rapidly growing retirement living and aged care sectors.

About the CEFC

The CEFC has a unique mission to accelerate investment in Australia's transition to net zero emissions. We invest to lead the market, operating with commercial rigour to address some of Australia's toughest emissions challenges. We're working with our co-investors across renewable energy generation and energy storage, as well as agriculture, infrastructure, property, transport and waste. Through the Advancing Hydrogen Fund, we're supporting the growth of a clean, innovative, safe and competitive hydrogen industry. And as Australia's largest dedicated cleantech investor, we continue to back cleantech entrepreneurs through the Clean Energy Innovation Fund. With \$10 billion to invest on behalf of the Australian Government, we work to deliver a positive return for taxpayers across our portfolio.