



# CEFC invests in first green home loan



## Clean Energy Home Loans

**+7 Star**

NatHERS

**<\$1.5m**

mortgages

**\$60m**

CEFC finance

## Financing sustainable design for new and existing homes

The CEFC is increasing its support for cleaner, greener homes, with a new green home loan to spearhead the construction of market leading, energy efficient housing.

Bank Australia is the first home loan provider to take up CEFC finance, which will deliver discounted interest rates to qualifying home buyers and borrowers, for new homes and for energy efficient upgrades to existing homes.

The Bank Australia Clean Energy Home Loan, available from January 2020, will draw on up to \$60 million in CEFC finance, providing the interest rate discount via its Premium Package Home Loan to mortgages below \$1.5 million.

The Bank Australia offering applies to a broad range of homeowners – from buyers and people looking to build a new home, to existing owners.

## Bank Australia Clean Energy Home Loan

The Bank Australia Clean Energy Home Loan features a range of discounts starting at 0.4 per cent per annum for up to five years, for new homes and for energy efficient upgrades to existing homes.

### More information:

Visit [Bank Australia](#) for more information on discounts and eligibility criteria.

**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.**

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. Our tailored green home loan finance is 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](http://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.

In its financial report to 30 June 2019, Bank Australia reported total assets of \$6.3 billion, total deposits of \$5.3 billion and a home loan portfolio of \$4.7 billion.

**More information:**

[www.bankaustr.com.au](http://www.bankaustr.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 is an important extension of this activity.

Reflecting the CEFC's unique role as a clean energy investor, this finance is 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 \$260 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 role to increase investment in Australia's transition to lower emissions. With the backing of the Australian Government, we invest to lead the market, operating with commercial rigour to address some of Australia's toughest emissions challenges – in agriculture, energy generation and storage, infrastructure, property, transport and waste. We're also proud to back Australia's cleantech entrepreneurs through the Clean Energy Innovation Fund, and invest in the development of Australia's hydrogen potential through the Advancing Hydrogen Fund. With \$10 billion to invest on behalf of the Australian Government, we work to deliver a positive return for taxpayers across our portfolio.

[cefc.com.au](http://cefc.com.au)



# Clean Energy Home Loan

## Q&A

The CEFC is increasing its support for cleaner, greener homes, with a tailored green home loan to spearhead the construction of market leading, energy efficient housing.

Bank Australia is the first home loan provider to take up the CEFC finance, to deliver discounted finance to people looking to buy or build their home, and for people looking to make energy efficient upgrades to existing homes.

### How do I apply for a Bank Australia Clean Energy Home Loan?

Interested borrowers should contact Bank Australia directly.

The CEFC does not provide finance to individual borrowers and is not involved in individual financing decisions.

### What is the discount?

The Bank Australia Clean Energy Home Loan features a range of discounts starting at 0.4 per cent per annum over a maximum of five years, for new homes and for energy efficient upgrades to existing homes.

For information on discounts and the criteria please visit the [Bank Australia](#) website.

### What if I don't have a Bank Australia account?

You do not need an existing Bank Australia account to apply for the Bank Australia Clean Energy Home Loan.

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

### Can I get a green home loan from my regular mortgage provider?

There are a number of green home loan offerings by Australian financial institutions, all with varying criteria. Bank Australia is the first home loan provider to align with the CEFC criteria to jointly deliver discounted interest rates to qualifying home loan applicants.

### Why is the CEFC offering home loans?

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.

By offering tailored green home loan finance, the CEFC aims to fill a gap in the market, giving people wanting to build, buy or renovate their homes a financial incentive to adopt sustainable design principles from the start of the home purchase or construction decision.

In the case of the Bank Australia Clean Energy Home Loan, eligible borrowers must meet set energy efficiency criteria.

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

### Why do we need green home loans?

The CEFC has a unique role to increase investment in measures to cut Australia's emissions. The property sector creates about 23 per cent of Australia's greenhouse gas emissions – and about half of these emissions coming from residential buildings.

Through our tailored finance for green home loans, we want to encourage mortgage providers and borrowers to prioritise clean energy solutions, by providing a financial incentive to design, build and purchase homes with a lower carbon footprint.

### How will you know if the CEFC finance is used to lower emissions?

The CEFC works closely with co-financiers to ensure our finance is only used for eligible renewable, energy efficient or low emissions technologies. We will continue this practice with our investment in Bank Australia.

In the case of the Bank Australia Clean Energy Home Loan, eligible borrowers must meet set energy efficiency criteria.

The estimated lifetime carbon abatement of our commitment to the Bank Australia Clean Energy Home Loan is 22,000 tCO<sub>2</sub>-e.

For more information on the criteria please visit the [Bank Australia](#) website.

### How many homes will get this finance?

The number of loans financed will be determined by Bank Australia and customer take up.

### How much money is the CEFC investing?

The Bank Australia Clean Energy Home Loan will draw on up to \$60 million in CEFC finance, providing interest rate discounts via the Bank Australia Premium Package Home Loan to eligible mortgages below \$1.5 million.

The CEFC is looking forward to working with other mortgage providers, service providers in the residential property supply chain, and technology providers to deliver ambitious and impactful improvements to Australia's residential property sector.

The size of any future investment commitments will be considered on a case by case basis, as with all CEFC investment decisions.

### Why can't I apply directly to the CEFC for this finance?

The CEFC is a small organisation, with a unique role to increase investment in Australia's transition to lower emissions. We work with co-financiers to extend the benefits of CEFC finance across to enable investment in smaller-scale projects by households, farmers, small businesses, manufacturers, building owners and community facilities.

By working with other financiers we can tap into their established customer networks, and also deliver a more simplified finance offering to consumers, who may be able to work through their existing financial providers. The Bank Australia Clean Energy Home Loan is another example of this successful co-finance model.

### Is this a good use of the CEFC's money?

Yes. The CEFC has a strong 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 is an important extension of this activity.

Reflecting the CEFC's unique role as a clean energy investor, this finance is 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.