

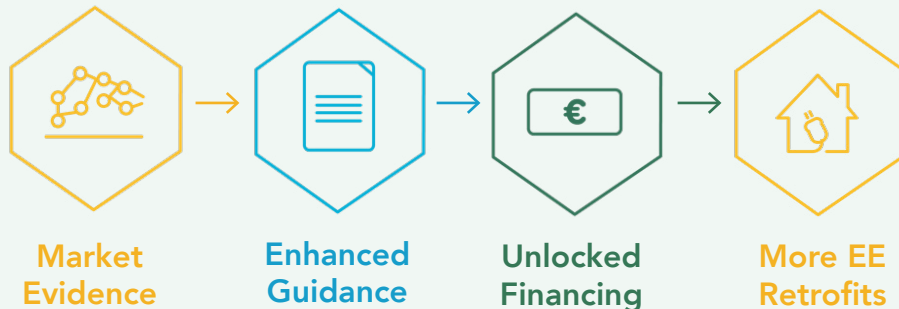
Take Part in Designing the Next Generation of Valuation Guidance for Sustainability in Residential Property

The importance of updating valuation guidance

Decisions on house purchasing for occupation or investment are driven by a number of factors, and to date, energy efficiency (EE) has not been a key issue. This is surprising in the context of Europe's home energy bill of €340Bn per year. Indeed, it may well not be reflected in the capital or rental pricing equation, although some evidence is now emerging that it is starting to impact, for example in differentials in interest rates offered.

To allow owners and financial institutions to better assess the effects of implementing EE improvements and renovations, enhanced insights into the financial and wider effects need to be in place. For that to happen, credible supporting evidence is needed.

REVALUE is a three-year project to enhance RICS international guidance for property appraisers, incorporating the collection and easy analysis of relevant evidence. This will help valuers to reflect the value of EE in their valuations of social and private housing stock. By increasing awareness of impact of EE on value among lenders, investors and valuers, the project aims to promote advanced market practices, support, and encourage market transformation.



Who can participate?

Ideal pilot partners are Public or Private residential real estate providers with over 10,000 dwellings under management, specially in the UK, the Netherlands, Poland, Sweden and Germany.

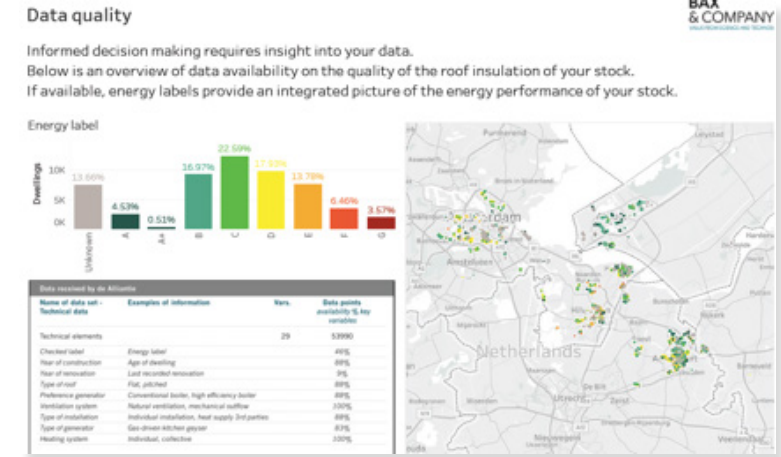
Key is to have available recent data on transactions at market prices for a significant number of dwellings and/or dwellings valuations that follow RICS guidelines at two moments in time.

Why participate?

REVALUE collaborators will obtain two results:

Business intelligence

A highly visual report on asset quality, indicative renovation options and long-term strategy.



Econometric analysis

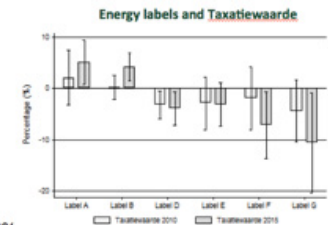
An academic report of the relation between energy efficiency and valuations of real estate, where possible detailed for dwelling types and building components.

Energy Efficiency in Balance Sheets

Energy efficiency premium in valuations

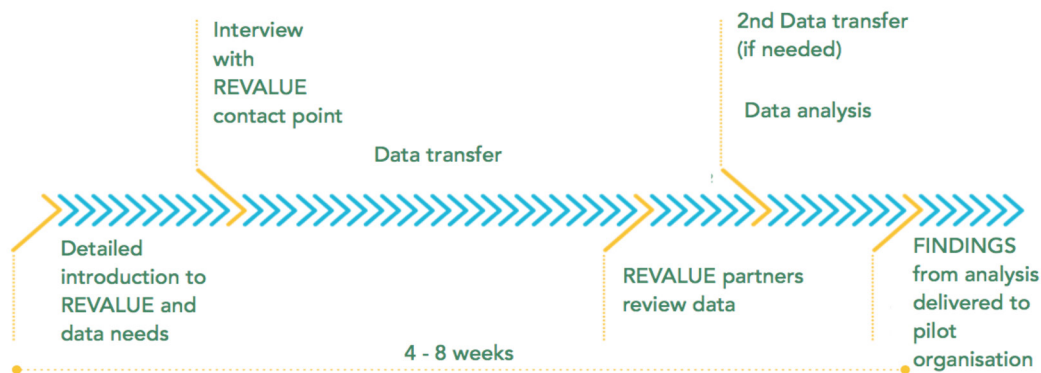
Differences in valuation:

- **2010 valuation:**
 - No (significant) premiums in value
 - E label valued at 3% discount compared with a C label
- **2015 valuation:**
 - A and B label valued at a 4 and 5% premium compared with a C label
 - E, F and G label valued at 4, 7 and 10% discount compared with a C label



Process of pilot studies

Collaboration requires 4-5 moments of remote interaction over a period of 4-8 weeks. The process starts with a detailed introduction to the project purpose and data needs. Then, fit for participation can be determined. After that, a detailed interview will cover both qualitative aspects, such as asset management policies, and review of available asset data types, followed-up by a single data transfer in excel format. The REVALUE partners will review data and may request clarifications via mail or call and, if needed, request a second data transfer. The data will be used for academic econometric study, and analysis and recommendations on asset management.



Data needs and confidentiality

Housing associations are requested to provide technical information at the dwelling level and descriptive information on sustainability policies, financial priorities and valuation practices.

Type of data	Variables and examples
Technical components/ asset management	Identifier, location, usable area, number of units, building type, construction year, last refurbishment, EPC rating, rooms of the apartment.
Financial data and organisation's practices	Rent (actual and regulated), energy bill payment, maintenance costs, and occupancy levels.
Valuation information	Valuation (two moments), valuation methods (following RICS standards).
Building & services	Type and age of envelope components (roof, wall insulation, window quality), amenities standards (renovations of bathrooms and/or kitchens), and services (ventilation, heat generation type and age, energy carrier, efficiency system, solar thermal system, photovoltaics).

Data shared with REVALUE partners will be used solely for research purposes. Research findings will be anonymously published. A non-disclosure agreement can be signed between participating housing associations and REVALUE stating the confidentiality of data use by the project.

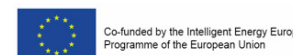
Who is REVALUE?

The Royal Institution of Chartered Surveyors (RICS), the world's largest body of valuation professionals, and Savills, advisors on residential valuation and management, are at the core of the REVALUE project.

The REVALUE consortium is completed through the Real Estate Finance Group from Maastricht University, LUWOG Consult GmbH, Vanhier, and Bax & Company.



For further details or to contact the Project Team please see the website <http://revalue-project.eu/>



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