

# The Energy Efficient Mortgage Initiative of the European Mortgage Federation and its implementation in Hungary

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*Roundtables enhancing smart Investments in sustainable  
Renovation of buildings*

**LIFE22-CET-RENOINVEST PROJECT**

MEGRA FAIR

Gornja Radgona

18th April 2024

**MBH** MORTGAGE BANK



Energy  
Efficient  
Mortgages  
Initiative



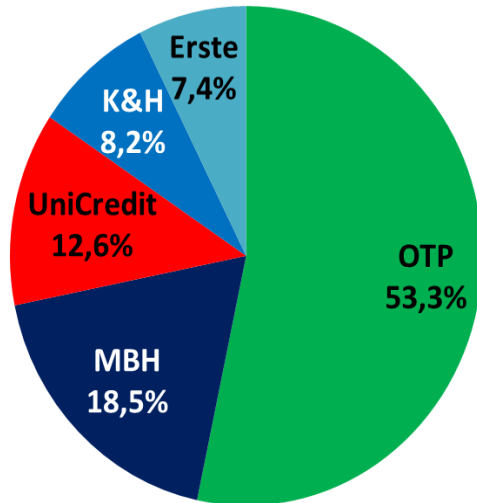


# MBH Mortgage Bank , MBH Index

# Key player on the domestic mortgage bond market, innovation

The Bank started operating in 1998 as FHB Land Credit and Mortgage Bank.. The Bank's shares are listed on the Budapest Stock Exchange (BSE) since 2003.

MBH share in the volume of outstanding mortgage bonds\* (based on face value), 31.12.2023



BSE Award: 'Mortgage bond issuer of the year in 2023'



MBH Mortgage Bank has been awarded ten times for its outstanding capital market performance:

Innovative solutions in the mortgage lending



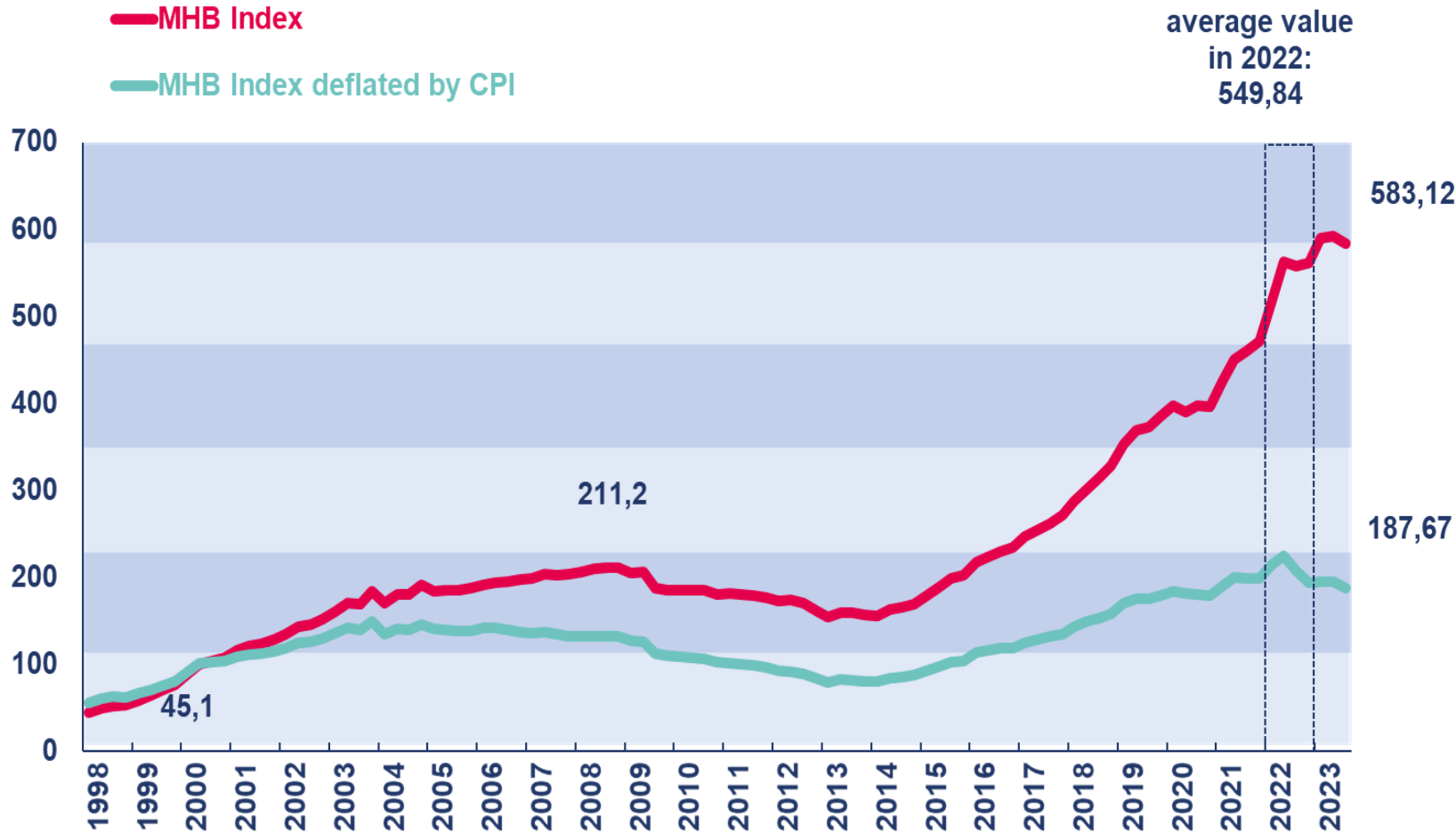
AVM (automatized valuation model) for properties was implemented in MBH Group in 2023.

Business aims for the future:

- AVM method to be extended for new properties and family houses
- Development of energy database

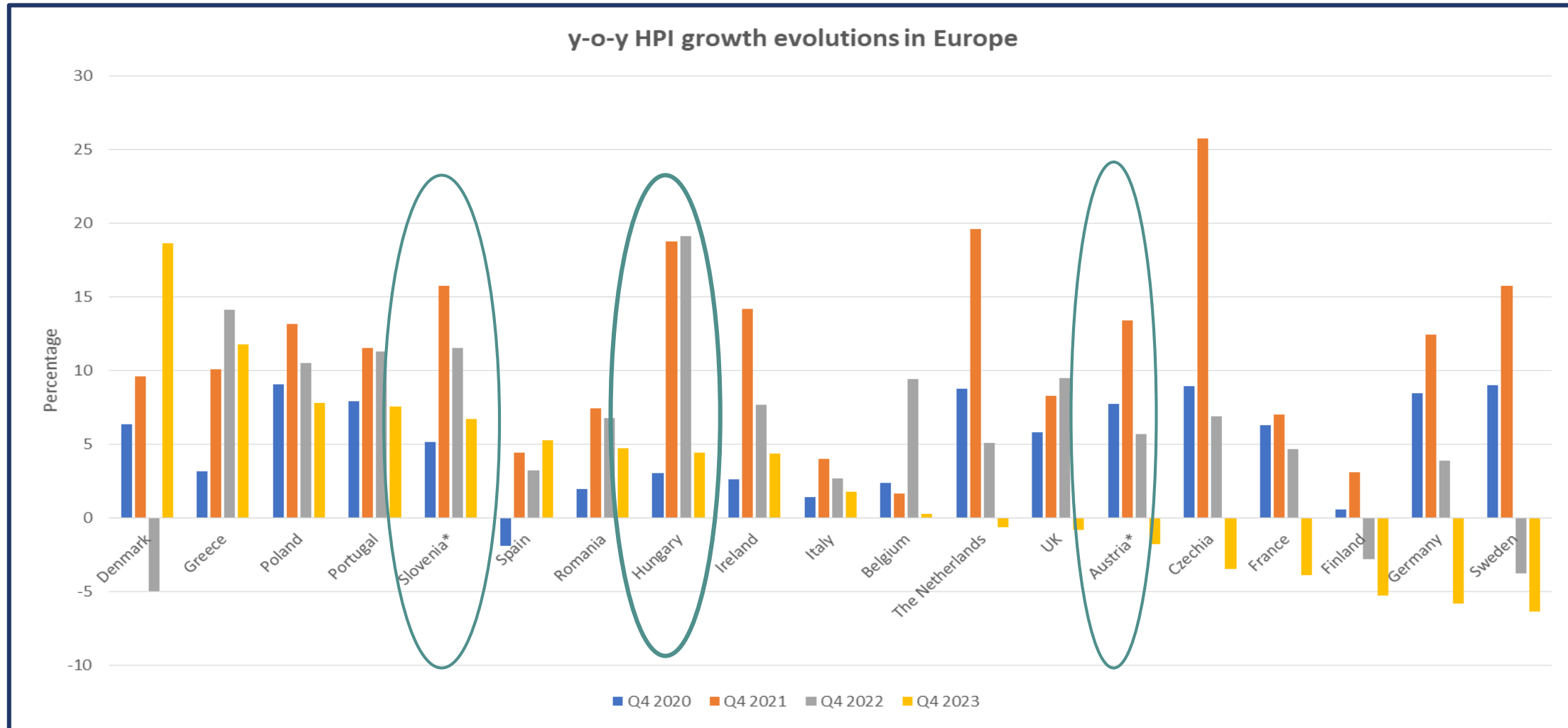
**MBH Mortgage Bank joined the Energy Efficient Mortgage Initiative in 2020**

# MBH Index from 1998 until 2023 Q3 (2000=100)



- MBH has collected transaction data since 1998 (price, time of sale, address, area, building type, valuation amount, other available data)
- Value at year 2000 = 100
- The Index value is updated quarterly
- Methodology – the hedonic regression method (Eurostat, KSH) can also capture a part of the composition effect in the data base or can handle the fundamental changes in the sample of investigated properties

# House price growth in the EU 2020-2023



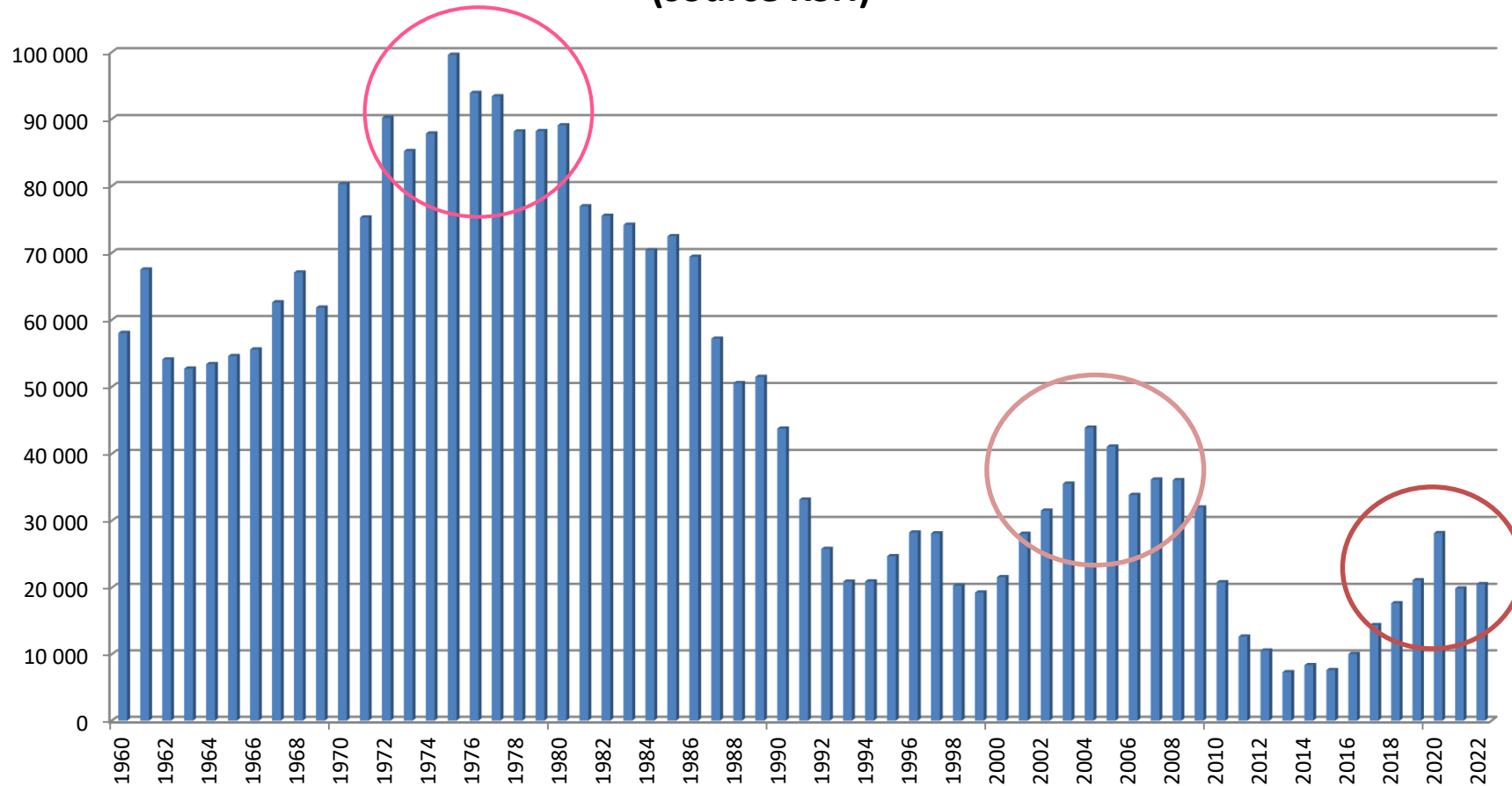




# The Hungarian Housing Market

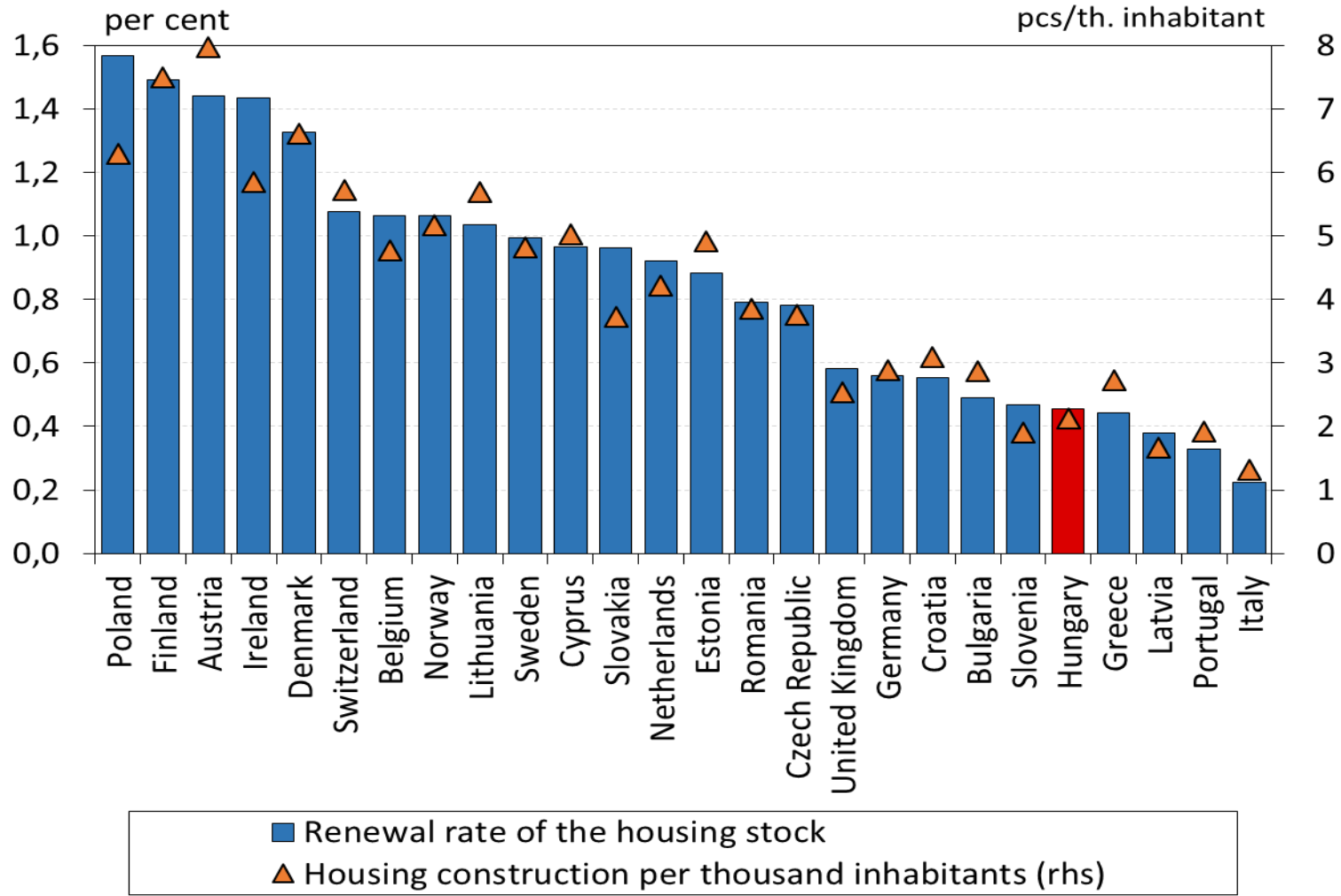
# The number of new dwellings built is not enough to renew the housing stock

Number of dwellings built between 1960-2022  
(source KSH)



- 80-90 thousand new dwellings / year in the 70s
- Peak after 2000: 43,000 apartments/ year in 2004
- Between 2012 and 2016, hardly any new dwellings were built
- In 2022, 20,540 apartments were built (total stock 4.5 Mio)

# The number of newly built dwellings is not enough to renew the housing stock

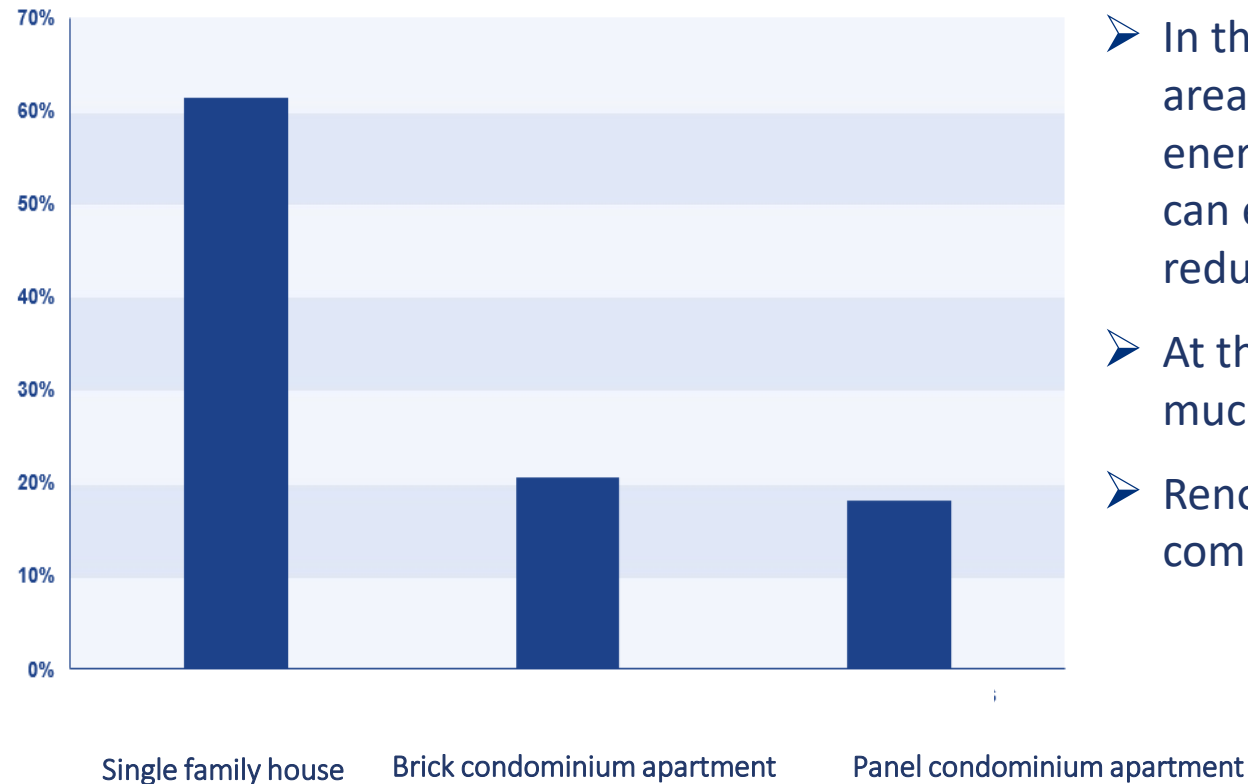


- With 0.45%, HU was only able to overtake Greece, Latvia, Portugal and Italy in 2022.
- The annual renewal has ranged from 0.23% to 0,63% in recent years.
- Assuming 20,000 to 30,000 delivered new dwellings , it would take between 150 and 225 years to replace the entire domestic housing stock of 4.5 million.
- HU is also lagging behind in regional comparison (Au,Pl ,SI ).



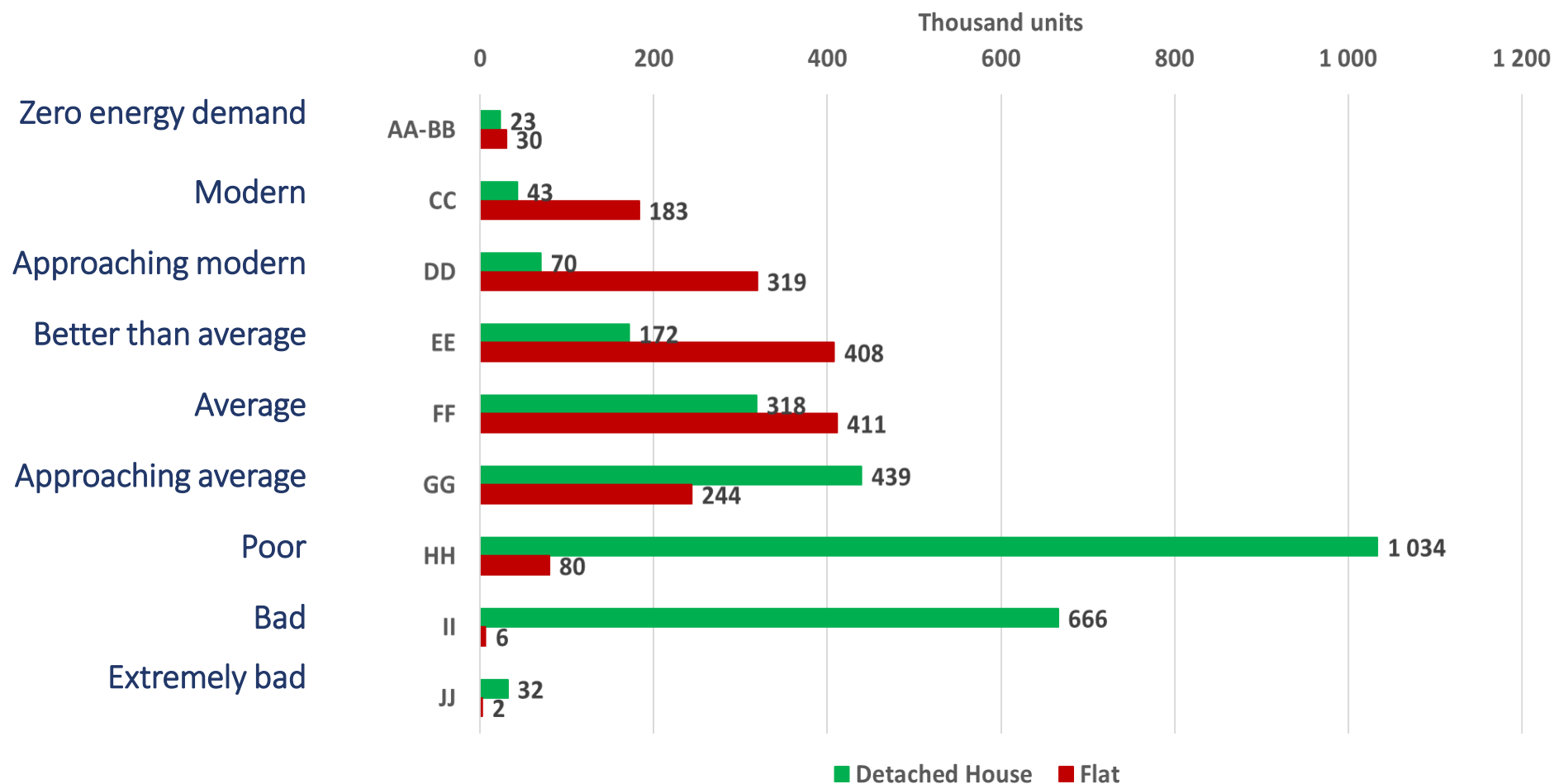
# The largest energy renovation reserve lies in the single-family house segment

Distribution of the housing stock



- Homes built between 1946 and 1980, which make up the largest part of the housing stock, can achieve very significant savings compared to the initial state.
- In the case of a single-family house with an average area (100 m<sup>2</sup>) within the category, which achieves energy class DD after the renovation, the amount saved can exceed HUF 1 million per year, which can mean a reduction of 89 percent.
- At the level of the national economy, the savings can be much higher due to real, high energy prices.
- Renovations are typically carried out by SME companies.

# Estimated energy classification distribution of houses and apartments in Hungary at the end of 2020.



From the research organized by the National Bank of Hungary's Sustainable Finance Department, made by HCSO Housing Statistics Division, Hungarian Energy Efficiency Institute & ELTINGA



# The EEMI and the Ecosystem concept of the EMF

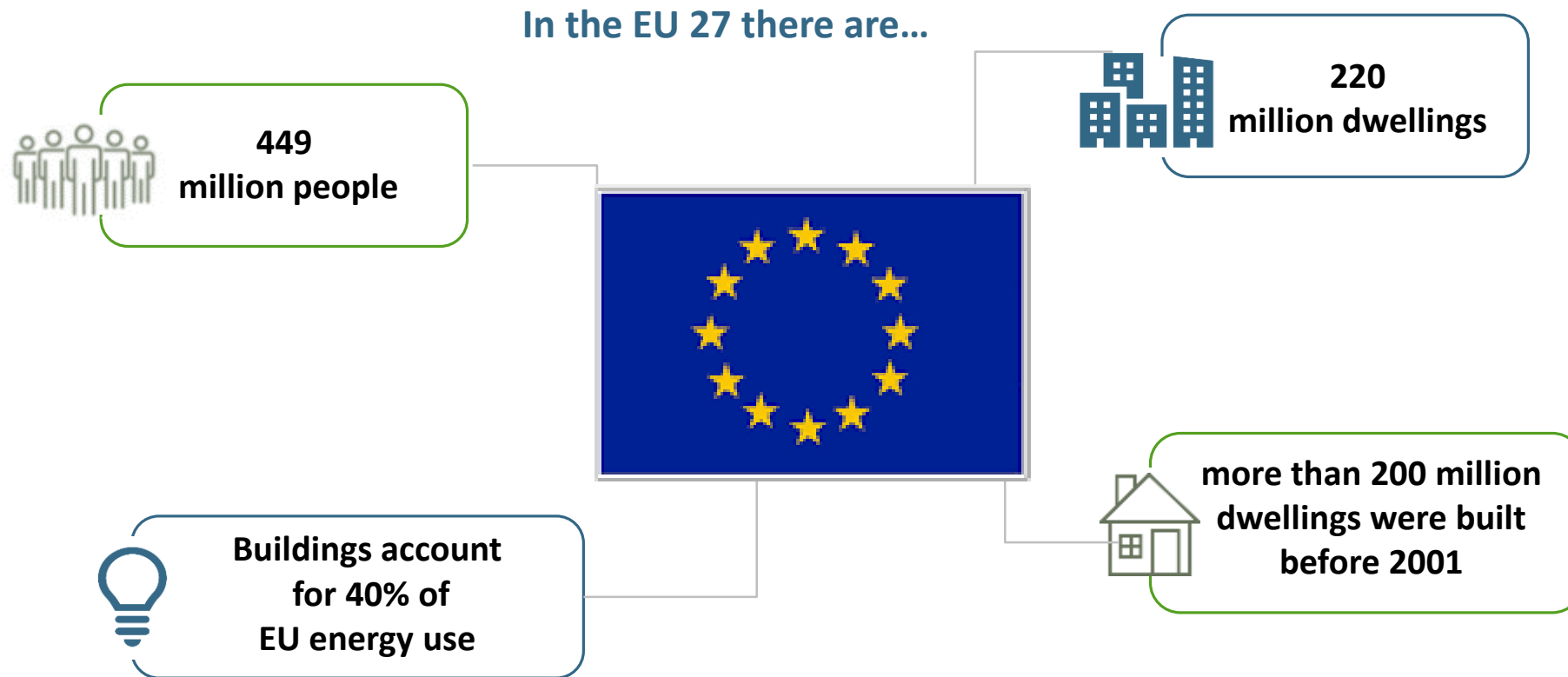
# About EEMI



- The Energy Efficient Mortgages (EEM) Initiative is a pan-European private bank financing mechanism that aims to stimulate and finance investment in energy efficient buildings, energy saving renovations in order to secure a greener and more sustainable future for all.
- Our stakeholders: **seventy** lending institutions, which represented **55%** of mortgages outstanding in the European Union supported by **fifty-two** Supporting Organisations and by the Advisory Council.
- OTP and MBH MB are members of EEMI since 2020. NBH is in the Advisory Council and launched its Green Preferential Capital Requirement Program already in 2019.
- EEMI develops the market through the establishment of **national market hubs** across Europe, national hubs are active in Belgium, Germany, Italy, the Netherlands, the Nordics, Spain and the UK (Scotland).

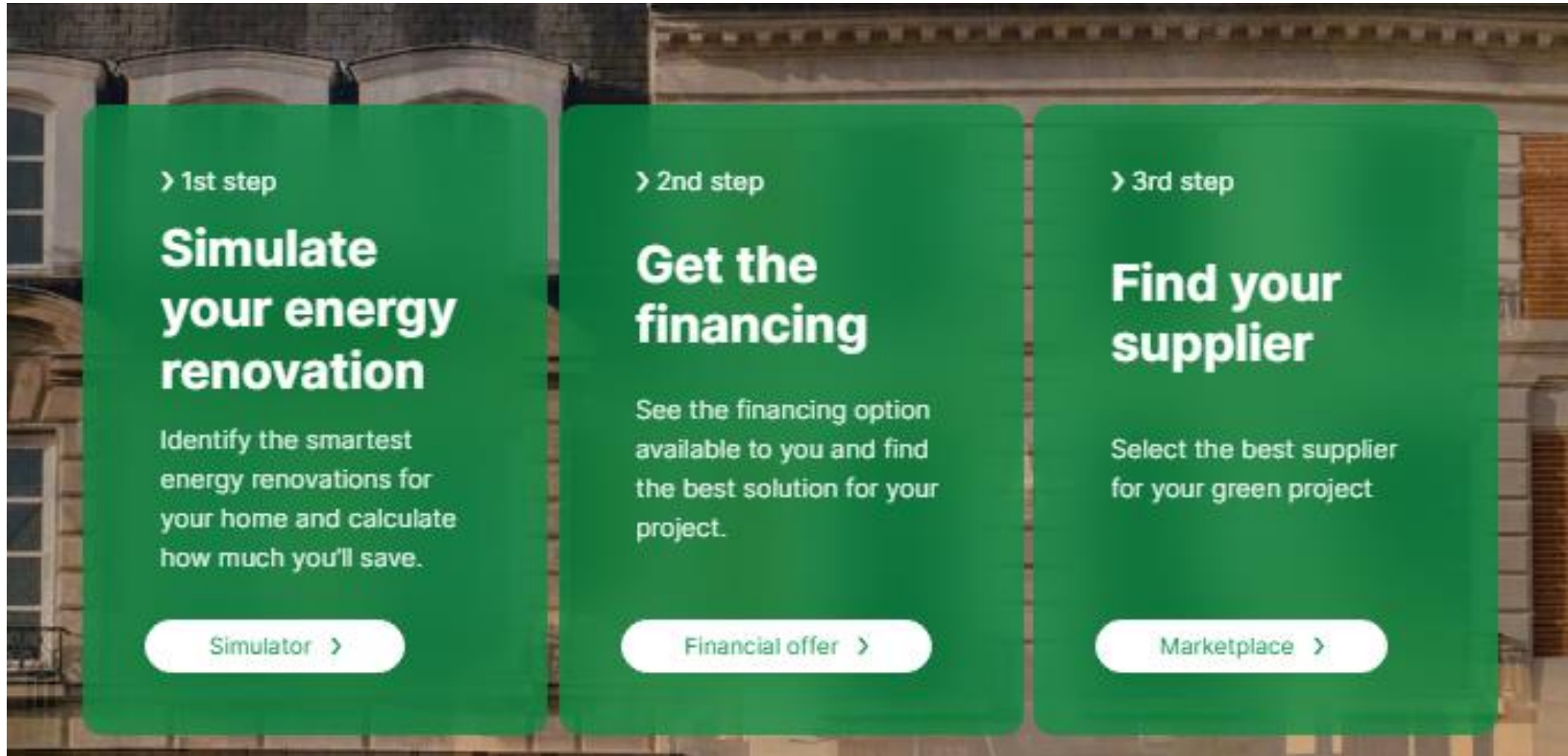


# Bring Energy Efficiency to the EU buildings stock: Banks can play a Game Changing Role



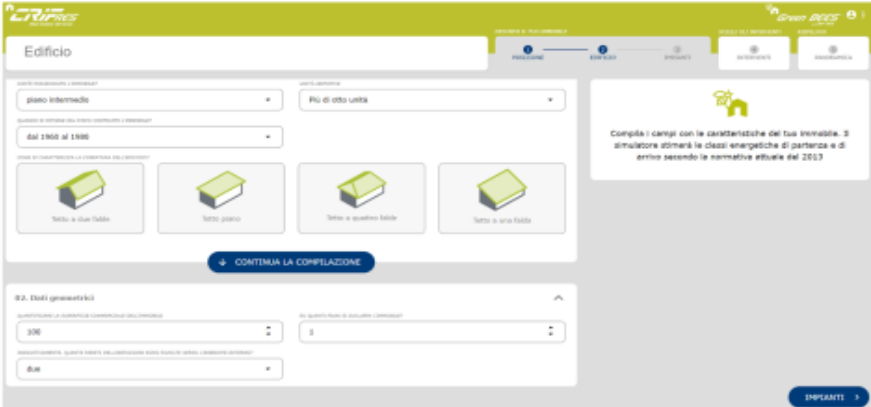
➔ **€180 BN OF YEARLY INVESTMENTS IS NEEDED TO REACH EU TARGETS**  
A significant share of it must come from the private sector

# Ecosystem – European open source platform for energy renovations

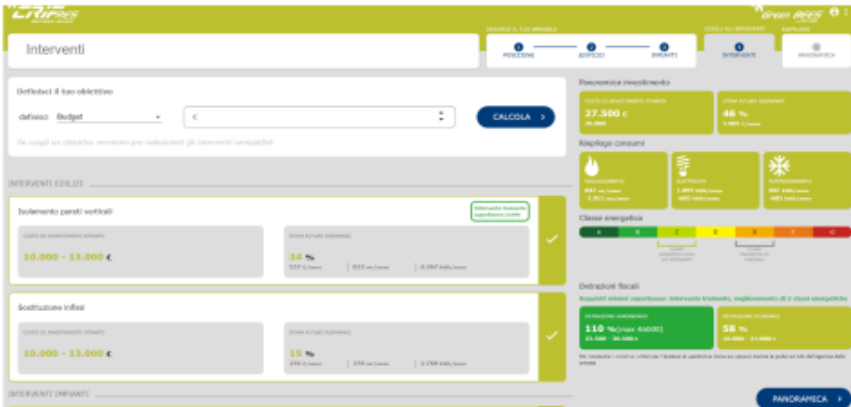


# 1st Step - Energy Simulator

Calculate your **saving** with the CRIF Simulator  
Building details



Calculate your **saving** with the CRIF Simulator  
Interventions



With the Simulator (currently on the Ecosystem Website available simulators are for either Italy or Sweden) an interested party is able to get an overview for their geolocalised dwelling of the improvement needed, budget indication, potential energy savings and CO2 reduction, an estimate on property value improvement and EPC evolution before and after the renovation works. Finally there is also an indication on potential public support schemes available.

The output of the simulator is a document/link which to share with the lending institution in order to get a financing for the retrofitting project. The information provided will be treated according to the consent of the interested party in line with GDPR.

## 2nd Step - Chose your financing partner

Statistics table Filter results: All countries ▾ | Advanced search 🔍

Name	Lending institution name	Country	EEM Amount		%EEM ref. portfolio	RRE <sup>2</sup>	CRE <sup>3</sup>	Further information
			(in million EUR) <sup>1</sup>	n. of EEM loans				
<a href="#">Sustainable Loans</a>	BNP Paribas Fortis	Belgium	4.448€	40.504	8,0%	Yes	No	
<a href="#">Onesto ECO</a>	Onesto Kredietmaatschappij	Belgium	10€	80	100,0%	Yes	No	
<a href="#">Sustainable Mortgage Loan</a>	Triodos Bank	Belgium	22€	109	78,0%	Yes	No	
<a href="#">Loan for Green Buildings</a>	Jyske Realkredit A/S	Denmark	94.920€*	18.873	28,0%	Yes	Yes	

When looking for a potential financing solution the customer can browse through the [EEM Label compliant products](#) and, if the lending institutions allows, she can directly request an initial offer to them by indicating information on the property location, project description and by submitting any files useful to the lending institution to finalise an offer.

### Get an Offer

Products

#82 - MUTUO PRIMA CASA GREEN

#### Project location

Street name  City

Street number  Zip code

Country

#### Project description

Project name  Property type  
 Residential  
 Commercial

Estimated Renovation Cost  Project purpose

Estimated Amount to be borrowed

#### Personal information

You are  Email

Lastname  Firstname

Phone

#### Project files

Here you can upload any relevant documents for the lending institution to assess the best loan offer. This can include the output of the Renovation Simulator you can do [here](#)

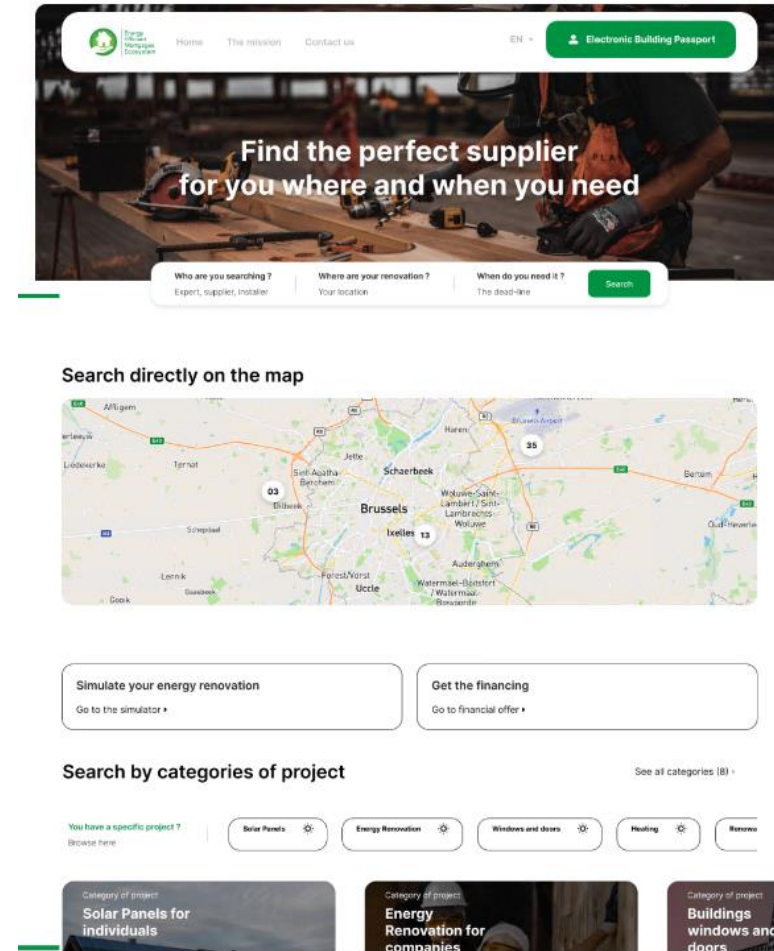


# 3rd Step - Market Place

In order to maximise the effectiveness of the customer experience the Ecosystem offers various degrees of support according to the types of needs, the desired level of independence in managing the project and flexibility :

1. **The local manager** guides the client through the platform and supports the user in the choice of the best supplier and enterprise for his/her project for a more one-stop shop experience
2. **Direct choice of the enterprise** through filters according to location, types of services and an **internal rating system** in order to provide a higher degree of flexibility of the customer in choosing the suppliers

Both local managers and suppliers can be contacted via an interactive platform



# Market place – Suppliers



The **supplier** in order to be part of this market place need to fulfil three main conditions:

- 1) Provide for **free** to the customer an **EPC** before and after the renovation work.
- 2) Provide an **ESG Scoring** of their enterprise.
- 3) Provide a **guarantee** of the Energy Performance improvement which is expected to be achieved with the designed retrofitting intervention.

Once all these conditions are met the supplier is reachable by the customer on the market place, who can organise a visit/meeting with relevant exchange of information and documents.

The supplier besides the **ESG Scoring** has also a **credit scoring from the lending institution** as well as a **popular scoring** from previous customers.

On the Market place there is as well a section where **public authorities** (national, sub-national) can insert their subsidy schemes which will be flagged to the customer according to the location of her property in order to have an geographically sensitive menu of available public subsidies.

# Highlights from the new energy efficient renovation program in Hungary

- Source of funds: RRF, REPower EU
- Total program amount: HUF 108 bn
- Starting: June 2024
- Funds enough for appr. 20.000 homes
- Eligible properties: Single family houses, built before 1990, connected to gas heating network
- Energy efficiency renovations, that can be financed by the program: Wall and roof insulation, changing windows and doors, renewal of heating and water systems
- Main criteria for participation in the program: Min. 30 % improvement in the energy efficiency following the retrofit (EPC to be made before and after the renovation)



# Conclusions

- Mortgage loans in Europe are equivalent to around 46 % of the EU GDP
- The Energy Efficient Mortgage Initiative (EEMI) has been the catalyst for the growth of a new , integrated , multi- stakeholder energy efficient mortgage ecosystem
- Consumer expectations and financial sector best practices must meet
- The EEMI national market hubs focus on the implementation of the „ecosystem” throughout the customer journey and the mortgage lifecycle
- The construction and the mortgage (finance) industry must join forces together with all the other stakeholders to reach the climater-neutral goals set for 2050 of the EU. Building renovation programs will play a key role to reach this target. The Renovation Wave for Europe aims at least to double renovation rate by 2030 (35mio buildings renovated and 160.000 additional jobs created)
- **Results: Greening our buildings, reducing emissions, creating more jobs, helping the SME sector, improving overall living standards of EU citizens.**



**Thanks for your  
attention !**

