



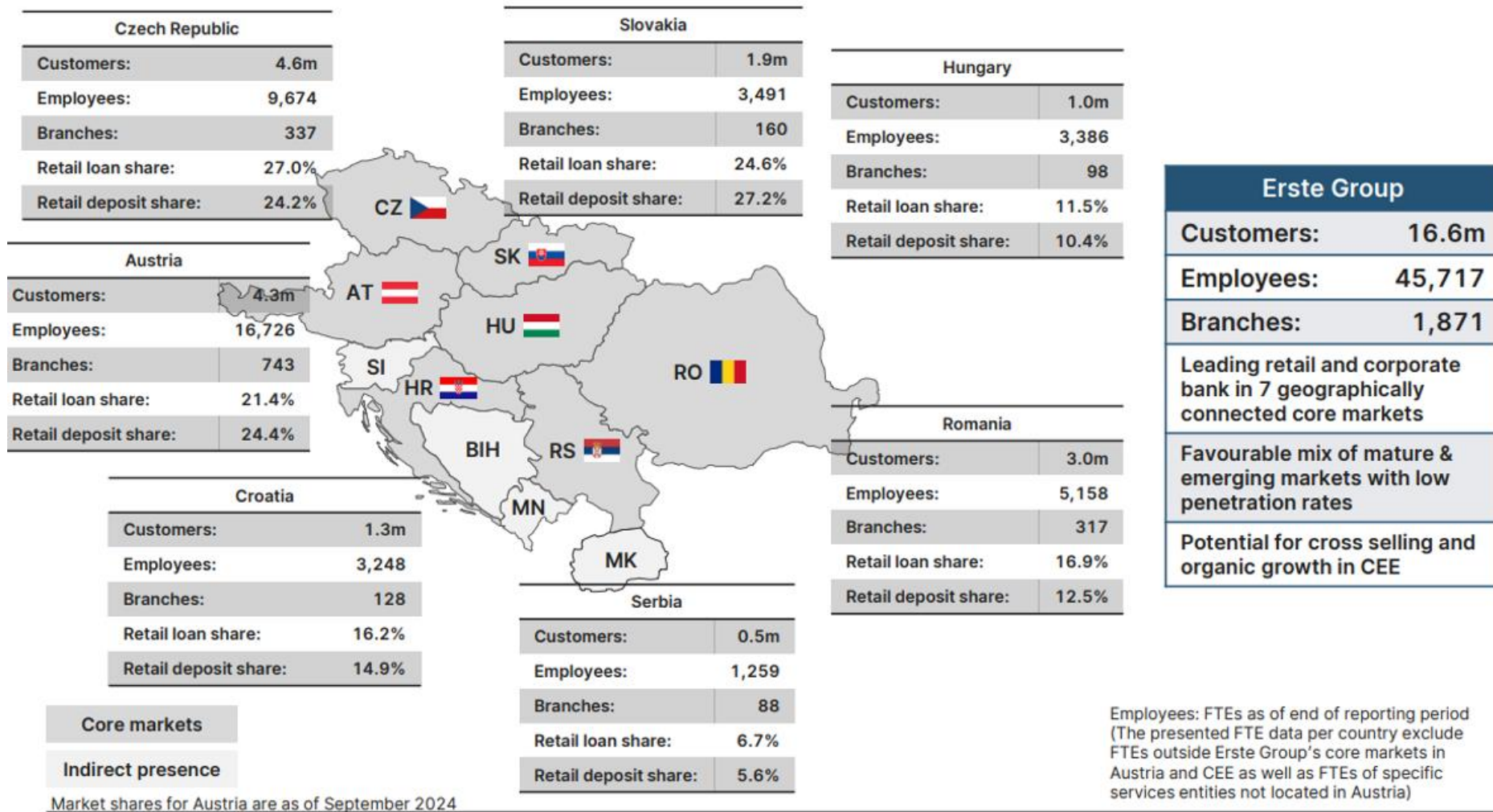
RENOINVEST 2ND INTERNATIONAL ROUNDTABLE – AUSTRIAN CASE

EIB Green Housing Loan – Experiences of Erste Bank

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Szentendre, 31.03.2025

Who is Erste Bank?

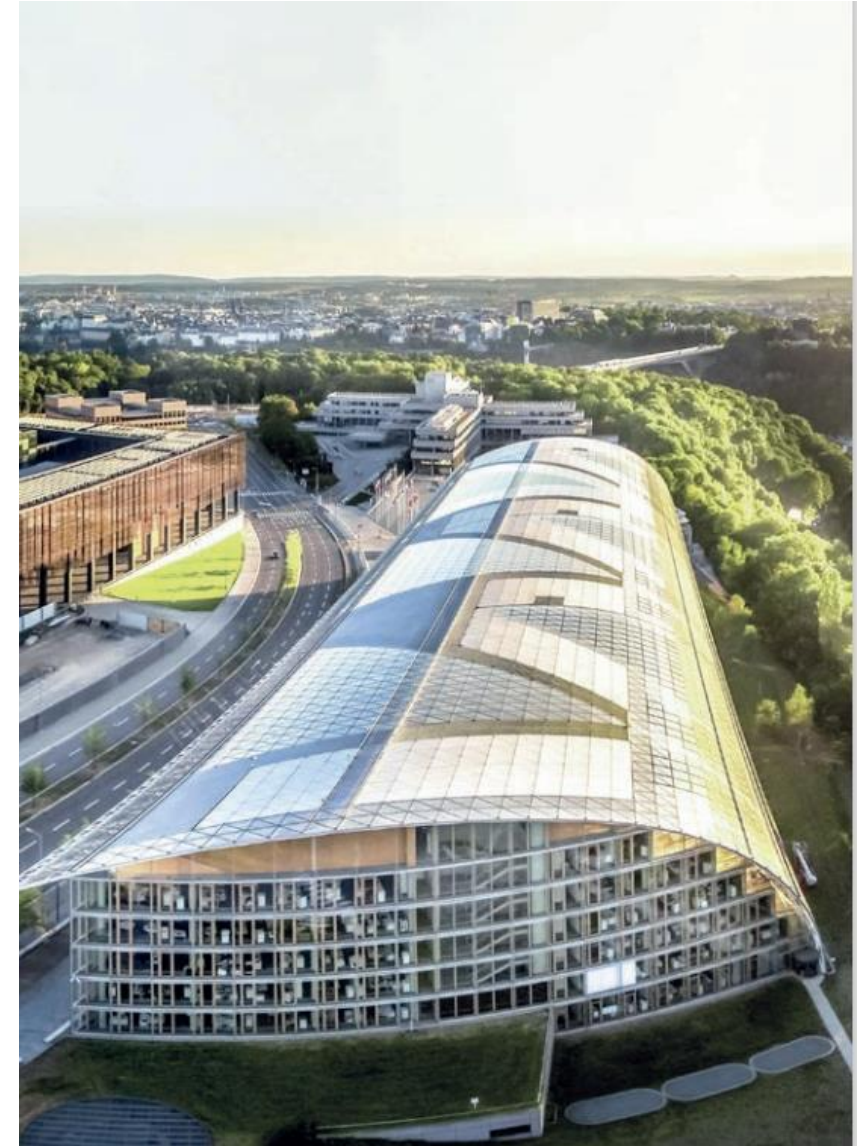
Banking leadership in Central and Eastern Europe (1)



Who is the EIB?

European Investment Bank:

- **Bank of the European Union, founded in 1958**
- largest multilateral financial institution in the world
- Funded investment volume **305 billion (2024)**
- **Funding instruments: Loans and guarantees**
- Raising funds by **issuing long-term bonds with EU rating (AAA)**
- **Transfers this issued long-term money to companies and public authorities as a non-profit agency**
- **Original focus on infrastructure** (road, rail, energy)
- Expanded **to include climate protection and „social infrastructure“ (incl. affordable housing** around 10 years ago
- **Outcome in 2024:** ~ 20.000 affordable housing units built or renovated;
~ **100.000 housing units with improved energy efficiency**; ~ 6.500 new housing units with high energy efficiency throughout the EU



Cooperation EIB - Erste Bank in the field of multi-storey Residential Real Estate since 2013

2013: First **EIB loan to Erste Bank** for **energy efficiency measures** in large-volume residential buildings: **EUR 50 million**

2015-2018: "**Wohnbauinvestitionsbank**" (Housing investment bank) project with 4 other banks and guarantee by the State for **large-volume new construction: EUR 500 million** - did not materialize due to change of government in 2018 (guarantee canceled)

Since 2019: **8 Affordable Housing Loans** for large-volume **new** dwellings with rents ~ 25% below market (**EUR 550 million** with an outcome of **7.400 new housing units** in 110 projects)

2020: **Green housing** loans for the **energy-efficient Refurbishment of existing buildings (50 million)**

- > First "green" product in the Bank
- > Came too early because of (too) high subsidies
- > did not pick up speed until 2023

2023 Green Housing II: a further **EUR 50 million** for the **Refurbishment of taxonomy aligned Residential Real Estate in AT**
> Details see next slide



Current „EIB Green Housing II" program

Topic	Details
Customer groups	<ul style="list-style-type: none"> • Legal entities under private law and from the public sector • Communities of owners • NO private persons (!)
Eligible measures	<ul style="list-style-type: none"> • Refurbishment of existing residential buildings, concretely: • Measures to enhance the building envelope like thermal insulation of the building envelope, replacement of windows, other energy efficiency measures (shading devices, greening of walls and roofs etc.) • Enhancing the Building's technology, like replacement of inefficient boilers or stoves by devices run by renewable energy sources, change of lightning, energy management systems, charging stations for cars. • Including planning costs and costs for the removal and disposal of the replaced parts of the building envelope and the restoration of the building • Not eligible for financing: Taxes
Criteria	<ul style="list-style-type: none"> • Reduction of the primary energy requirement by at least 30% • Proof by Energy Performance Certificates Before <> After (calculated) • Project implementation (start of construction and completion) June 2023 and December 2028
EIB financing share	<ul style="list-style-type: none"> • Total investment costs max. EUR 50 million • EIB share max. 75% of the total investment costs • Other subsidized financing permitted, but no further direct/indirect EIB financing
Runtime	<ul style="list-style-type: none"> • To be determined individually according to the project, max. 34 years • max. first 2 years interest payment only possible
Interest rate	<ul style="list-style-type: none"> • Amount: To be agreed individually depending on the type of project and duration • Fixed interest rate for the entire term
Collaterals	<ul style="list-style-type: none"> • Depending on the individual case: pledging of the reserve, mortgage, and/or assignment of the rents

Experience of Erste Bank with the EIB program

Pros:

- Long-term fixed interest rates otherwise not available on the market
- Leads to relatively low, predictable loan instalments
- Broad area of application, all important areas of energy efficiency measures covered
- Only – and simple to assess – criterium is the 30% energy saving, no further criteria (for example no need to make the thermal insulation first)
- Also high volume rehabilitation projects possible (total investment costs up to EUR 50mn)

Cons:

- Private persons are excluded even if they own the majority of old buildings
- Reporting obligations to EIB are quite complicated (e.g. employment effect during realisation in person years and newly created permanent jobs in full time equivalents)
- Austria itself had a quite high subsidy density in the last years (up to 85% of subsidies) leading to a low demand for (interest-bearing) loans

Anyhow, this will change since the budgets are under pressure – in this context, the EIB loan covering 75% of the investment sum and distributing the costs over 30+ years is a good instrument to mobilize the remaining 25% of private investment from the owner



Thanks for your attention!

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