

KAMMA

Month in Green

January 2023

The latest news on climate disclosures,
property decarbonisation, and the path
to Net Zero



kammadata.com

Learn how lenders can

Put Property on the Path to Net Zero

JOIN US ON 26TH JANUARY
AT THE BRUNEL MUSEUM, LONDON



For industry-leading insights and expert views from across the sector

FEATURING THE LATEST RELEASE OF
KAMMA'S PROPERTY ZERO ANALYSIS
AND INDUSTRY LEADING SPEAKERS



ALEX MADDUX
KEYNOTE SPEAKER
CAPITAL MARKETS,
KENSINGTON



HUGO DAVIES
CHIEF CAPITAL OFFICER
LENDINVEST



NEIL RICHARDSON
ESG DIRECTOR
ONE SAVINGS BANK

Join us at London's Brunel Museum, a location that should inspire with the feats of the industrial revolution, as we discuss how the lending sector and wider property sector can spark a green revolution and 'Put Property on the Path to Net Zero'

Hear discussion from across the banking ecosystem on how to drive the Net Zero agenda for real estate. Join the dots with wide-ranging perspectives from capital markets, risk, loan origination and everything in between.

[Register Now](#)

Retrofit Explorer

Driving a retrofit revolution

Assess any UK property and optimise the retrofit journey, delivering MEES compliance and energy savings plans

Answers the pivotal question of how much will it cost to get a property to EPC Band C or above

Recommends improvements from up to 200,000 combinations while adjusting for cost and energy saving specifications

Available for all 36 million properties in the UK, covering gaps in the EPC register



Why use it?

Delivers on multiple use cases



Introduce retrofit funding for new and existing customers

Educate and inform on the route to greener lending



Increase broker satisfaction and improve deal flow

Give brokers the tools they need to support and sell to customers



Underwrite for new MEES legislation now

Factor climate-driven credit risk into mortgage decisions



Support ESG objectives and drive to Net Zero

Deliver truly green lending that quantifiably reduces emissions

Book a demo to find out more

Join our **event** for access to an expert panel providing views from across the industry and the latest insights from Kamma's **Property Zero** study

kammadata.com

What to expect in 2023

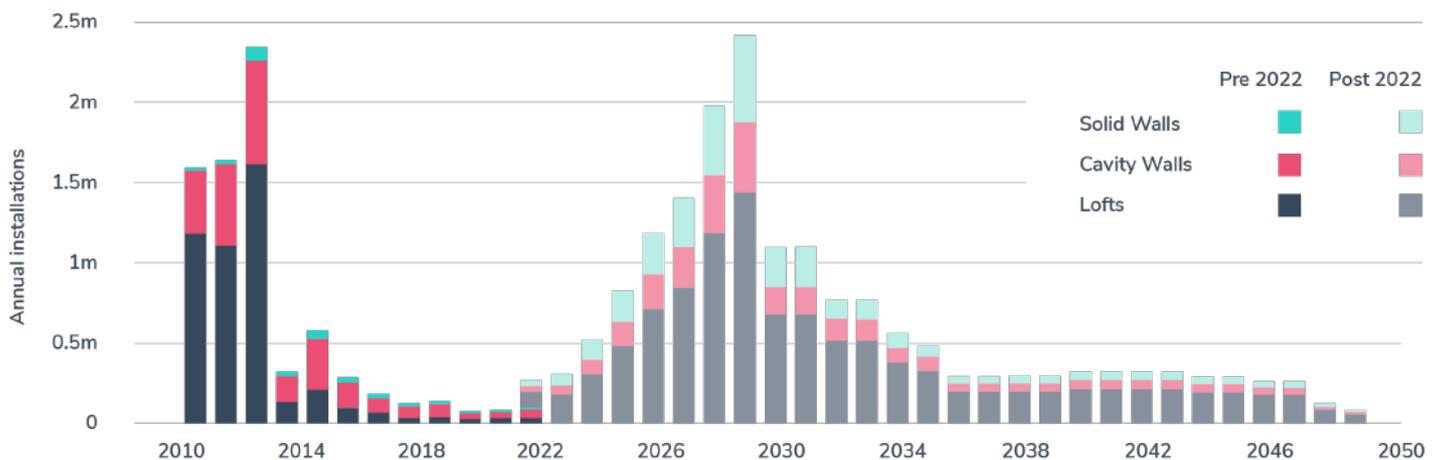
This month, the Kamma team looks at what some of the biggest stories of 2022 can tell us about the path to Net Zero for UK homes over the next year

Help to Heat funding continues

Government-backed measures aim to improve the energy efficiency of homes

In the Autumn statement last November, the UK government committed to reducing the final energy consumption from buildings and industry in 2030 by 15% against 2021 levels. This effort will be focused on rolling out of fabric first upgrades, such as insulation.

Funding worth £6 billion will be made available from 2025 to 2028 under the Help to Heat scheme. This is on top of £6.6 billion already provided at the start of this Parliament in 2019. If all goes as planned, the measures will be equivalent to reducing the national energy bill by £26 billion, or the average household bill by £450. A new Energy Efficiency Taskforce (EETF) is charged with driving improvements in energy efficiency across the economy.



Source: Climate Change Committee 2022 Progress Report to Parliament

The EETF plans to encourage voluntary buy in from households, businesses, and the public sector. However, voluntary measures often mean a slow rate of progress. While the rate of voluntary uptake for home insulation was ticking upwards before David Cameron decided to 'cut the green crap' in 2012, it is clear that faster progress is needed much more urgently now. At a conservative estimate, retrofitting rates in developed countries need to triple from barely 1% today to at least 3% per year. Being among the oldest housing stocks in Europe, Britain will need to exceed this expectation.

With security over energy bill support in constant question, calls continue to amplify around measures to stop homeowners using so much energy in the first place. This comes with the provision of a national retrofit programme built to match the scale of the problem. At our event, we will talk about how to accelerate the roll out of homes retrofits with a new tool designed to optimise the retrofit journey for any UK property,

Energy efficiency tag team

ECO4 and ECO+ are funding energy efficiency upgrades over the next three years

Since 2013, the government has funded the Energy Company Obligation (ECO), an energy efficiency scheme designed to reduce carbon emissions and tackle fuel poverty.

Over time, the scheme has been amended with the most recent iteration, ECO4, running from July 2022 to March 2026. However, a new scheme called ECO+ was also announced in late 2022.

Both schemes will run concurrently and overlap in several ways. While ECO4 targets low-income households who cannot afford to upgrade their insulation or heating system, ECO+ will offer additional support to people that live in an inefficient property but fall outside the eligibility criteria for other government support schemes.

Similarly, low-income group homes with EPC bands D, E, F or G that cannot meet the ECO4 minimum score improvement requirement will be eligible for support under ECO+.

The government has allocated £1 billion ECO+, which aims to cover close to 75% of the costs of either loft insulation or cavity wall insulation, and possibly smart heating controls, but leave households to pay for the rest.

While the consultation phase for ECO+ ended on 23 December 2022, the scheme is expected to start in April 2023 and will run until 2026. It is expected that it will benefit around 70,000 homes. ECO4, however, is well-established and encourages applicants to get in touch with an **energy supplier** administering the scheme.

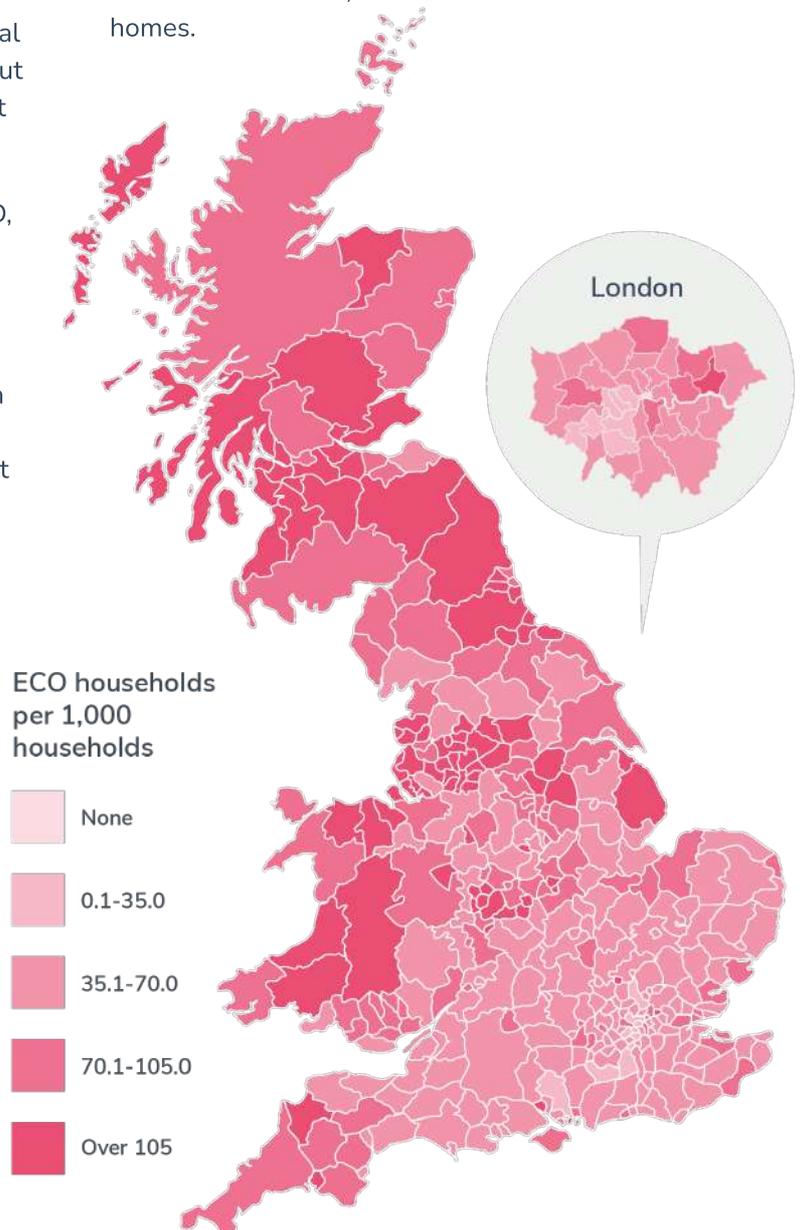
At **Put Property on the Path to Net Zero**, we'll talk about how our methodology collates and calibrates multiple data points, such as household energy efficiency statistics behind the ECO schemes, to determine over 200,000 retrofit combinations for UK homes.

3.5 million
homes have received ECO support

80,000
gigawatts saved

19.2 billion
saved on household bills

Source: BEIS Household Efficiency Statistics, December 2022



Climate-related financial disclosures hit the mainstream

Property-related businesses need to resolve substantial data challenges ahead of disclosures

In October 2021, the UK became the first G20 member to adopt mandatory climate-related financial disclosure requirements, affecting premium and standard listed companies in the UK under Listing Rule 9.8.6(8)R. From 2023, an additional 1,300 of the country's largest companies and financial institutions will also have to disclose how they are identifying, assessing and managing climate-related risks and opportunities.

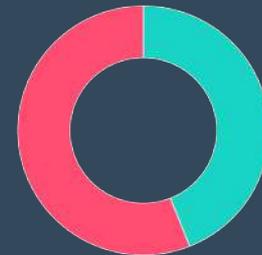
These disclosure requirements align with the Task Force for Climate-related Financial Disclosures (TCFD) recommendations and will prepare organisations to comply with more stringent reporting requirements in the future.

Companies that are lagging behind in terms of reporting and addressing these risks will be exposed financially, legally and reputationally.

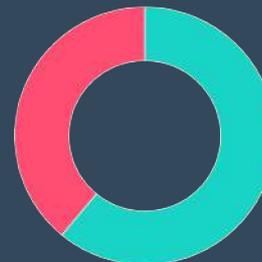
In the property sector, it is a major challenge just to collect data linked to property emissions. From there it needs to be integrated with portfolios, modelled to close gaps and calibrated for accuracy. Delivering the financed emissions of property portfolios in an operationally efficient way is therefore a major challenge, with even large data teams of major institutions struggling to deliver the high data quality scores that regulators expect.

How can Kamma help?

Kamma works with mortgage lenders, letting agents, local authorities, property funds, housing associations, the financial services and other property-related businesses, supporting their drive to Property Zero. We combine world-leading data collection and address-matching with insightful analysis to articulate the fastest and most cost-effective route to Net Zero. We ensure regulatory compliance, manage risk, identify green growth opportunities and qualify green assets.



The markets mandating climate-related disclosures by 2025 represent **56% of the global GDP** (Carbon Cloud)



While coverage is improving, the quality of disclosures in the banking sector, defined alignment with the TCFD recommendations, remains at 39% (EY Risk Barometer Survey 2022)



Kamma's Recent Publications

A summary of Kamma's key insights, guides, and sector commentary

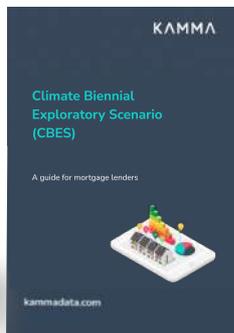
The Next Generation of Securitisation

How data can meet investor demand for ESG credentials, educate investors and improve the efficiency of capital

New risks demand new approaches, and new data. Market forces in the form of climate regulations, ESG investors and customer preference are increasingly impactful. Whilst some investors are aware of these forces and demanding information on green credentials, others are either less aware or less concerned. This creates two new roles for data. The first is to accurately, objectively and effectively qualify assets, in order to answer investor questions. The second is to describe the risk in quantifiable terms, in order to educate the rest of the market.



[Read more](#)



Climate Biennial Exploratory Scenario (CBES): An Ultimate Guide for Mortgage Lenders

What mortgage lenders need to know about the CBES, the implications of climate risk on UK housing, and the role of data

The Bank of England's first CBES explores three scenarios modelled over the next 30 years predicting how financial institutions might respond to risks and the potential consequences of those decisions for UK households.

[Read more](#)

Minimum Energy Efficiency Standards (MEES): An Ultimate Guide for Letting Agents

An introduction to MEES, how they've changed, and what it means for letting agents

The MEES Regulations set a minimum energy efficiency level for domestic private rented properties. The regulations were first announced in 2015 and came into effect in 2018, forcing landlords to make energy efficiency and emissions performance improvements to their properties.



[Read more](#)

KAMMA KAST

Episode #7 Sustainable Investment and nature-based solutions

Lorenzo Curci
CCO, Earthly

Earthly is a platform that helps businesses invest in high quality, nature based solutions that not only look at the carbon element, but importantly the positive impact that we can have towards local communities and biodiversity. Lorenzo speaks to Kamma CEO and Co-Founder Orla Shield about nature-based solutions, impact investment and carbon offsetting.



EARTHLY

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Episode #6 Food Sustainability

Emma Walsh
Sustainability and Food Waste Consultant

Emma previously was International Partnerships Director with FoodCloud, she has also been a member of the EU Platform for Food Loss and Waste and served as a board member for the European Food Bank Federation. Together, Emma and Orla discuss topics including food waste, the circular economy, sustainable development goals and industry action towards sustainability.



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Episode #5 Constructing Net Zero homes

Ian Pritchett,
Managing Director, Greencore Construction

Ian Pritchett, Managing Director at Greencore Construction joins Orla to discuss the construction of Net Zero homes over 'Net Zero ready' homes, as well as the importance of reducing embodied carbon in new build properties.



Greencore

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KAMMA

Get in touch now to turn risk into revenue

How Kamma can help

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Visit the site at
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