

KAMMA

Month in Green

November 2023

The latest news and insights on the path to Net Zero for UK property



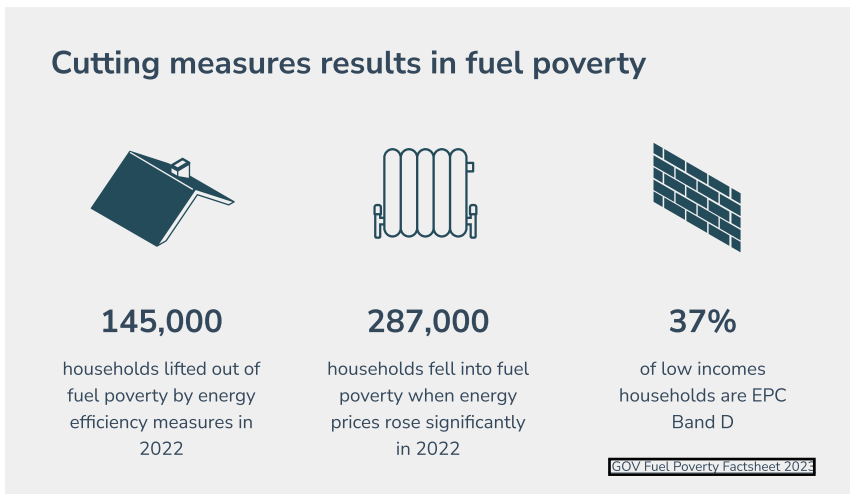
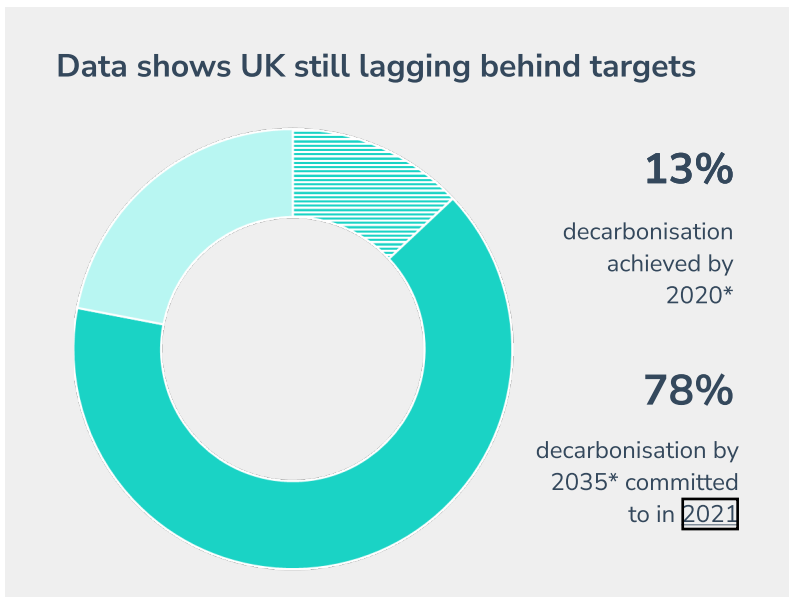
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Government u-turns down a one way street

Why the rollback of decarbonisation policies only delays the necessary and inevitable sector shifts towards net zero

In late September, the government announced that it would scrap proposed energy efficiency targets in the Private Rented Sector (PRS) included in the Minimum Energy Performance of Buildings Bill, as well as delaying the need for boiler upgrades until 2035.

As of the chance of a much welcome u-turn before the next election grows increasingly unlikely, it is worth examining not only the damage this policy shift will do to business, but also to homeowners and landlords.



Government estimates of the energy savings from the policy indicate that it would have saved tenants of upgraded properties

£325 per year

Climate Change Committee, October 2022



No net zero without stricter MEES

Under 3% of PRS properties are under the current Minimum Energy Efficiency Standard (MEES) of EPC E.

Over half of properties in the sector are currently EPC D. Most of these require small improvements to reach next band, but with huge potential to significantly reduce total emissions.

Funding update

ECO update

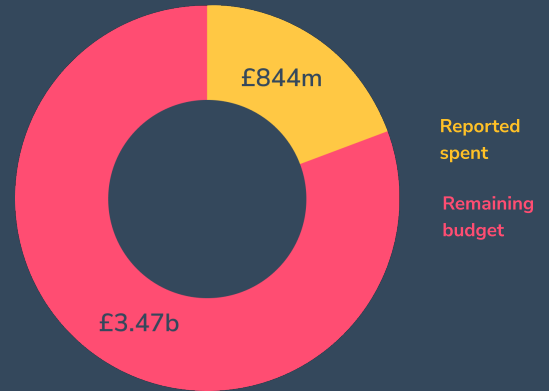
Key indicators and insight from the fourth Energy Company Obligation (ECO4)

Every month, the Department for Energy Security and Net Zero (DESNZ) releases a set of headline statistics on the ECO.

The latest ECO update has seen the biggest spike yet in total delivery costs with £314.6m being spent from April to June 2023; an increase of more than 40% compared to the costs accrued during the previous period.

As shown right, energy suppliers have allocated almost 25% of the £4 billion ECO budget, which is due to be rolled out until March 2026. Nearly 40% of this total was recorded in April to June alone.

Between April and June 2022, both ECO4 and 'interim ECO3' measures were installed. The latter followed the guidelines of the previous regime and ended on 30 June. These months also include set up administrative costs incurred early in the year (January to March).



Source: DESNZ Household Efficiency Statistics
Last updated: 19 October 2023

171,792

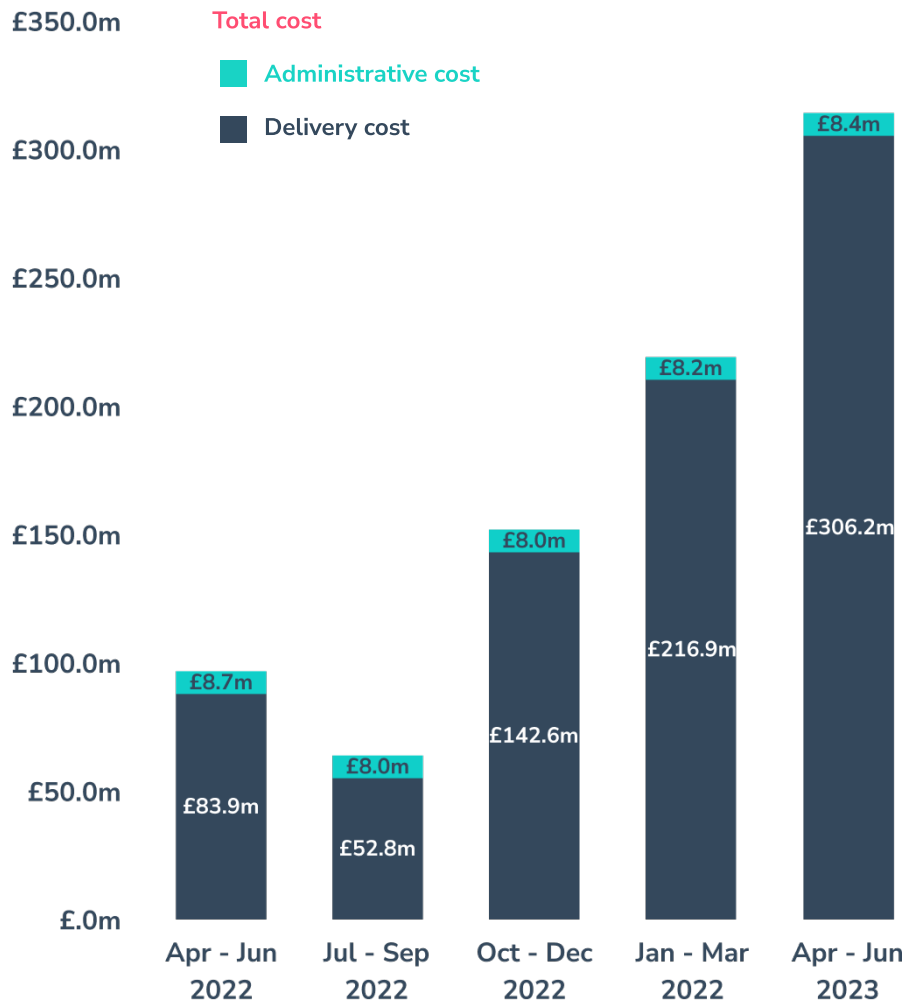
measures installed in ECO4 so far

41%

increase in costs from previous three months

76%

of budget remaining for ECO4



Event retrospective

The Next Generation of Securisation

In early October, Kamma welcomed over **40 investment bankers** to King's Cross to discuss and debate how to approach climate risks, standards and investment decisions.

Our panel brought in expert views from ESG and structured finance, speakers from the **Bank of America**, **Allen & Overy**, the **Green Finance Institute** and **BlackRock**.

Together, we explored considered the broad range of market fundamentals, investor preferences, regulatory standards and frameworks required to support RMBS and drive UK property to net zero.

During the event, our panel underscored the importance of **data in understanding climate risk**. We also talked about industry fluency as a major challenge: if investors are not familiar with the data, they won't ask for it.

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One of the main takeaways is that **education is key** to helping stakeholders across the board understand the benefits of going green, whether that's institutional investors, consumers or anyone in between.

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It is going to be more expensive to let the world flood or burn than it will be to save it, so we do have the right motivations in place. That gives us what in the UK alone is a £408 billion opportunity to improve the housing stock to net zero.

Joe Webb, Chief Growth Officer, Kamma

Raising funds in the coming months?

Get in touch to find out more about how Kamma can provide climate credentials on asset pools for RMBS.

Atom and Kamma announce major new partnership to tackle risks of climate change

Alliance combines best-in-class banking tech with best-in-class climate tech to deliver complete view on climate risks associated with the Atom bank mortgage book



Atom Bank has entered into partnership with Kamma to enhance its climate risk management and support its commitment to becoming carbon positive by 2035.

This collaboration grants Atom access to Kamma's comprehensive climate suite, enabling a detailed view of the physical and transition risks within its mortgage book.

Kamma's solutions will aid in regulatory reporting, green asset qualification, and risk management, supporting Atom in reducing environmental impact.

The partnership will undergo two phases, focusing initially on a thorough review of the mortgage portfolio and subsequently on the development of innovative products and customer journeys aligned with Atom's new strategy

[See the full announcement](#)



Tracking the retrofit revolution

A summary of key stories and statistics on the path to Net Zero for UK housing

For the UK to achieve Net Zero, the energy efficiency and emissions performance of the property sector must improve. Kamma champions a four-pronged approach to decarbonisation to reach both the 2050 target and interim milestones.

The stories below show how our strategy is supported, challenged and changed by wider industry trends.



Efficient devices and behaviours

Education helps tenants to make smart choices

Ofgem explores raising energy bills as debt to British suppliers hits £2.6bn

Financial Times

Ofgem may adjust the domestic price cap to help suppliers offset record customer debts, amid rising energy prices and living costs.

[Read more](#)



Efficient homes

Improve the outer fabric of homes

'National retrofit mission' urged to better insulate Britain's leaky homes

The Independent

Chris Skidmore urges a "national retrofit mission" to improve insulation in UK homes, lagging behind Europe in energy efficiency.

[Read more](#)



Decarbonisation of electricity

Install low-carbon technology, such as solar panels, to provide renewable energy

Toughened standard for government funded whole retrofits

Riba Journal

The updated PAS 2035/2030:2023 standard mandates a medium-term improvement strategy for retrofitting

[Read more](#)



Decarbonisation of heating

Install heat pumps, heat networks and other electrical heating sources

Heat pump grant boosted by 50% across England and Wales

The Guardian

The government is increasing its heat pump grants for homeowners to £7,500 amid criticism about slow adoption of the technology.

[Read more](#)



Kamma provides insightful analysis that articulates the fastest and most cost-effective decarbonisation strategies for mortgage lenders, letting agents, local authorities, property funds, housing associations and other property-related businesses. We ensure regulatory compliance, manage risk, identify green growth opportunities and qualify green assets. [Get in touch to find out more](#)

We support the growth of some of the best name in the industry

Aldermore

Precise
Mortgages

paragon

one
Savings Bank

JLL

TriplePoint
Social Housing REIT plc

lendinvest

T S B

LANDBAY

Kent
Reliance

KAMMA

Get in touch now to turn risk into revenue

How Kamma can help

Kamma works with mortgage lenders, letting agents, local authorities, property funds and housing associations, 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 decarbonisation strategies. We ensure regulatory compliance, manage risk, identify green growth opportunities and qualify green assets.



Visit the site at
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