



# European Construction Sector Observatory

Policy measure fact sheet

**Denmark**

Better Homes (BedreBolig) Scheme

Thematic Objective 3

January 2018



## In a nutshell

<b>Implementing body:</b>	Danish Energy Agency (Energistyrelsen)
<b>Key features &amp; objectives:</b>	Advisory scheme to support Danish single-family homeowners in their energy renovation projects from start to finish.
<b>Implementation date:</b>	2014-2016
<b>Targeted beneficiaries:</b>	Danish single-family households / homeowners
<b>Targeted sub-sectors:</b>	Energy efficient building renovation
<b>Budget (EUR):</b>	2.015 million (15 million DKK)

Denmark is one of the frontrunners in the field of energy efficiency with numerous measures set up by the government in the past two decades, which are designed to encourage and support energy efficiency initiatives and improvements, and ultimately, reduced and/or cleaner energy consumption. One example is the establishment of the Danish Energy Saving Trust<sup>1</sup> to promote energy savings through campaigns, market introductions, knowledge dissemination and other market influencing initiatives. Another example is the Article 7 of the Energy Efficiency Directive, which requires energy providers to achieve energy savings of 1.5% on annual sales to final consumers<sup>2</sup>.

To increase energy savings in buildings, the Danish Ministry for Climate, Energy and Buildings presented the Strategy for Energy Renovation in Buildings<sup>3</sup> in 2014. It is the largest strategy ever developed to reduce energy consumption in Denmark's existing building stock, and it targets all building-related sectors and stakeholders, including building professionals and homeowners.

**The Strategy's overall objective is to achieve a 35% reduction in energy consumption in existing buildings by 2050.**

To meet this objective, the Strategy comprises 21 specific measures to promote energy savings in buildings<sup>4</sup>. They include measures implemented in accordance with a range of agreements, such as the Energy Agreement from March 2012<sup>5</sup>, the Growth Plan for Denmark (Vækstplan DK)<sup>6</sup>, the Growth Plan for Energy and Climate<sup>7</sup> and the Innovation Fund Denmark<sup>8</sup>.

The Strategy for Energy Renovation in Buildings identifies single-family houses as having the greatest potential for energy savings, as they account for over half of the total heating energy consumed in Danish buildings<sup>9</sup>. One of the Strategy's key measures was designed to address this challenge. Launched in 2014, the Better Homes (BedreBolig) Scheme was a three-year advisory scheme (2014-16) which was designed to accelerate energy saving renovations in single-family homes (houses, and later, apartment buildings).

Better Homes is a voluntary and market-driven scheme that aimed to create a one-stop-shop on energy saving renovations in buildings. The goal was to make it easier for homeowners to renovate their homes by providing them with access to qualified Better Homes advisors and building contractors<sup>10</sup>.

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Despite increasing interest in energy efficient homes, many Danish homeowners do not feel sufficiently informed to undertake these kinds of renovations. Homeowners claim that they lack the necessary knowledge and advice to enable them to know where to invest and what to prioritise to make their homes more energy efficient. Better Homes was developed to show homeowners that investments in energy efficient measures will be compensated by future energy savings.

## 1

# General description

The Better Homes scheme consists of three core components:

- 1) Training of Better Homes advisors;
- 2) National marketing campaign; and
- 3) Meetings and workshops with stakeholders that can support the initiative.

Another smaller component included background analyses on a series of different topics, which was carried out in order to gain a deeper understanding of relevant issues before launching the campaign.

These analyses were used as a basis for the design of the Better Homes scheme.

Better Homes advisors are trained by the Danish Energy Agency to develop the competencies and expertise in energy innovations that are required by law. The experience of advisors is related to construction and renovation in one way or another. In addition to engineers and craftsmen, there are also architects and other professionals who are part of the database of advisors.

The national marketing campaign is centred on the Better Homes website featuring marketing materials, supporting tools and building guides. The campaign also included a television campaign and other digital media channels such as social media. The campaign focused on developing cooperation and dialogue between homeowners, banks, mortgage institutions and energy advisors.

The Better Homes process covers 5 main steps, as shown in Figure 1. Using the website, homeowners can search the database of Better Homes advisors and select one on the basis of their professional expertise, skillset or qualifications. Homeowners are then required to call their chosen advisor to discuss their requirements and initiate the advisory service. Based

on the advice provided through discussions with an advisor, including a home visit and assessment (non-binding screening), the homeowner may then ask the advisor to prepare a detailed renovation plan (a Better Homes Plan) to cover all work to be carried out. The final two stages of the process relate to support/guidance provided throughout the renovation process up to completion of the work.

Figure 1: Better Homes process



Source: SparEnergi, Better Homes Scheme<sup>12</sup>

The non-binding screening service was introduced in the second year of the scheme and it involves a home visit from a trained Better Homes advisor to assess the renovation requirements for a home and to develop a specific renovation plan (Better Home Plan) for that home. The screening involves:

- A discussion between the Better Homes advisor and the homeowner(s) to identify the homeowner's energy saving aims and requirements;
- Identification and assessment (by the advisor) of the elements of the home that present the greatest energy saving potential, such as heating systems, climate screens, windows and doors.

Following the initial screening, the homeowner may request the development of a Better Homes Plan. The homeowner must cover 100% of the cost of developing the plan, which typically ranges between EUR 400 and EUR 1,100 (DKK 3,000-8,000), depending on the size of the building. To help incentivise homeowners to request a Better Homes Plan, many municipalities provide grant funding to homeowners to cover up to 50% of the cost of developing the plan<sup>13</sup>. The Plan provides homeowners with a comprehensive understanding of how best to renovate their home. It includes:

- Facts about their house and energy consumption;
- Clarification on what owners can do to improve their home;
- List of energy efficiency improvement priorities;
- Advice on energy-efficient living and behavioural change;
- Total renovation budget, including the investment required and the savings that can be achieved.

A large part of Better Homes advice has been provided in collaboration with municipalities or energy companies as part of a combined local effort to deliver innovative energy renovations and help homeowners to obtain advice in the form of a Better Homes Plan or a screening, either completely or partially<sup>14</sup>.

The scheme provides trained Better Homes advisors across the country, however, not all municipalities have certified advisors residing in the municipality.

Prior to implementing Better Homes at national level, the Danish Energy Agency piloted the scheme in nine selected municipalities in spring 2014, including Esbjerg, Fredensborg, Frederikshavn, Høje Taastrup, Morso, Næstved, Odense, Roskilde and Skanderborg. Following the pilot phase, the scheme was rolled out nationally towards the end of 2014. The allocated funds of Better Homes are not used to subsidise energy efficient renovations, but rather to finance the training of a larger database of energy efficient renovation experts.

## 2

# Achieved or expected results

After the three-year implementation period, Better Homes was subject to a comprehensive evaluation carried out by an external contractor at the end of 2016. Based on surveys and interviews, the evaluation report assesses the scheme’s quantitative and qualitative results, and provides recommendations.

Despite being a well-designed policy initiative, Better Homes has not lived up to the expectations of the Danish Energy Agency.

A total of approximately 700 Better Homes Plans have been registered by the Danish Energy Agency. However, as there is no automated system for recording the Better Homes Plans that have been developed under the scheme, these numbers rely on the quantities reported by homeowners. The actual total number of plans developed may, in reality, be higher than 700.

When compared to the number of advisors / consultants trained under the scheme (over 400), the number of Plans that have been developed and reported appears to be relatively low.

Moreover, the initiative has produced six different background analyses, on topics such as: ‘A Green Deal – can it work in DK?’; ‘Higher energy standards and higher prices of homes’; ‘Energy standards and comfort level’; and ‘Energy standards and sickness’.

Table 1: Main outputs of the Better Homes scheme

Component	Output
Better Homes plans	Approximately 700 Better Homes plans saved in the database.
Better Homes advisors	More than 400 trained advisors.
Background analyses	6 different analyses.

Source: Danish Ministry of Climate, Energy and Building<sup>15</sup>

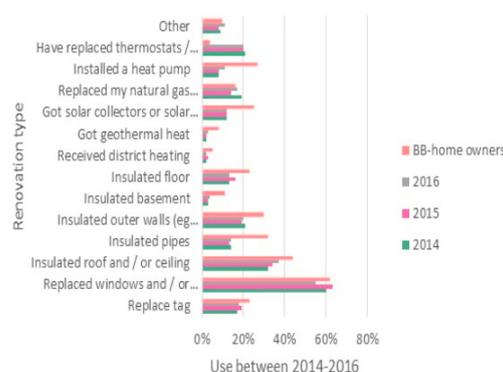
The evaluation report says that there is no evidence to suggest that the Better Homes scheme has increased the number of energy renovations carried out by Danish homeowners. Therefore, it cannot be argued at this stage that Better Homes has led to greater energy efficiency in Danish households.

According to the report, many homeowners state that the ability to receive a grant from their municipality, typically to cover 50% of the cost, was sufficient to incentivise them to request Better Homes advice (66%). The report also points out that the dialogue with the advisor has had an impact on the homeowner’s decision around renovation. Another point is that there may be some confusion or perceived conflict, in the eyes of some homeowners, between the role of the independent qualified advisor, when that advisor is also a professional contractor or tradesman that is willing/offering to do the recommended work.

In terms of the scheme’s qualitative impacts, homeowners who have received Better Homes advice tend to carry out more ‘hidden’ and technical energy saving renovations, which are often not obvious to the eye.

The homeowners who have received Better Homes advice also tend to carry out more innovative energy renovation work than other homeowners that have not benefited from the scheme, as shown in Figure 2.

Figure 2: Types of renovation work done between 2014-2016 compared to Better Homes (BedreBolig) supported work



Source: Better Homes (BedreBolig) Evaluation Report 2016<sup>16</sup>

More than other homeowners, Better Homes participants have insulated pipes, basements, floors and hollow walls, and they have more installed heat pump and solar collector / solar system. Homeowners who have received Better Homes advice perform more extensive renovations. There is a tendency for homeowners who have received Better Homes counselling to perform more holistic and thorough renovations than other homeowners. It is seen primarily that, that they spend more money on renovation than other homeowners who have received advice.

## 3

## Perspectives and lessons learned

From a **government perspective**, Better Homes has not lived up to initial expectations regarding the uptake of the initiative.

One of the main reasons is that homeowners in Denmark are not used to paying for energy advice. The Danish Government purposely avoided the provision of subsidies to incentivise homeowners to carry out energy saving renovations. Instead of running a grant subsidy initiative, the government's main interest was to set up a 'paid for' advisory scheme which could be transformed into a market run scheme at a later stage. A subsidised scheme, on the contrary, would have hindered its transition into a market-based scheme<sup>17</sup>.

According to the Danish Ministry of Climate, Energy and Building, one of the main lessons learned concerns the focus of the Better Homes campaign. Contrary to the campaign run by the government, the homeowners that have used Better Homes were less interested in saving energy and costs and more interested in improving their home environment – for example, better air, better heating and a healthier environment. These findings demonstrate that the government should have better tailored its communication campaign towards an audience that cares particularly about the home environment.

From an **industry perspective**, the main strengths of the Better Homes scheme include the creation of a single-entry point for homeowners interested in carrying out energy-efficient renovations and the involvement of different kind of stakeholders.

For the Danish Industry Confederation, the participation of contractors and tradesmen is particularly important, because they typically serve as main entry point for homeowners that are interested in undertaking renovation works<sup>18</sup>.

In the eyes of the Danish Construction Industry Federation, the scheme also created positive effects indirectly. The 400 expert advisors that were trained through Better Homes can also apply their education and skills in companies that are not officially part of the programme. This is a benefit for the construction sector and its customers.

The involvement of the Energy Agency from the start was also seen as beneficial as it gave the initiative a higher level of credibility and high-quality brand. The Danish Construction Industry Federation also says that the support of municipalities gave the scheme greater ownership, e.g. through subsidies or through targeted distribution. The federation also sees potential to promote the scheme in specific life situations, e.g. changing ownership or other situations where live-changing events occur (when the children move out of the house etc.).

The **evaluation report** contained some additional recommendations on the basis of surveys and in-depth interviews with involved stakeholders in order to increase uptake of the scheme by homeowners.

The report suggests to clarify the scheme's primary focus on whether it is primarily a market-based scheme or to be used alongside grant programmes, such as those provided by municipalities<sup>19</sup>.

To lower the threshold and encourage a wider use of the initiative's advisory services, the report recommends that homeowners should be able to purchase, for example, a voucher card that includes a package deal of 'X' number of home visits and advisory phone calls, on a more regular basis. The report contends that this could be of particular interest to housing or property associations, such as owner associations, cooperative associations or general housing companies.

Last but not least, the report suggests a further simplification of the scheme's advisory services.

The idea here is to help homeowners to get started with the obvious renovations and the 'low-hanging fruits' that can act as a motivation for further renovation work. It also recommends that the scheme should be more targeted towards consumers in specific life situations that are often tied to major renovations – for example, first-time home buyers and/or before retirement.

# Endnotes

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- 12 SparEnergi, Better Homes Scheme: <https://sparenergi.dk/forbruger/vaerktoejer/bedrebolig>
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- 14 Better Homes (BedreBolig) Evaluation Report, 2016:  
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