

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	BAVARIA SOCIAL AND ENERGY EFFICIENT HOUSING
<u>Promoter and financial intermediary</u>	DAWONIA REAL ESTATE GMBH & CO KG
<u>Country of implementation</u>	Germany
<u>Summary project description</u>	<p>The project concerns an investment programme comprising the construction of new residential buildings for rent as well as the thermal rehabilitation of existing buildings in Southern Germany. The new buildings are covered by overlapping Energy Efficiency and Social Housing eligibilities. About 86% of the investment cost concerns the refurbishment of existing buildings and new construction of highly energy efficient apartments built in compliance with the KfW55 Energy Efficiency standard. About 34% concerns social or affordable housing, in line with the Bank's criteria for urban regeneration and integrated urban development.</p> <p>The project would add about 1,020 new apartments in different cities and refurbish about 750 housing units. It also includes childcare facilities, as part of new building projects.</p>

¹ This Scoreboard of indicators reflects the information presented to the EFSI Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
Climate Action	86.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities	86.00%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)	86.00%
EFSI: Human capital, culture and health	14.00%
Social infrastructures, social services, social and solidarity economy	14.00%

Pillar 2

Quality and soundness of the project	Good
1. Growth	[...]
2. Promoter capabilities	[...]
3. Sustainability	[...]
4. Employment	[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to four indicators, as relevant, among which:

- (i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;
- (ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;
- (iii) "Sustainability" i.e. environmental and social sustainability²;
- (iv) "Employment" i.e. the project's direct employment effect;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

Pillar 3

EIB Technical and financial contribution to the project	Significant
1. Financial contribution	[...]
2. Financial facilitation	[...]
3. Advice	[...]

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through up to three indicators:

- (i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor);
- (ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments;
- (iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer - provided in-house by the EIB or in the form of assignments to external consultants - to facilitate the preparation or implementation of a project.

² For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

Pillar 4 - Complementary indicators

Additionality

The operation addresses the EFSI objective of supporting the development of the energy sector in accordance with the Energy Union priorities, particularly through energy efficiency and energy savings. Equally the operation is aimed at financing human capital, culture and health in the field of Social infrastructures, social services, social and solidarity economy as it will significantly contribute to the expansion of the private social housing segment in southern Germany. The main focus of the operation is to merge the social housing offering, in a wealthy area of Germany where demand largely exceeds supply, with a substantial energy-efficient impact mainly through the construction of new residential nearly zero energy buildings (NZEB) that offer above 20% savings than the legal requirements, hence contributing to the EU and Germany objectives of CO2 reduction. Up to 86% of the project will contribute to the EIB Climate Action objective.

Through demand savings of electricity and heat, energy efficiency projects reduce carbon emissions and associated negative externalities, as well as, in most cases, air pollution and other negative externalities. The energy efficiency market, in particular for residential buildings, is subject to asymmetric information, which hampers energy efficiency investments. It is the case of rental properties, that are subject to split incentives between landlords and tenants. On top of this, the housing supply in the relevant market does not cater for the demand of low-income people, also because projects from private promoters of social housing solutions are facing funding constraints from both private and public funding providers due to mainly the low returns. As a result of these market failures, investments into energy efficiency and social and affordable housing are at sub-optimal levels from a socio-economic perspective.

The operation falls under the Special Activities category, in particular because the loan is proposed on a fully unsecured basis, which subordinates the EIB towards the other lenders, and at a long tenor. The EIB would not be able to provide such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The EIB loan will send a strong signal about the need of financing in this specific segment. It will be complementary to a well-diversified funding plan and will crowd-in public as well as private resources to complete the required financing. A significant portion of public financing, in the form of intermediated loans from KfW (Germany's national promotional bank) and contributions from local public entities (LBK) will be also envisaged in the financing plan, on top of private resources from commercial banks and the promoter. The operation will allow the EIB to expand its activity to the private social housing segment in Germany.

The promoter will be a new counterparty to the EIB.

Set of indicators related to the macroeconomic environment

Germany - Economic environment

Economic Performance

	DE 2018	EU 2018	US 2018	DE 2001-2007
GDP per capita (EUR, PPS)	37,956.14	30,935.11	43,569.11	33,490.42
GDP growth (%)	1.43	1.97	2.86	1.40
Potential GDP growth (%)	1.63	1.60	2.24	1.32
Output gap (% of potential GDP)	0.69	0.62	0.74	-0.17
Unemployment Rate (%)	3.30	6.60	3.90	9.43
Unemployment Rate (%) - Y/Y change (% points)	-0.30	-0.60	-0.20	0.06
Bank-interest rates to non-financial corporations (%)	1.02	1.26	--	4.11
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.13	-0.06	--	-0.04
Investment rate (GFCF as % of GDP) - Total	20.77	20.54	20.84	19.91
Investment rate (GFCF as % of GDP) - Public	2.33	2.86	3.31	2.05
Investment rate (GFCF as % of GDP) - Private	18.44	17.68	17.53	17.87

Energy

	2014	2015	2016	2017	EU (latest available)
Energy consumption from renewables (%)	14.42	14.92	14.89	15.45	17.53
Energy consumption from renewables - distance to EU 2020 target (%)	3.58	3.08	3.11	2.55	2.47
Energy dependence (%)	61.60	--	--	--	53.50
Primary energy consumption (consumption in 2005 =100)	91.80	92.30	93.20	--	90.00
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	--	--	--	--	141.83
Primary energy consumption (Million Tonnes of Oil Equivalent)	291.10	292.70	295.80	--	1,542.70
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	14.50	16.10	19.20	--	59.70

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Real estate activities (% of total VA)	11.09	11.01	10.82	10.70	11.21
Employment in Real estate activities (% of total employment)	1.09	1.09	1.07	1.06	1.09

Urban development

	2014	2015	2016	2017	EU (latest available)
Urban population as % of total population	75.09	75.30	75.51	--	--
Urban population exposure to air pollution by particulate matter (Micrograms per cubic metre)	20.30	--	--	--	22.50
Unemployment rate - Cities (%)	6.50	6.10	5.40	4.90	7.60
Unemployment rate - Towns and suburbs (%)	4.60	4.20	3.80	3.50	6.80

Unemployment rate - Rural areas (%)	3.70	3.50	3.00	2.80	6.00
At risk poverty rate - Cities (%)	19.30	19.90	19.40	18.60	16.70
At risk poverty rate - Towns and suburbs (%)	15.20	15.00	14.80	14.40	15.70
At risk poverty rate - Rural areas (%)	15.30	14.50	15.00	15.00	18.90
Severe housing deprivation rate - Cities (%)	3.20	2.80	--	--	1.70
Severe housing deprivation rate - Towns and suburbs (%)	1.10	1.40	--	--	1.90
Severe housing deprivation rate - Rural areas (%)	1.30	1.00	--	--	1.10
Households level of internet access - Cities (%)	90.00	91.00	93.00	94.00	91.00
Households level of internet access - Towns and suburbs (%)	89.00	90.00	92.00	93.00	89.00
Households level of internet access - Rural areas (%)	88.00	89.00	91.00	92.00	85.00

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial cooperations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007

- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Other indicators³

Key project characteristics	Expected value at PCR
Start of works	01.05.2019
End of works	31.12.2023
Project investment cost [MEUR]	337.77 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	259.13 MEUR
External EFSI multiplier	2.59
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	108.60 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	66.74 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	
Energy efficiencies realised [MWh/a]	2,870.00 MWh/a
Climate Action indicator	86.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs [person years]	2,020 person years
Employment during operation - new permanent jobs [FTE]	8 FTE

³ For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.