



Collaboration, Innovation and Resilience: Championing a Digital Generation

Brisbane, Australia 6-10 April

# Cleantech homes, sustainability and residential property valuation (249)

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April 2025



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## Background - What is a Cleantech home?

### WHAT IS A CLEANTECH HOME?

Cleantech homes have **electric heating systems**, like heat pumps. They are **not connected to the gas grid** and **do not use any other fossil fuel** for heating. They can also go further than just electric heating, for example with an **electric vehicle charger** or **solar panels** and **batteries**. These homes are 'net-zero ready' - as they only have electric appliances, the energy they use will be carbon-free once the National Grid achieves its 100% clean electricity target.

- HEAT PUMP**  
Electric heat pumps generate heat and hot water from electricity and are highly efficient compared to conventional gas boilers.
- NO GAS CONNECTION**  
Connects to a rapidly decarbonising National Grid, or a decentralised local electric microgrid network.
- FABRIC ENERGY EFFICIENCY**  
High performance glazing, insulation and airtightness minimise heat loss and use far less energy for heating and cooling.
- HEAT RECOVERY**  
Recovers heat from stale air and transfers it back as fresh, warm air, improving air quality and reducing wasted heat.
- SMART HOME HUB**  
Allows smart-enabled low carbon technologies to be run most efficiently to respond to price signals.
- SOLAR PANELS**  
Generate clean renewable energy to help reduce energy bills and carbon emissions.
- BATTERY STORAGE**  
Increases the efficiency of the PV array, offers energy cost savings and a backup power source, and reduces the burden on our grid infrastructure.
- ELECTRIC VEHICLES**  
May increase power demand at home, but smart tariffs will enable EV owners to charge their vehicles cheaply overnight.

### POLICY LANDSCAPE

**UK POLICY (BY COUNTRY)**

- SCOTLAND**  
Introduced ban on direct-emission heating systems in new homes and buildings (New Build Heat Standard, April 2024)
- ENGLAND**  
Effectively mandated the end of gas boilers in new homes from 2024 onwards (The Future Homes Standard)
- NORTHERN IRELAND**  
No timeline yet for phasing out gas boilers in new homes.
- WALES**  
Banned gas boilers in new social homes in 2021. Currently consulting on whether to extend this to private developments from 2025.

**11,000 people** qualified as heat pump installers in the last **TWO YEARS**

### CURRENT AND PROJECTED RATE OF NEW HOUSES AND FLATS BUILT WITH HEAT PUMPS

If implemented, the FHS estimates 50% of homes will be cleantech by 2027, 95% by 2028, and 100% by 2029.

Over one-third of new homes built today have some form of electric heating.

Cleantech Homes: Healthier Living, Lower Bills  
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### THE BENEFITS

CLEANTECH HOMES can potentially **reduce energy bills by 40-100%** compared to homes with gas heating\*

Energy bills (per year)

Home Type	Current Bill	Projected Bill	Savings
Existing	£1,200	£1,200	0%
New Build	£1,200	£1,200	0%
New Build	£1,200	£1,200	0%
New Build	£1,200	£1,200	0%
New Build	£1,200	£1,200	0%

The cost to build, run and maintain a CLEANTECH HOME could be up to **£8k - £18.5k** cheaper than a standard home with a gas boiler over 25 years.

TOTAL COSTS (Build, Run and Maintain) (thousands over 25 years)

Home Type	Current Cost	Projected Cost	Savings
Existing	£100k	£100k	0%
New Build	£100k	£100k	0%
New Build	£100k	£100k	0%
New Build	£100k	£100k	0%
New Build	£100k	£100k	0%

### CONSUMER PERCEPTION

**OVER 80%** of people who recently switched to a heat pump stated that they were satisfied or more than satisfied with their new heating system.

**91%** of people we surveyed reported being satisfied with their new heating system, compared to 74% for boiler users.

**90%** of both heat pump and boiler users stated their heating systems did a good job of maintaining desired temperature levels during winter.

### THE COMMERCIAL CASE

**Low-Carbon Technologies**  
DO cost more to install, but these costs amount to **LESS THAN 2%** of the new home's sale price.

**Over the next 10 years**, heat pump costs are expected to **REDUCE BY 30%**, while solar PV costs will **REDUCE BY 40%**.

**DEVELOPERS**  
are reducing the size of electricity connections needed by **UP TO 15%** by taking advantage of smart and flexible assets to optimise energy network use, and a data-led approach to sizing grid connections.

**LENDERS**  
are increasingly incentivising investment in CLEANTECH HOMES.

It helps them meet their **NET ZERO COMMITMENTS**.

**LOWER ENERGY BILLS**  
free up disposable income for borrowers.

**CLEANTECH HOMES**  
are more likely to hold value in the long term because they are **NET-ZERO READY** and do not need retrofitting to meet future emissions standards.

**A RESILIENT INVESTMENT**

Emerging evidence suggests that **LOW-CARBON TECHNOLOGIES** can add value to the average home.

Technology	Value Add
HEAT PUMP	+1.7 - 3%
SOLAR PANELS	+0.5 - 2%
EV CHARGER	+2 - 2.75%
ZERO BILLS**	+16%

**READ THE FULL REPORT**

Cleantech Homes: Lower Bills, Healthier Living (2024)

Cleantech Homes: Healthier Living, Lower Bills  
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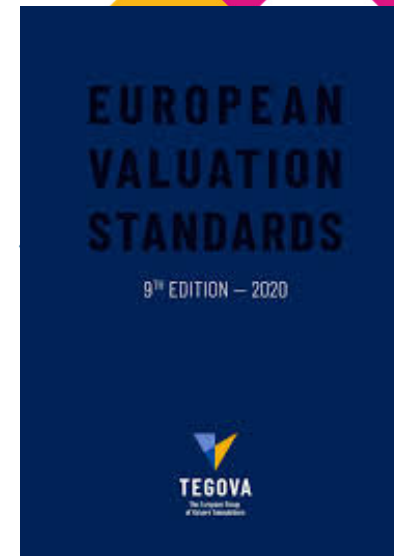
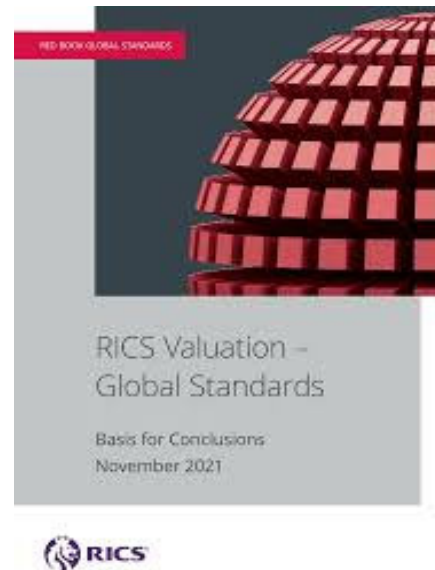
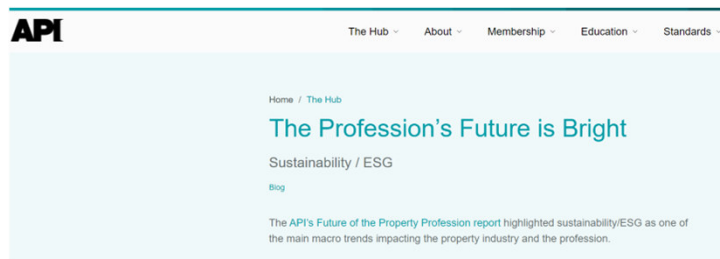


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## Existing Related Valuation Standards

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## Current evidence of value premium for Cleantech homes – Green premium?



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# Data limitations



# The role of the valuer and reflecting sustainability characteristics in the valuation process







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# Conclusions



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**Q&A**



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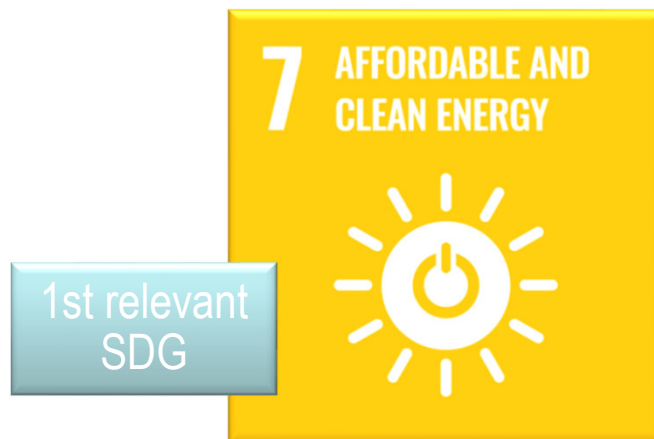
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## The most relevant SDGs related to the presentation and theme of this session



**SUSTAINABLE  
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International Federation of Surveyors supports the  
Sustainable Development Goals





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