

Title of the measure:	HOU-BEL24 Flanders - Reduction in property tax and gift tax for energy-efficient residential buildings
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General description

This is a measure of the Region of Flanders.

From 1 January 2009, the Flemish Tax Service has automatically used to grant a 10 year reduction in property tax for new buildings which performs significantly better than the energy performance standards laid down.

The reduction was as follows:

- 20% for dwellings which, on 1 January of the assessment year, meet an E standard (see measure HOU-BEL29) of not more than E60;
- 20% for other buildings (e.g. offices) which, on 1 January of the assessment year, meet an E standard (see measure HOU-BEL29) of not more than E70;
- a 40% reduction for buildings with an E standard of not more than E40.

The E standard must apply to the entire building or dwelling.

The reduction was first granted in 2009. Buildings which had previously submitted an EPB declaration and met the conditions also received a reduction of property tax for the first time in 2009.

The scheme was adapted by a Decree of 18 December 2015, which awards:

- a 50% reduction for 5 years for buildings with an E standard not exceeding E50 (if permit applied for in 2013), E40 (if permit applied for in 2014 or 2015) or E30 (if permit applied for from 1st January 2016);
- a 100% reduction for 5 years for buildings with an E standard not exceeding E30 (if permit applied for in 2013, 2014 or 2015) or E20 (if permit applied for from 1st January 2016).

A Decree of 23 December 2016 extends the measure to the ‘thorough energy renovation’ (‘ingrijpende energetische renovatie’) of existing buildings:

- a 50% reduction for 5 years for buildings with an E standard not exceeding E90 (if permit applied for from 1st October 2016);
- a 100% reduction for 5 years for buildings with an E standard not exceeding E60 (if permit applied for from 1st October 2016).

A thorough energy renovation includes the complete replacement of technical installations (heating, cooling, ventilation...), as well as the (after) insulation of at least 75% of the existing and new outer shell.

Besides, a decree of 3 July 2015 introduces reduced tax rates for gifts of buildings subject to an energy renovation or of certified buildings that are rented. The person receiving the gift must either, within 5 years, carry out an energy renovation, amounting to at least 10.000 €(without VAT) and relating to specific categories of work, or, within 3 years, rent the building with a ‘conformity certificate’ certifying among other things, a minimum energy performance. Art. 96 of the decree of 18 December 2015 specifies that the measure starts on 1 July 2015.

Regulations:

The Decree of 23 May 2008 laying down provisions accompanying the adjustment of the 2008 budget (BS 13 June 2008) lays down in its Art. 4, the conditions for the reduction of property tax as applied from the 2009 tax year.

Decree of 3 July 2015 laying down provisions accompanying the adjustment of the 2015 budget (Decreet houdende bepalingen tot begeleiding van de begroting 2017), Art. 27 and 28: introduce the reduction of gift tax for energy renovated buildings.

Decree of 18 December 2015 laying down provisions accompanying the adjustment of the 2016 budget (Decreet houdende bepalingen tot begeleiding van de begroting 2016).

Decree of 23 December 2016 laying down provisions accompanying the adjustment of the 2017 budget (Decreet houdende bepalingen tot begeleiding van de begroting 2017), Art. 41.

Supporting measures:

The Flemish Energy Agency provides information to the public on the financial support that can be obtained for new buildings and buildings that meet a low E standard, including on the website www.energiesparen.be.

Impact evaluation

The impact of this measure is not evaluated separately in the 4th National Energy Efficiency Action Plan of the Flemish Region, but in this plan its impact is included in that of the Buildings sector (p. 9; see also measure HOU-BEL29).

An indication may be given by the impact evaluation published in the second National Energy Efficiency Action Plan (measure B.1), which was the following:

Expected savings achieved in 2010:

- 24 GWh final for residential and tertiary:
- of which fuels: 28 GWh
- of which electricity: -4 GWh

- 18 GWh primary for residential and tertiary:
- of which fuels: 28 GWh
- of which electricity: -10 GWh

Expected energy savings in 2016:

- 80 GWh final for residential and tertiary:
- of which fuels: 94 GWh
- of which electricity: -14 GWh

- 59 GWh primary for residential and tertiary:
- of which fuels: 94 GWh
- of which electricity: -35 GWh

The saving from the reduction of property tax was calculated for new residential buildings and new office buildings. Real data from the Energy Performance Data bank were used for this purpose up to and



including 2010. For forecast up to and including 2016, it was assumed that the number of buildings for which a reduction of property tax was granted would remain the same annually as in 2010.

The conversion factor for final electricity to primary electricity was 2.5.

References

Second National Energy Efficiency Action Plan, established in the framework of EU directive 2006/32.

Buildings sector, measure B2 for the Flemish Region in NEEAP2.

Vierde Vlaams energie-efficiëntieactieplan (annex to the *Belgian Energy Efficiency Action Plan according to the Directives 2006/32/EC and 2012/27/EU article 24.2 Annex XIV part 2*, April 2017, http://ec.europa.eu/energy/efficiency/eed/neeap_en.htm)

<http://www.energiesparen.be/korting-onroerende-voorheffing>