

# Financing instrument framework

Practical guide to financing options for co-owners  
associations

*(version 4)*



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### *Purpose*

This framework is a decision-making and communication tool for co-owners association. It helps to structure financing options and translate them into indicative monthly housing costs per dwelling. It is not a formal decision-making document and does not replace calculations by lenders or legal documentation.

### *When to use it*

Use the framework once the technical scope and cost estimations are known (from the SMYMP and quotations) and before a final financing route is chosen and loan applications are submitted. This corresponds approximately to phases 4-9 in the renovation timeline (Appendix 1 of the framework).

### *How to use*

The framework supports layered use: Step 1 and the key figures from Step 4 can be used in a summary for owners. The overview tables can be used in the general assembly meeting. Interest rates, loan terms and subsidy conditions are not fixed in this framework. They change over time and can differ per project size. Boards and advisors must always check the current conditions of public and private instruments and enter these manually in the tables.

Legend of terms	
SMYMP	Sustainable Multi Year Maintenance Plan
Reserve fund	savings of the co-owners association for maintenance
GAM	General Assembly Meeting
Warmtefonds (public)	National fund that offers loans for energy-savings measures and max. 20% maintenance
VvE Ledenlening (public)	Individual loan from Warmtefonds for separate apartment owners (vulnerable) to finance their share of HOA renovation costs.
SVVE (public)	Subsidieregeling Verduurzaming Verenigingen van Eigenaars: national subsidy scheme that supports energy-saving measures and preparation costs for HOAs.
TOF (public)	Toekomstbestendig onderhoudsfonds: National fund that offers loans for maintenance and max 20% energy-savings measures (8+ apartments)
SKV (public)	Toekomstbestendig onderhoudsfonds: National fund that offers loans for maintenance and max 20% energy-savings measures (7- apartments)
EaaS (private)	Energy-as-a-Service: instrument where a third party finances and operates energy installations and the HOA pays periodic service fee.
Leasing (private)	Financing model where a third party owns the installation and the HOA pays a fixed periodic lease fee for its use. Sometimes with a buy-out option at the end of the contract.
ESCO (private)	Energy Service Company: finances, installs, and manages energy saving measures and is paid back from realised savings.
OFB (private)	On-Bill financing: financing model where investments are repaid via the regular energy bill instead of via the HOA contribution.
OSS (private)	One-Stop-Shop: integrated private or semi-private service that offers HOAs a package of advice, technical delivery and financing options via a single point of contact.

# 1. Creating a project and barrier profile

## Goal

To give a concise overview of the renovation project and the main financial problems the co-owners association is facing. This step clarifies:

- *What the HOA wants to do,*
- *How big the project is, and*
- *Which financial barriers are most important.*

## How to use this page

Fill in the table together as a board/manager (and advisor, if applicable). Use information from the (S)MYMP, customised HOA energy advice report and recent quotations, if available. Try to keep the descriptions short and specific, so that this page can also be printed as a summary for the general meeting.

## Result

At the end of step 1 you have a one-page project and barrier profile that you can use as the starting point for the next steps in this framework, and to explain to HOA-owners why financing is needed and which issues must be solved.

Item	Description	Completed by HOA
Building	Amount dwellings	
Ownership mix	% individual owners % housing association	
Cause of intention	e.g. high energy bills, defects, regulations, sustainability ambition	
Renovation scope	Brief description of the proposed renovation programme	
Total investment required (including VAT)	In € for common areas in accordance with SMYMP/Customised HOA energy advice	
Expected energy savings	Annual savings for the entire building (€/year)	
Current reserve fund	Stand and annual contribution for all owners together	
Biggest financial barriers (check)	<input type="checkbox"/> High upfront costs <input type="checkbox"/> Difficulty to collect funds <input type="checkbox"/> Insufficient total funding <input type="checkbox"/> Split incentives	

## 2. Checklist for financing-ready dossier

### Goal

To check whether the co-owners association has the basic information and decisions in place to apply for loans and subsidies and to discuss financing options with lenders and advisers.

If items can not be checked from this checklist, it is recommended to address these first before proceeding with the choice of instrument and the monthly cost calculation.

### How to use this step

Go through the table as a board/manager (and advisor if present) and:

- Collect required documents
- For each item, mark the status
- use the Category column to see which type of information still needs to be completed

### Result

At the end of step 2 you know whether the association has a finance-ready dossier.

- If most items are checked, the HOA can proceed to step 3 and 4
- If several items are missing, the gaps form a to-do list that should be addressed before moving to step 3 and 4.

Category	Required information/document	Why is this necessary for funding?	Status (✓ / X)
Data	Approved SMYMP and Customised HOA advisory report	Basis for scope, costs and financing options for the measures	
Data	Detailed cost estimate / quotations from contractor(s)	Confirms investment amount and planning	
Financial	Overview of reserve fund + arrears list	Insight into financial strength and payment discipline	
Legal	GAM decision list (mandate, budget ceiling, choice of financing for phases 6, 9, 11)	Legal proof that owners agree to loan + measures	
Legal	Up-to-date Chamber of Commerce extract (including correct HOA-name, address, and authorised signatories)	Legal registration to apply for loan contracts	
Operational	Appointed contact person on behalf of the HOA	1 point of contact for external advisers, financiers, and contractors	
Operational	Overall project planning linked to a 13-phase timeline (Appendix 1)	Enables coordination with payments, subsidies and M&V	

### 3. Linking barriers and matching instruments

#### *Goal*

To translate the financial barriers from step 1 into a first selection of suitable financing instruments. This step helps the co-owners association see which public instruments are most logical to use first, and which private options can be used only if a funding gap remains.

#### *How to use this table*

1. Look at the financial barriers you checked in step 1.
2. For each barrier, find the same barrier in the table below.
3. Check the recommended public instruments (first choice) that seem applicable to your situation.
4. If these do not fully cover the financing need, tick any private instruments that could fill the remaining gap.
5. Use appendix 2 in this framework if you need more explanation about each instrument.

This is an initial preselection, not a final choice. The selection can still be adjusted later in discussion with advisors and lenders.

#### *Result*

At the end of step 3 you have a short list of realistic financing options that you can use as input for step 4, where the total financing and monthly costs per apartment are calculated and compared.

*Now use the table on the next page to link each selected barrier to the appropriate instrument.*

### 3. Linking barriers and matching instruments

Financial barriers	Recommended public instruments (first choice)	Recommended private instruments (if needed)
High upfront costs	<input type="checkbox"/> Energie bespaarlening (Warmtefonds) <input type="checkbox"/> SVVE (subsidies) <input type="checkbox"/> TOF (maintenance + energy renovation) (8≥ apartments) <input type="checkbox"/> SKV (maintenance + energy renovation) (8< apartments)	<input type="checkbox"/> Reserve fund <input type="checkbox"/> Crowdfunding <input type="checkbox"/> Leasing <input type="checkbox"/> EaaS <input type="checkbox"/> ESCO <input type="checkbox"/> OBF <input type="checkbox"/> OSS
Difficult collection of funds	<input type="checkbox"/> Energie bespaarlening (Warmtefonds) <input type="checkbox"/> SVVE (subsidies) <input type="checkbox"/> TOF (maintenance + energy renovation) (8≥ apartments) <input type="checkbox"/> SKV (maintenance + energy renovation) (8< apartments)	<input type="checkbox"/> Crowdfunding (platform collects) <input type="checkbox"/> EaaS (bundels capex + operation) <input type="checkbox"/> ESCO (bundels capex + operation) <input type="checkbox"/> OSS (organises process)
Lack of sufficient funding	<input type="checkbox"/> Energie bespaarlening (Warmtefonds) <input type="checkbox"/> SVVE (subsidies) <input type="checkbox"/> TOF (maintenance + energy renovation) (8≥ apartments) <input type="checkbox"/> SKV (maintenance + energy renovation) (8< apartments)	<input type="checkbox"/> Reserve fund <input type="checkbox"/> Crowdfunding <input type="checkbox"/> Leasing <input type="checkbox"/> EaaS <input type="checkbox"/> ESCO <input type="checkbox"/> OBF <input type="checkbox"/> OSS
Financial burden for individual co-owners	<input type="checkbox"/> Energie bespaarlening (Warmtefonds) <input type="checkbox"/> VvE Ledenlening (Warmtefonds) <input type="checkbox"/> SVVE (subsidies)	<input type="checkbox"/> Leasing (smaller monthly contribution) <input type="checkbox"/> EaaS (smaller monthly contribution) <input type="checkbox"/> ESCO (repay costs from realised energy savings) <input type="checkbox"/> OBF (less costs after measurements)

## 4. Cost and financing overview

### Goal

To calculate the chosen financing option(s) in concrete terms:

- What part of the investment is covered by subsidies,
- What part comes from the reserve fund,
- How much needs to be borrowed (public and, if needed, private loans), and
- What this means per apartment per year, including indicative energy savings.

This step translates the abstract discussion about taking a loan into costs per dwelling, which can be used in the general assembly meeting.

There are two sub-steps:

4.1: Determining the borrowing requirement (financing mix)

4.2: Calculating the annual housing cost effect per apartment

### 4.1 Determining borrowing requirements

*How to use this table*

1. Fill in the total investment costs (A) for the chosen renovation measurements (retrieved from SMYMP/quotations).
2. Fill in the total amount of subsidies (B) you expect to receive.
3. Decide how much of the investment will be paid from the reserve fund (C).
4. Calculate the net amount that must be financed through loans:
  - a.  $\text{net financing needs} = A - B - C$
5. Check whether this amount can be fully covered by public loans (D)
6. If not, the remaining part can be covered by private loans (E)
  - a.  $D + E = \text{net financing needs}$

### Result

After 4.1 you have a clear financing mix: how much comes from subsidies, the reserve fund, public loans and any private loans.

Component	Amount €	Explanation
A. Total investment costs		From SMYMP/quotations
B. Subsidies		Total of all subsidies
C. Use of reserve fund		Extraction from fund
D. Public loans		Total of all public loans
E. Private loans		Sum of other financing
<b>Net to be financed through loans (D+E)</b>		<b>= A-B-C</b>

## 4.2 Monthly savings per apartment

### *How to use this table*

Use the completed financing mix from 4.1, the loan conditions (terms and interest rate) and the expected energy costs before/after renovation to fill in the table:

1. Calculate the annual repayment + interest on all loans (for the whole HOA).
2. Add the additional annual reserve that will be saved each year after renovation.
3. Add 1 + 2 to obtain the total additional HOA-costs after renovation.
4. Estimate the expected annual energy costs after renovation.
5. Estimate the expected annual energy costs before renovation.
6. Add 3 + 4 to obtain the total housing costs after renovation (HOA contribution + energy costs).
7. Add 5 to the existing HOA-contributions to obtain the total housing costs before renovation.
8. Subtract 7 from 6 to show the difference in housing costs before and after renovation.

### *Result*

At the end of step 4 you have:

- a financing route
- indicative change in annual housing costs per apartment, which can be translated into monthly costs and presented to owners.

*Note: energy costs and energy savings are indicative. Actual savings depend on residents' behaviour (heating and ventilation) and on future energy prices.*

Post	HOA (€/year)	app. (€/year)	app. (€/year)
1. Annual repayment + interest on all loans			
2. Additional annual reserve			
<b>3. Total additional HOA-costs after renovation (1+2)</b>			
4. Expected energy costs after renovation			
5. Expected energy costs before renovation			
<b>6. Total housing costs after renovation (3+4)</b>			
<b>7. Total housing costs before renovation (5 + existing HOA-contributions)</b>			
<b>8. Difference in housing costs after/before (6-7)</b>			



## Appendix 1: Energy transition timeline for the co-owners association

Phase	Activities	Required data
1. Pre-phase: awareness & urgency	Rising energy bills, visible defects, MYMP replacement moment, interest check owners/GAM	Utility bills, MYMP/SMYMP, installation reports, copy of deed, model regulations
2. Transition & organisation	Form committee, engage advisor	ALV minutes
3. Tailored advice	Energy reports, location study, baseline definition, set up (S)MYMP	Utility bills, installation reports, maatwerkadvies/energy label, (S)MYMP
4. Scenarios & plan-making	Bundle measures, link the (S)MYMP, plan budget	Maatwerkadvies results, SMYMP with proposed integration, operation accounts and reserve fund documents, budget cash-flow memo, risk overview
5. Engagement & community	Owner study, info sessions, access questions,	Communication plan, draft information documentation
<b>6. GAM 1 - get mandate</b>	<b>Mandate from co-owners association members to prepare specifications, procurement and financing and subsidy applications</b>	<b>GAM agenda, GAM minutes, draft subsidy/loan dossier</b>
7. Tendering	Specification criteria set-up (incl. Performance agreements and M&V),	Specification criteria document, M&V-plan, data room for available data
8. Procurement & selection	Evaluate offers, select supplier/contract model	Quotations contractors
<b>9. GAM 2 - budget &amp; finance structure</b>	<b>Approve budget ceiling and financing route (reserve fund + subsidy + loan)</b>	<b>GAM agenda, GAM minutes, financing memo</b>
10. Financing & approvals	Submit subsidies, finalise loan terms, prepare final approvals	Complete loan dossier, subsidy application file, permit applications, legal check
<b>11. GAM 3 - final contract approval</b>	<b>Contract supplier, approve final price, adopt binding financing solutions, contract signature</b>	<b>Final offer, contract, binding finance resolutions, GAM minutes</b>
12. Execution	Work on site	Contract
13. M&V & settlement	Handover, M&V reporting where applicable, subsidy claim, start loan	M&V-report, subsidy claims, loan pay out schedule, delivery document

## Appendix 2: Overview of public financial instruments

Instrument	Type of financing	Source of capital	Repayment mechanism	Supporting measures	Level	Applicable when in timeline
Energie bespaarlening (EB)	Soft loan	Nationaal Warmtefonds	Annuity via service charge	(deep) energy renovation packages	National	Phase 4, 10-11. Loan starts at 13.
VvE ledenlening (VL)	Consumer loan	Nationaal Warmtefonds	Monthly instalment to Warmtefonds	(deep) energy renovation packages specifically linked to Energie bespaarlening	National	Phase 9-11. Payments start from 13.
SVvE	Subsidy	RVO budget	-	Advice, energy renovation measures	National	Phase 3-4, 10-13
TOF (8+ apartments)	Soft loan	SVn	Annuity via service charge	Overdue maintenance + energy renovation	National implemented by municipalities	Phase 4, 10-11. Loan starts at 13.
Stimuleringslening kleine VvE (SKV) (7 - apartments)	Soft loan	SVn	Annuity via service charge	Overdue maintenance + energy renovation	National implemented by municipalities	Phase 4, 10-11

## Overview of private financial instruments

Instrument	Type of financing	Source of capital	Repayment mechanism	Supporting measures	national/ international	Applicable when in timeline
Reserve fund	Own funds	HOA long-term reserves	Monthly contribution per owner	Measures from MYMP	National	Phase 4, 10-11
EaaS	External financing via third-party	Service provider/ investor	Monthly service fee	Long term service contracts for energy performance measures	international, limited in NL	Phase 4, 10-11. Payments during 12-13
Leasing	External financing via third-party	Leasing company	Monthly lease payments from service charge	Maintenance / service agreements/ installations, with the option to buy out at the end of lease.	NL international	Phase 4, 10-11. Payments from 12-13
Crowdfunding	External financing via small investors	Private investors	Fixed interest paid by contribution of HOA	All projects that require funding	NL international platforms	Phase 4, 10-11. Repayments from 13.
OSS	Service model	Commercial banks, public funds, ESCO (OSS is coordinated platform)	Service fee for OSS next to loan/lease/ EPC	Integrated technical, administrative support, project development, contractor network	International no standard Dutch product	Phase 2-5, financing in 10-11
OBF	External financing via utility companies	Utility, public fund, third-party financing	Extra charge on energy bill	Energy costs	International no standard Dutch product	Phase 4, 10-11. Repayments from 13
ESCO/ EPC	Performance based contracting	ESCOs own capital/ external lenders using EPC	Monthly payments funded from realised/ guaranteed energy savings	EPCs	International niche applications in NL	Phase 4, 7-8, 11. Payments 12-13