



Barclays Social Housing retrofit: factsheet

Deal information

Deal announced	October 2024
Sector	Retrofit
Location	UK-wide
Counterparty	Barclays
Portfolio size	£500m
NWF Finance	£350m ⁱ
Product	Guarantee

Summary

The National Wealth Fund (NWF) will provide Barclays with a 70% guarantee on a portfolio of up to £500m worth of loans to UK not for profit registered providers of social housing to enable the retrofit of their stock. The loans provided by Barclays will help Housing Associations accelerate the decarbonisation of their housing stock, reducing energy consumption and emissions while supporting green jobs in the process. Registered providers of social housing will be able to use the loans on eligible measures for retrofit including the installation of low carbon heating, insulation, low carbon lighting, renewable energy, ventilation and heating controls, as well as work on resilience measures.

Sector context

Decarbonising the UK's housing stock is a huge challenge. Around 34% of England's socially-rented homes have an EPC rating below C.ⁱⁱ Government has set a target for all socially rented homes to be rated at least EPC C by 2030. It is estimated by the National Housing Federation that it will cost around £36bn to fully decarbonise social housing. This is significantly higher than the available grant support, presenting a huge challenge for the sector.ⁱⁱⁱ

Impact and additionality

Registered social housing providers are constrained in their ability to invest in retrofit, both by competing spending priorities and in terms of available security, rental income and interest cover. NWF's guarantee will enable Barclays to bring a price-competitive, longer-term, unsecured and secured finance offer to market. This will help unlock investment by addressing these investment constraints directly.

According to estimates made by the 2021 English Housing Survey^{iv}, the £500m of overall investment to be spent on eligible retrofit measures could retrofit up to 85,000 social homes.

ESRG considerations

NWF has undertaken due diligence of Barclays' ESG policies and processes, in line with the [Environmental, Social, Resilience and Governance \(ESRG\) Framework](#) for indirect investments. Retrofit will need to be carried out in accordance with applicable [industry] standards to ensure good outcomes.

Impact metrics

Impact	Metric
£500m	Private Finance Mobilised ^v
Up to 85,000	Homes retrofitted with energy efficiency and/or low-carbon heating measures ^{vi}

ⁱ Note this is a guarantee transaction, whereby NWF will cover 70% of the loans by Barclays up to a maximum of £350m.

ⁱⁱ Energy efficiency of housing, England and Wales, five years rolling - [Energy efficiency of housing, England and Wales, five years rolling - Office for National Statistics](#)

ⁱⁱⁱ £36bn required to decarbonise Social Housing according to the National Housing Federation - [National Housing Federation - Decarbonisation: a guide for housing associations](#)

^{iv} [English Housing Survey 2021 to 2022: energy - GOV.UK](#)

^v As per NWF's approach to calculating Private Finance Mobilised for guarantees, this reflects the overall size of the portfolio of loans being guaranteed.

^{vi} Based on an average retrofit cost to achieve EPC C for Social Housing of £5,158, according to the 2021 English Housing Survey - [English Housing Survey 2021 to 2022: energy - GOV.UK](#)