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New green home standards means lower cost finance – AIB and Irish Green Building Council

AIB will offer discounted loans to residential developers who adhere to a new Irish Green Building Council benchmark which sets higher green building standards than are required under current building regulations.

The IGBC has created the Home Performance Index (HPI). This sets a standard which takes account not only of the energy efficiency of the home but also of factors including air quality, water efficiency and the sustainability of the location in the context of factors such as transport links and community facilities. While aligned to Irish regulations, HPI is also internationally recognised in line with the Global Rating ESG Benchmark for Real Assets (GRESB).

AIB's Real Estate Finance Team will encourage the adoption of this index for new development schemes they review, offering all applications a lower priced option if they comply with the HPI standards, setting a higher ESG benchmark than current regulations.

AIB has stated that sustainability is integral to its operations, committing to being carbon neutral in its own operations by 2030 and also that 70% of its new lending will be green or transitional by that date.

Cathy Bryce, Managing Director of AIB Capital Markets said: "We in AIB have both a responsibility and an ambition to be a sustainability leader. This new loan option is about encouraging our development customers to think green in all aspects of their projects. As a society, we face an enormous challenge to adapt to climate change and we will lead the way in working with our customers to set higher standards for sustainable development."

"We are proud members of IGBC and have worked closely with them to get this offering right and, whilst we acknowledge there is more to do to address the sustainability challenge, we look forward to continuing that journey through our work with IGBC."

Pat Barry, CEO of IGBC, said "With this financial product AIB has created a really powerful tool by aligning discounted finance with greener standards. This will move our new housing construction far faster towards sustainability. It will ensure that wider criteria such as embodied carbon, better land use and improved biodiversity are integrated into new housing."

AIB will also exclusively sponsor IGBC's upcoming conference in May which is to be held in the Gibson Hotel. This will be an opportunity for those committed to sustainability in the real estate industry to come together and discuss the opportunities which arise. Speakers will include Minister for the Environment, Climate and Communications Eamon Ryan and the conference will be attended by developers, contractors, engineers, architects and planners.

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