

CO₂ reduction programme 2008 – 2015

Michael Foster

Rental portfolio policy is to support investment made by tenants and improve the energy efficiency of the assets as well as minimising their CO₂ impact. Initiated 2008, reviewed 2010.

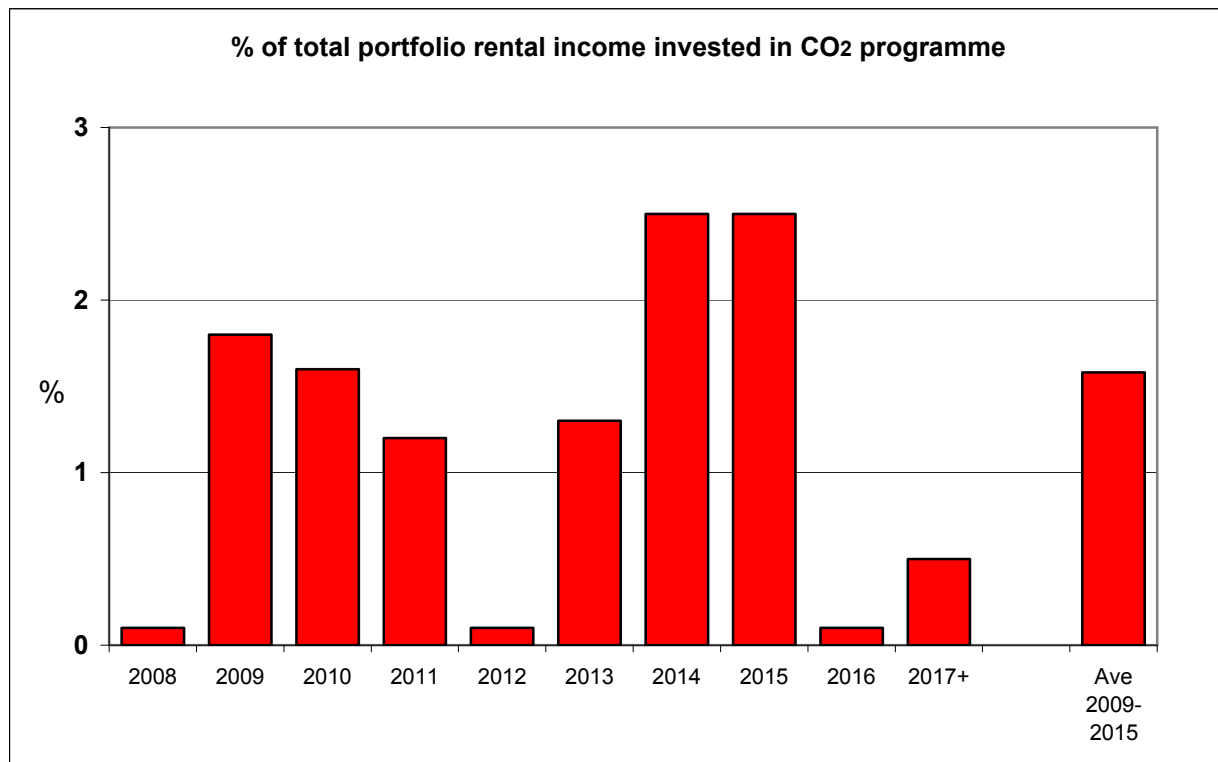
We are pledged to invest 1% of portfolio rental income in such measures between 2009 and 2015 inclusive. Our plan is to upgrade the following in the following order. We also have several years back provided basic loft insulation and put in new double glazing to certain limited number of properties. All properties have modern (under 10 years old) boilers or night storage equipment, but there are advances in technology here which we have specific plans to upgrade.

2009-2010: Increase loft 200mm insulation and new double glazing; start roll out of radiator controls; start on investing in upgraded energy washing machines

2011-2014: Roll out new energy efficiency grade A or B washing machines

2013-2014: Expand loft upgrades, new double glazing programme; condensing boilers; fan assisted night storage heating

2015: Micro-generation; condensing boilers; fan assisted night storage

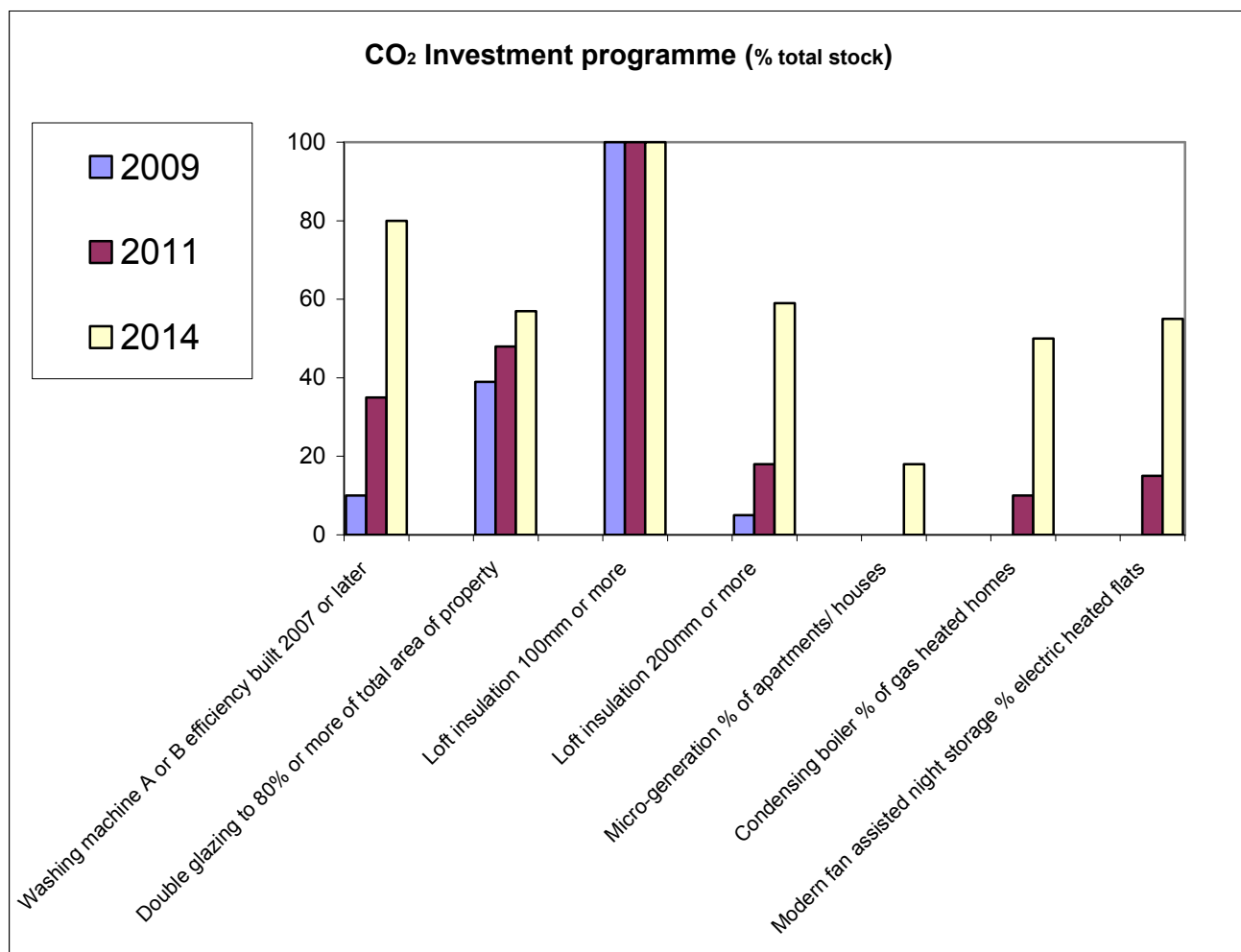


The pledge is to invest 1% * but our budget is as outlined above, an average of over 1.5%. 2011 and 2012 are budgeted for moderate expenditure on the basis there is a perceived risk of rising interest rates allied to ongoing severe difficulties in securing competitive buy-to-let finance. Yes, this does have an impact in the “real world” including the CO₂ expenditure, where we are spending money which has nebulous £ returns to us as owners.

This outperformance of our pledge is dependent on interest rates and rental income (not on grants). Micro-generation is anticipated on two buildings (one a multi-apartment) and this will be dependent on technology (which is anticipated to be efficient prior to 2015) and on tariffs (currently ROC and price of electricity fed back to grid).

Arguably of more importance is the detail – this is not a general aspiration but a scheduled roll out property by property.

* The pledged 1% is a pledge of minimum 4% over a four year period AND 0.6% pa over a three year period.



The costs of energy usage are rising (more some years less in others) and as landlords we are acutely aware that this is part of the reason for deciding where to live.

HOWEVER – it is we hope clear from the explanation of our policy that the MINORITY of the costs to us as landlord are directed directly to energy reduction. This is a mix of CO₂ and energy cost savings. For example, an efficient washing machine probably saves £30 per annum but costs £400 – not in itself a good investment for a landlord, but helps the tenants. (Washer drier saves more money but only because a washer dryer is energy wasteful). Alternatively things which cost little such as an AIRING CUPBOARD will save well over £200 per annum for a large household. Intelligent use of THERMOSTATS and radiator CONTROL KNOBS (where provided – we are rolling this out and it's surprising how much it costs) will save you £££. Switch off lights. Use the cooker more efficiently. Much of the energy savings will only work if you use the house / flat intelligently.

There are certain things we cannot do. Many of the properties are Victorian and so are not cavity walled. We do not propose covering the brickwork with grey slabs of external insulation.

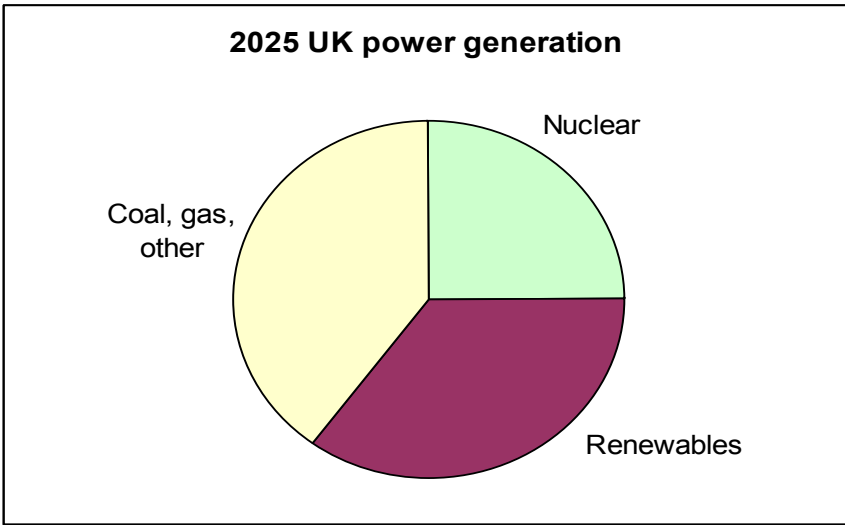
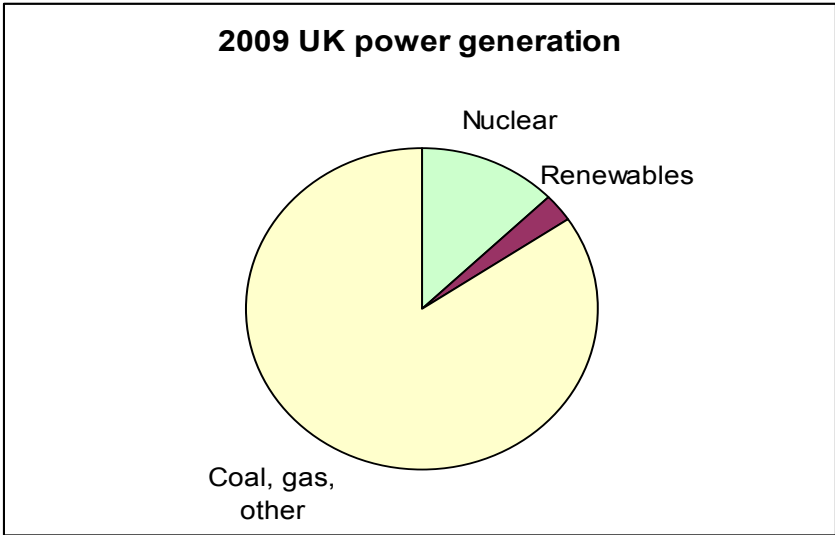
There are other things we can help with by not doing them

There are other things we do supply but do not approve of. Many of the student properties have ample off street parking – an attribute increasingly demanded from mid 2000s. Do you guys really need cars?

We are fully focused on understanding that you as tenants are spending money reducing the world's CO₂. The moves underpinned by Mexico City 2010 conference result in a coal carbon capture levy and an ongoing nuclear levy on the bills you pay. You also are paying for various home energy efficiency payments by the utilities to poorer citizens. The energy costs of course also go into all the things we buy.

So:

- 1) We are planning in detail to put the principles of Copenhagen and Mexico City conferences into practice.
- 2) We are sharing this with you (and other background information is available). We are keen on a dialogue with you all as tenants.
- 3) We budget for 1.5% per annum, which is a large sum we may not be able to afford, so we pledge 1% per annum – itself a substantial sum, we strongly believe.
- 4) We would like you to compare our approach with that of our competitors (some of who are doubtless very good, but not so explicit as us we believe).
- 5) We shall attempt to bring 2013 planned spending forward into 2012 and will review in Summer Autumn 2011 in the light of interest rates.



Source: Eon, DECC

Budget spend – may have varied but we are trying to detail our programme at its launch in 2009.

2009 £ budget	
Window	2500
Boiler, controls	100
Loft, cavity	550
Washing machine	600
2010	
Window	2500
Boiler, controls	100
Loft, cavity	300
Washing machine	600
2011	
Window	600
Boiler, controls	2000
Loft, cavity	400
Washing machine	200
2013	
Window	600
Boiler, controls	2000
Loft, cavity	400
Washing machine	500

Details of historic spend property by property can be supplied

All forward looking statements are based on management policy on 1) writing of this placing document which is 2) updated annually and available for inspection by tenants.

By order of Michael Foster (Cotton Avenue Ltd., Leahomes Ltd., Brian Foster Foundation (2001) registered charity).

<http://www.charity-commission.gov.uk/>

ShowCharity/RegisterOfCharities/CharityWithoutPartB.aspx?RegisteredCharityNumber=1088940&SubsidiaryNumber=0

Carbon policy is part of our non-financial business placing, as is a policy regarding charity payments. See elsewhere on leahomes.co.uk and by contacting landlord. Brian Foster Foundation (2001) reg charity 1088940

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