



What is the Green Deal?

The Green Deal, it sounds eco-friendly and has wide reaching possibilities, but what does it mean exactly for the average homeowner?

The Green Deal is the new government initiative that is designed to help owners to employ more green technologies in their properties. The idea of it is essentially simple; you install new green technology into your property with no upfront costs. You will pay back the costs through your energy bill over a period of time. This is unlike a conventional loan because if you move out of the property the bills stays with the property where the savings are occurring and not with the bill payer. The government have estimated that the Green Deal will enable up to 26 million homes to be upgraded over the next 25 years.

Fundamentally the "Golden Rule" of the Green Deal is; the expected financial savings must be equal to or greater than the costs attached to the energy bill.

The biggest winners of the Green Deal are the older style properties built prior to the 1920's. Although there is a limit of £10,000.00 for homeowners at present, homeowners will be able to install the following types of green measures:

- Wall insulation both solid and cavity walls will be covered
- Loft Insulation
- Double Glazing
- Door Insulation
- Smart Meters

The above measures are aimed at reducing demand on your energy, once these have been installed the idea is that it will cost you less to heat your home thus cutting your energy bill.

It's not as simple as signing up to the Green Deal though, each property will have to be rigorously inspected by a Green Deal accredited advisor to see which measures will return the best results. Once this assessment has been made of the property the advisor will make suggestions to the home owner of Green Deal providers and the Green Deal Plan will be written outlining the work to be carried out.

As previously mentioned the bill stays with the property. If you move into a property with a Green Deal, the landlord or seller must show you a copy of the EPC. This will explain what improvements have been made and how much you will need to repay.

The Overall Outcome

In essence, if you opt for the Green Deal you will be upgrading your home and paying back the costs through your energy bill over a period of time. When it comes to selling your home, the new buyer will take over the costs and also the benefits of the Green Deal.

