VARIATION C.4

Building type	Residential Building
Occupation model	Collective (ACO)
Type of DR	Implicit
Owner/Tenant relation	Owner occupier
Financing	FI Financing to Co-owners

This case is again a variation of the previous Business Models for apartment buildings with co-owners, in which the financing is done directly by the financier, typically a bank or financial institution, to some or all of the co-owners.

The model may be used for all co-owners if that is the preferred solution. It can also be the case of a smaller number of co-owners if they prefer to be financed through their own bank, rather than participating in a collective loan or other types of financing (e.g. ESCO financing).

Here the credit risk of the co-owner not being able to reimburse the loan directly shifts to the FI, away from the ESCO. This financing option may be preferred by the ESCO or can be implemented in case the ACO cannot obtain a collective loan.

For the rest, there is little difference with the case of a collective loan as the ESCO would still need to deliver the AEPC services to the ACO with whom the AEPC contract is signed. Going a step further and signing individual AEPC contracts with all co-owners would probably not be feasible and represent a high commercial and operational risk for the ESCO. At best, there would be a back-to-back engagement from the ACO to the co-owners as is the case in the generic case of AEPC for the co-owners.