



MEDIA RELEASE

For publishing from 11 JULY 2014

HIGH-YIELD INVESTING BEGINS AT HOME

Investments in home energy-efficiency can beat the best returns offered by banks

Interest rates available to savers in South Africa are low compared the returns on certain home energy-efficiency investments, according to a new analysis conducted by My Green Home in conjunction with financial planners. In fact, the returns on energy efficiency can be up to four times higher.

Light bulbs are the simplest example of how this kind of 'green investing' works. Hypothetically, say Mr Banks and Mr Green each have R1 000 to save or invest, and each has ten 50-watt lights in his home that could be replaced by more energy-efficient LED globes. Mr Banks leaves his old bulbs in place, putting his R1 000 in a 5-year fixed deposit bank account that pays 8-percent annual interest. Mr Green rather invests his R1 000 in 5,5-watt LEDs to replace those ten older globes.

Five years later, the R1 000 that Mr Banks deposited has grown to R1 490. But Mr. Green is now much richer than Mr Banks. He has saved R5 717 on electricity and another R316 on replacement bulbs, since LEDs last much longer. The new globes were such a good investment, it's as if Mr Green had earned nearly a 33-percent annual interest rate.

Other examples of efficiency investments that pay high returns include solar or heat-pump water heaters, low-flow shower heads and variable-speed pool pumps. Swapping a 1,1 kWh pool pump for a variable-speed pump using 300 watts is an investment that can pay a 31-percent annual return over 5 years if the old pump needed replacing anyway, and 21-percent if it did not.

The My Green Home website offers advice on a wide range of investments that save energy and water, while making a home more environmentally friendly. Visitors to www.mygreenhome.org.za will also find a Guide to Globes and a Guide to Solar Water Heaters. And they can follow the experiences of the Ngewana family as they test out energy-efficient technology in their own home.

My Green Home is led by the Green Building Council South Africa, with main co-funding from the German government through the South African-German Energy Programme (SAGEN). It's also supported by the 49M campaign, Karebo Systems, the South African National Energy Development Institute (SANEDI) and a range of product sponsors and partner organisations.

Those who participate in My Green Home stand a chance to win green prizes, including the grand prize: their own 'green home makeover'. Those who submit a photo of themselves and their most effective energy-saving device or action to the website or via Twitter (@mygreenhomesa) by 12h00 on Monday 21st July are eligible for this week's prizes in a random draw, as well as the grand prize.

The LED bulb and pool pump examples assume that the lights are used 4 hours a day and the pool pump 8 hours a day, a R1,50 per kWh electricity tariff and 8-percent tariffs hikes each year. Actual results could be higher or lower, but under all reasonable scenarios, the investment in an energy-efficient pool pump or lighting pays a much better return than a 5-year fixed deposit earning 8-percent interest.

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