

Implementation of a program to  
improve energy efficiency in residential  
houses .

Latvia 2009-2013



# Legislation in a field of residential houses. Latvia

- Possible owner of Residential Properties – Legal or Physical body
- Cooperatives and associations of flat owners are not owners of flats and houses

# Legislation in a field of residential houses. Latvia

- **Law On Residential Properties**
- **Law On Administration of Residential Houses**

*Regulation forms of administrator - legal body*

- ***The Commercial Law***
- ***Co-operative Societies Law***
- ***Associations and Foundations Law***

# Law On Residential Properties. Latvia

- Rights and Duties of an Apartment Owner
- Covering of Administration Expenditure of a Residential House
- **Community of Apartment Owners**
- **Competence of the Community of Apartment Owners**
- **Conditions for Decision-Making of a Community of Apartment Owners**
- **Procedures for Decision-Making of a Community of Apartment Owners**

# Law On Residential Properties. Latvia

- **Duties of an Apartment Owner:**
  - to participate in the administration of the residential house
  - to cover the administration expenditure of the residential house
  - to settle accounts for the received services, which are related to the use of the residential property
  - to execute the decisions taken by the community of apartment owners

# Law On Residential Properties. Latvia

- **Community of Apartment Owners:**
  - The community of apartment owners is the administrative body of a residential house, which is partitioned into apartment properties.
  - The composition of the community of apartment owners shall include all apartment owners of the residential house.

# Law On Residential Properties. Latvia

- **Competence of the Community of Apartment Owners:**

- the alteration of the existing joint property share (increasing, decreasing) **-100% \***
- the specification of the procedures for the use of the existing joint property share between apartment owners **-100%\***
- the establishment and revoking of the right of first refusal of apartment owners **- 100%\***
- **the granting and revoking of authorisations - 2/3\***

*\* it shall be necessary that apartment owners who vote "for" represent at least .....of all apartment properties.*

# Law On Residential Properties. Latvia

- Competence of the Community of Apartment Owners:

- the specification of restrictions for the right of use >1/2\*
- the transferring for use of the existing joint property share >1/2\*
- the form of administration of the existing joint property share >1/2\*
- the assigning of individual or all administrative activities of the residential house to an administrator >1/2\*
- the procedures for the determination and payment of the administration expenditure of the residential house >1/2\*

\* it shall be necessary that apartment owners who vote "for" represent at least .....of all apartment properties.



# Law On Residential Properties. Latvija

- **Conditions for Decision-Making of a Community of Apartment Owners**
  - When taking a decision of a community of apartment owners, each apartment owner shall have as many votes as there are apartments in his or her ownership.
  - If one apartment owner owns more than a half of the apartments existing in the residential house, when voting he or she shall have 50 per cent of the votes of all votes of apartment owners.
  - *If a residential property belongs to two or more joint owners, they shall authorise one person to represent all apartment owners and shall have one vote when voting.*

# Law On Residential Properties. Latvia

- **Procedures for Decision-Making of a Community of Apartment Owners**
  - at a general meeting of apartment owners
  - without convening a general meeting of apartment owners – by means of a questionnaire
  - upon mutual agreement of another kind
  - ❖ *All decisions of the community of apartment owners shall have equal legal force regardless of the manner in which they were taken.*

# Law On Residential Properties. Latvia

- **Covering of Administration Expenditure of a Residential House:**
  - An apartment owner, according to the existing joint property share included in his or her residential property, shall cover the expenditure specified on the basis of a decision of the community of apartment owners for the performance **of mandatory administrative activities** of the residential house;
  - An apartment owner, according to the existing joint property share included in his or her residential property, shall cover the expenditure specified on the basis of a decision of the community of apartment owners cover for the performance of other administrative activities of the residential house, **which ensure improvement and development** of the residential house

# Law On Administration of Residential Houses. Latvia

- Administrative Activities of a Residential House -**mandatory** administrative activities
- **Assigning of the Task of Administration** of a Residential House to an Administrator
- **Vocational Qualifications** of the Administrator of a Residential House
- **The Cabinet shall issue regulations** for the performance of the mandatory administrative activities for a residential house

# Law On Administration of Residential Houses. Latvia

- **Mandatory administrative activities**
  - **the maintenance (physical preservation) of the residential house (hereinafter – maintenance) in accordance with the requirements of regulatory enactments:**
    - the sanitary servicing of the residential house,
    - the provision of heating, cold water and sewerage, as well as removal of household waste;
    - the inspection, technical servicing and current repairs of the residential house, the facilities

# Law On Administration of Residential Houses. Latvia

- **Mandatory administrative activities**
  - - the provision of the requirements set out for the residential house as an environmental object;
  - - the provision of the fulfilment of the minimal energy efficiency requirements set out for the residential house;
  - the planning, organisation and supervision of administrative work;

# The Cabinet regulations. Latvia

- Regulation of inspection, maintenance and routine repair of the Residential houses and the minimum energy efficiency requirements  
The Cabinet regulations Nr 907
- Operational Programme "Infrastructure and Services" addition by activities 3.4.4.1.  
"Procedures of Improvement of Heating in apartment houses" Cabinet regulations Nr 284

# Regulation of inspection, maintenance and routine repair of the Residential houses and the minimum energy efficiency requirements

The Cabinet regulations Nr 907

- Minimum energy efficiency requirements for residential houses:
  - Heat consumption should not exceed:
    - ❖ 200 kWh/m<sup>2</sup> per year in buildings with domestic hot water
    - ❖ 150 kWh/m<sup>2</sup> per year if heat is used just for heating



# Operational Programme "Infrastructure and Services" addition by activities 3.4.4.1. "Procedures of Improvement of Heating in apartment houses"

- Programm beginning 2009 - end 2015.
- Participants of the programme should provide common reduction of energy consumption minimum 20%
- After renovation consumption of energy for heating should not be more as
  - 120 KW/h/m<sup>2</sup> for 1-2 floors buildings
  - 100 KW/h/m<sup>2</sup> for buildings which consists from more than 2 floors



## **Operational Programme "Infrastructure and Services" addition by activities 3.4.4.1. "Procedures of Improvement of Heating in apartment houses"**

- **Basis for the development of the design is conclusion of energy auditor**  
energy auditor is governed by rules of the Cabinet
- **During design of the project should be ensuring compliance with Latvian and European building norms ETAG 004**

## Operational Programme "Infrastructure and Services" addition by activities 3.4.4.1.

### "Procedures of Improvement of Heating in apartment houses"

- EU co-financing is up to 50% of the costs for design and construction work
- ❖ **But this co-financing is limited by the relation**

savings of heat energy (MWh / year)

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the project application for ERAF aid (in thousands of lats)  $\geq 2$



**Operational Programme "Infrastructure and Services" addition by activities 3.4.4.1.  
"Procedures of Improvement of Heating in apartment houses"**

- EU co-financing is up to 50% of the costs for design and construction work
  - ❖ But not more than 50 Euro/m<sup>2</sup> of total heated area of the building
  - Besides energy efficiency measures are compensated costs of repair and improvement of house up to 5% of the construction cost



## **Operational Programme "Infrastructure and Services" addition by activities 3.4.4.1. "Procedures of Improvement of Heating in apartment houses"**

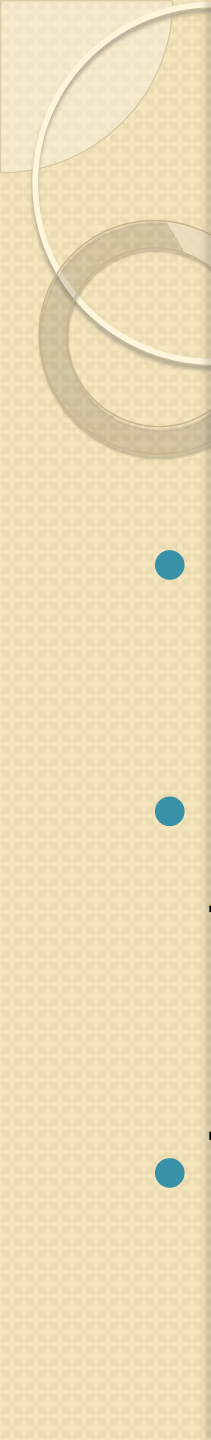
- **Funding is special bank offered product:**
  - Credit in commercial banks – there is no mortgage for apartment, as providing is considered financial flow of residential houses in future.
  - Borrower - community, decision must be made not less than 60% of the vote, the payment discipline not less than 90%
  - Loan term is up to 15 years
  - % Rate from 2.8 floating to 4.5 constant for two years

## **Improving energy efficiency - decision procedure**

- Administrator assesses the situation and offers an action plan to owners
- Community make decision according to law, meeting requirements of the Cabinet and banks
- Usually decision is made without convening a general meeting of apartment owners – by means of a questionnaire

# Improving energy efficiency – decision making procedure

- The role of cooperatives and associations in decision-making:
  - Cooperatives and associations are created by apartments owners , therefore their credibility is higher than administrators -merchants
  - Explanations, propaganda, training of members for decision-making
  - Represents community and on behalf of community signs the contract for design, construction works, receiving the credit



# **Implementation of a program to improve energy efficiency in apartment buildings. Latvia 2009-2013**

- over 1,000 buildings involved in the project
- More than 500 projects implemented, the rest is on of the stage of completion
- The achieved result is reduction of energy consumption from 30 to 50%



# Flat owners cooperative society

## “Bāka-2”

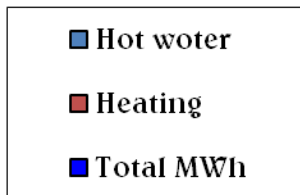
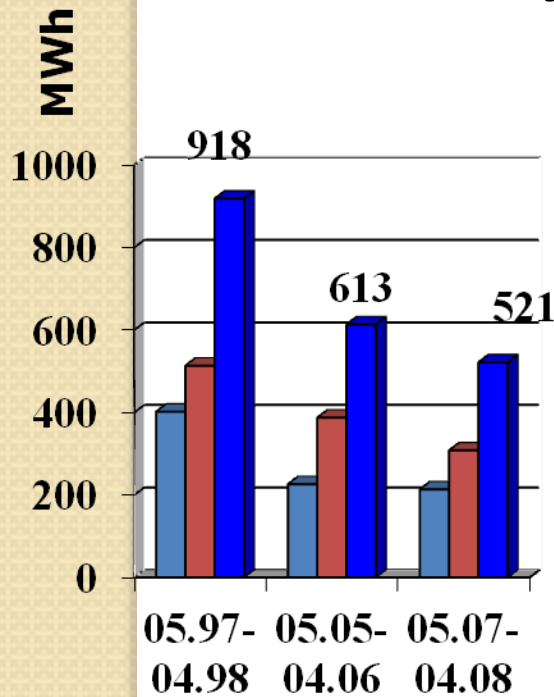
- Administrator of 27 residential houses, 1800 apartments (living space 92000 m<sup>2</sup> )
- 9 houses is renovated, 6 using EU financing
- Average consumption of the heat energy (with domestic hot water) **before** renovation **220 KWh/m<sup>2</sup>** per year
- Average consumption of the heat energy (with domestic hot water) **after** renovation **120 KWh/m<sup>2</sup>** per year

# Typical situation before renovation



# Renovation is finished in 2005

## Heat consumption



Costs Total –  
EUR 222282  
Credit – EUR  
114000

Average savings  
on heat energy  
prices 2009 EUR  
21 000



# Implementation of a program to improve energy efficiency in apartment buildings.Latvia 2009-2013

- **Results:**

- Confirmed the accuracy of the conclusion of the energy audit
- Worked out standard solutions and evaluated the effectiveness of individual measures
- Confirmed that in the scheme of co-financing, the overall cost of maintenance of buildings, including the repayment of the loan, is slightly higher or lower as a same costs before renovation
- Most efficient is to make a complete renovation including both insulation and structural rehabilitation and reconstruction of communications



# Thanks for your attention!

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