

Country Survey InoFin Latvia



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Flat ownership structure

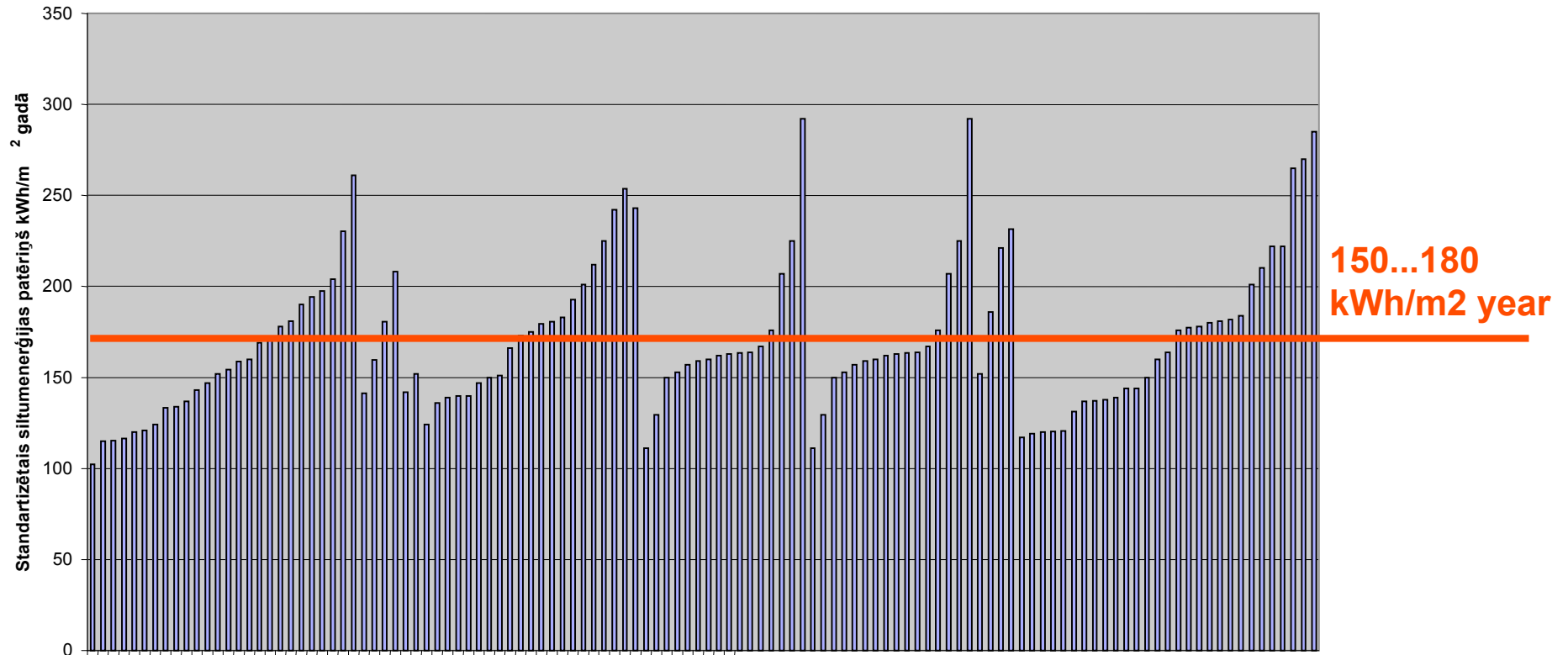
Private flat owners (privatized flats): approx. 535,000 flats

Private multi family building owners (denationalised): approx. 78,000 flats

Municipality owned (social houses under Latvian law): approx. 2,500 flats

Heat energy for heating

(203 heating days, average outdoor temp. 0°C ; max temp. $-25\ldots 30^{\circ}\text{C}$)

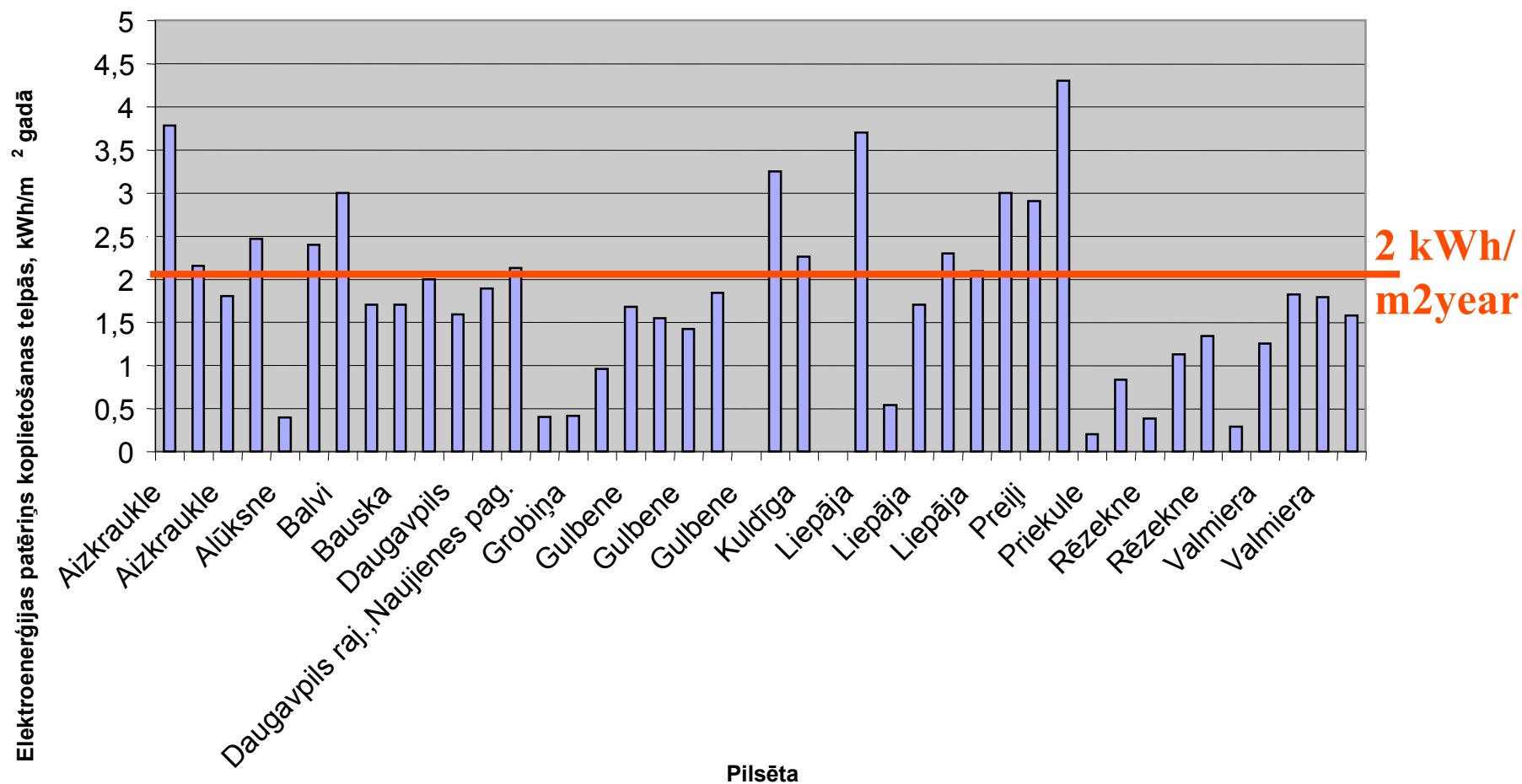


Total energy consumption:

- Connected to DH: 5033 GWh/year (from official statistics);
- Other heat source than DH: 1100 GWh/year ??? (assumptions)

Energy performance data
of the (social) housing stock

Electricity consumption for common space



Main national housing acts and regulations

- Housing Policy Framework Document
- The National Building Program
- Housing regulations:
 - Law on Apartment Ownership
 - Law on Rent of Residential Space
 - Latvian building code LBN 002-01

Institutions

Ministry of Regional
Development and
Municipalities

Ministry of Economics,
Dept. of Buildings

State Housing
Agency

Riga Housing
Agency

Association of
Apartment
Owners
Cooperatives

Latvian Association
of Building Owners

Union of Riga
Apartment
Tenants and
Owners "Mītne"

Grant schemes for (social) housing refurbishment

- **NO** national/regional subsidy/grant schemes available for (social) housing refurbishment in Latvia.
- only **one exception** –Valmiera city council provides non-interest loans for dwelling buildings to improve energy efficiency. Max amount of loan is 7000 EUR and max length of loan is 3 years.
- Any other energy efficiency projects are financed by **commercial loans** taken in commercial banks.
- **No** private financing schemes;
- The only state support that has been provided is for **energy audits**. It is managed by state agency Housing Agency.

Future financing initiatives in the field of (social) housing refurbishment

- In the '**business as usual**' case no state support for energy efficiency projects is predicted;
- approx. **43 million EUR from EU structural funds for 2007-2013** will be allocated to energy efficiency projects in housing sector (this money will cover co-financing costs for **approx. 570 buildings** assuming that co-financing from EU is 75% and total refurbishment costs for building are 100,000 EUR).
- The World Bank carries out an analysis of options for trading Latvia's surplus **Assigned Amount Units** pursuant the Kyoto Protocol, including options for investing the revenues from transactions through a **Green Investment Scheme**. The money from trade of AAUs is planned to invest in renewable resources projects and energy efficiency projects.

Drivers of the situation in (social) housing refurbishment

- To improve appearance of building because most of the buildings have never had refurbishment since they were built;
- To increase value of real estate – examples of refurbished buildings show that real estate price has risen two to four times;
- To decrease energy bills;
- To improve comfort conditions – to increase indoor temperature, to eliminate mould on the walls etc.

Barriers of the situation in (social) housing refurbishment

- Legal barriers – how to make many flat owners to agree on common activities?
- Financial barriers – lack of state or municipal grants discourage people to implement EE measures;
- Social and Cultural Barriers - fear of taking loans, desperation, exhaustion and hopelessness not reaching welfare after country got independence in 1991 .
Champions needed to implement projects.

Main conclusions

- No state or municipal support (except Valmiera municipality) financial support. The trial with Housing Loan programme failed because lack of money in state budget;
- Very well established commercial loan system with attractive conditions but not many housing taking loans because of legal and social/cultural barriers;
- Upcoming EU Structural fund grants for very limited number of projects;
- Probably upcoming financial sources from International Emission Trading of AAUs;
- Slowly increasing number of implemented projects as can be used as best practice examples in different regions of Latvia;
- Complicated social and cultural barriers;
- Undeveloped TPF for Energy Performance Contracting.