



Refurbishment of multi-family blocks in Latvia with the help of EIB-ELENA TA facility

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On behalf of JNIP (Jelgavas Nekustamā Īpašuma Pārvalde SIA)



Key facts about EIB-ELENA



- Technical Assistance in preparing large-scale energy renovation investments from €30M up to €400M in coming 3-4 years;
- Grant covers 90% of costs related to Feasibility studies, energy audits, business plans, tendering processes;
- For a total grant of up to 10% of the realised investments in energy efficiency improvements
- Non-competitive process

Eligible Projects & Activities

Sustainability investments, related to

- Improving energy efficiency in buildings
- Integrating renewable energies
- Low-carbon mobility

Technical assistance to implement investments:

- Feasibility studies and business plans
- Energy scans
- Financial structuring and contracting
- Marketing & promotion
- Programme implementation units

JELGAVA & EIB-ELENA



BENEFITS

- JNIP increases 6x capacity to develop projects;
- Increase renovation quality and reduce costs by hiring experts;
- Train more renovation managers – high demand on market;
- Explore alternative ways of long-term financing;
- Build the steady pipe-line to secure serial-refurbishment and construction partners to maintain renovation rate;

OBSTACLES

- ELENA is great facility, lots of personal support from EIB staff in preparation process, but at the same time can be lengthy process to connect regional programme with EU rules
- Difficult to get local / Jelgava 'trust' and required commitments for EU program
- Small country, limited capacity to invest thus, initial gap between ELENA minimum requirements

Overview of the JELGAVA ELENA program

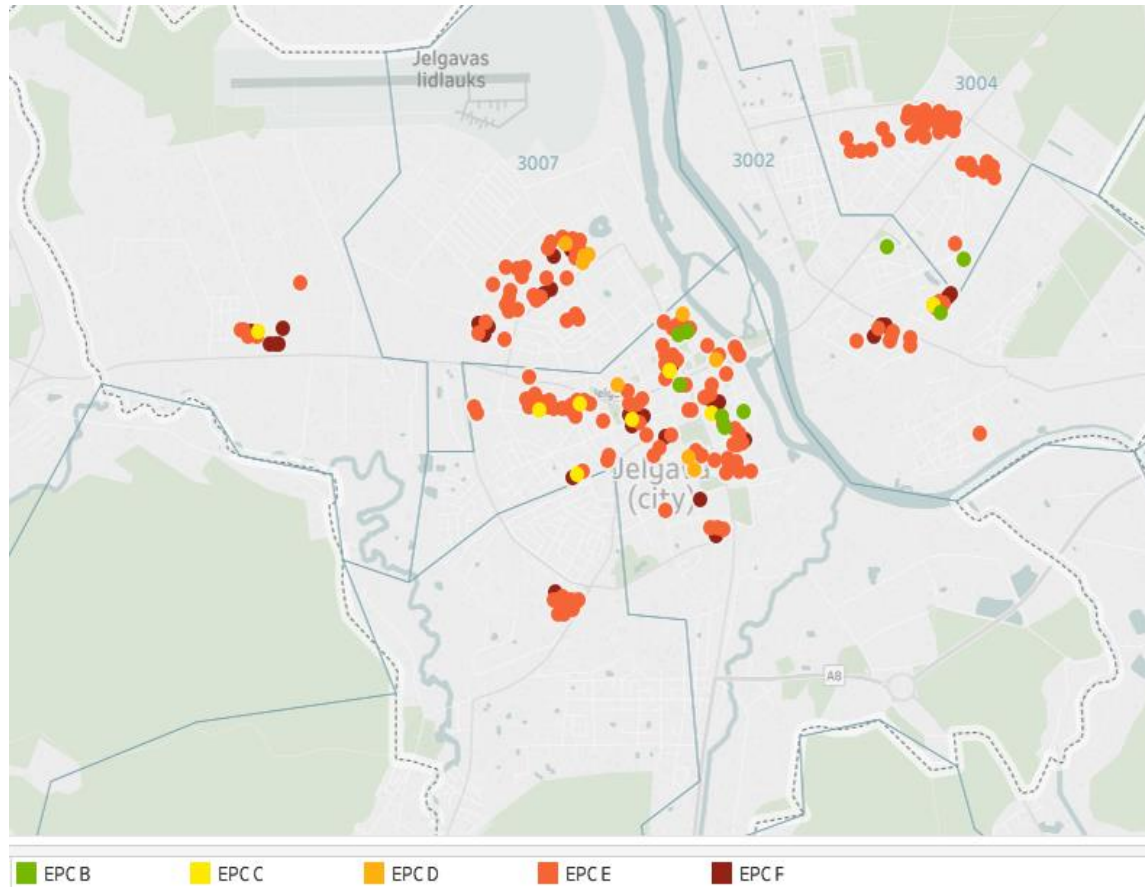


In Jelgava, Latvia, the municipal building maintenance company motivates and supports apartment owner associations in EE refurbishment process.

The project duration is 3 years, with starting date 01.12.2020

The main aim of the project is to increase the rate of refurbishment and quality of the refurbishments

Current building condition



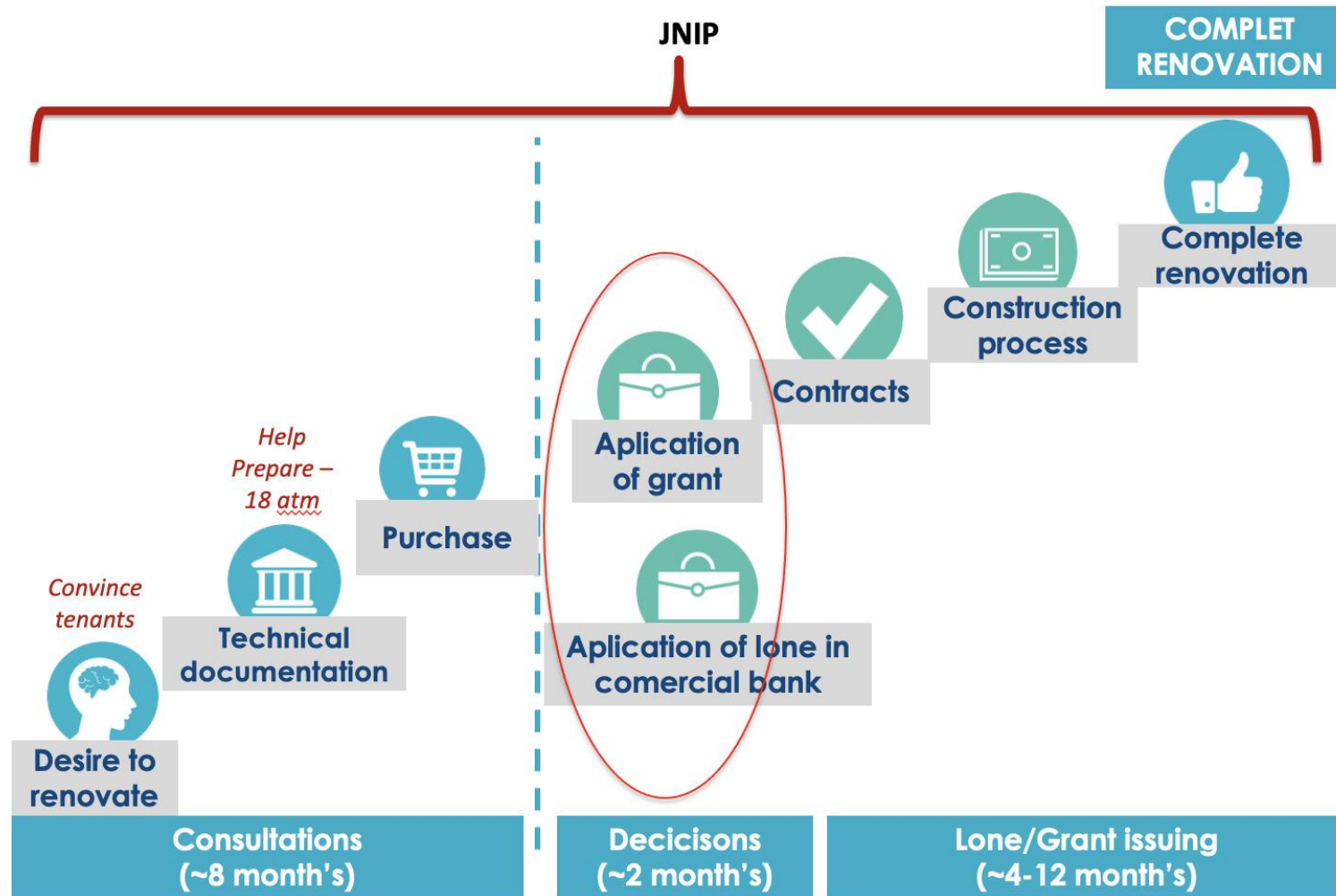
- Mainly with energy label EPC E or F buildings (will be retrofitted to energy class B using TA support);
- The majority are built between 1960s-1990s;
- Many buildings have not received any overhaul for several decades, neither cosmetic nor energetic;
- 50% of Latvian panel housing stock will wear out in 20-year time;

Importance of consensus building



- The number of dwelling in building can be anywhere between 4-120;
- 91% of dwellings in private ownership;
- Energy efficiency renovations cost per building can vary between 100k – 1.4M EUR; loan component 50%;
- At least 51% need to vote for going further with renovations; for loan at least 66% need to agree;

Renovation preparation process



Source: ALTUM



Current EE Renovation Cost

Renovations building type 104 – 16 dwellings			Details or Value		
Investment Cost	Overall expected cost	[EUR]	266,295		
	Expected average cost	[EUR/m ²]	306		
	Total m ²	m ²	869		
	Estimated cost of each measure to be implemented	[EUR]	Envelope Insulation (floor included):	79,360	
			Planning and monitoring:	16,165	
			Windows and doors	107,280	
			Heating and ventilation:	38,800	
			Scaffolding, entrance area, construction site equipment:	16,165	
Stairwell:	24,690				

Interim results



- 23 houses have technical documentation and potential for funding under the existing EU Structural Funds program
- 60 houses have been technically inspected:
 - 35 houses are planned to be renovated;
 - owners of apartments in 12 houses strongly oppose the renovation ;
 - 13 houses not worth investing, investments will never pay off

Challenges and hurdles

- construction prices rise in 2021, construction companies refuse to award contracts, new procurement;
- no new funding is currently available - the previous EU funding programme is no longer open for applications (since December 18, 2020), the new programming period programme has not yet been approved;
- the ability of apartment owners to pay - without the grant component, renovation is "too expensive" for apartment owners;
- Ukraine crisis:
 - ✓ problems with the supply of building materials;
 - ✓ increase in construction prices;
 - ✓ apartment owners are reluctant to take on additional loans, want to save money for a "rainy day"

THANK YOU!

GET IN TOUCH

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