



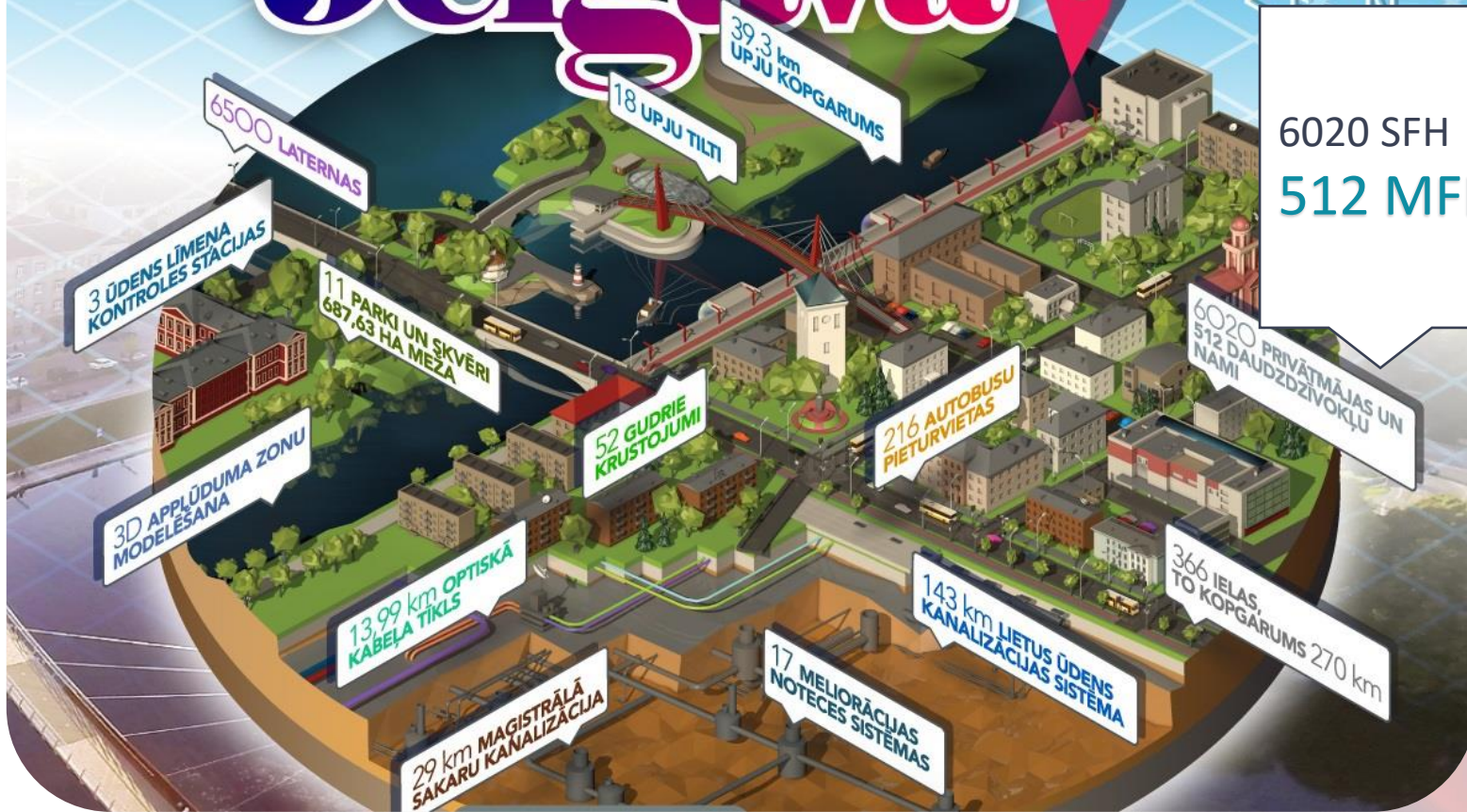
# Refurbishment of multi-family buildings in Latvia with the help of EIB-ELENA TA facility

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# GUDRA PILSĒTA Jelgava

56°38'54" N  
23°42'54" E



6020 SFH  
512 MFH

JNIP administrated and maintained ca. 80 % of MFH of the city, 4. largest city in Latvia with ca. 60T inhabitants



# Key facts about EIB-ELENA

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- 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

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## 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 a 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

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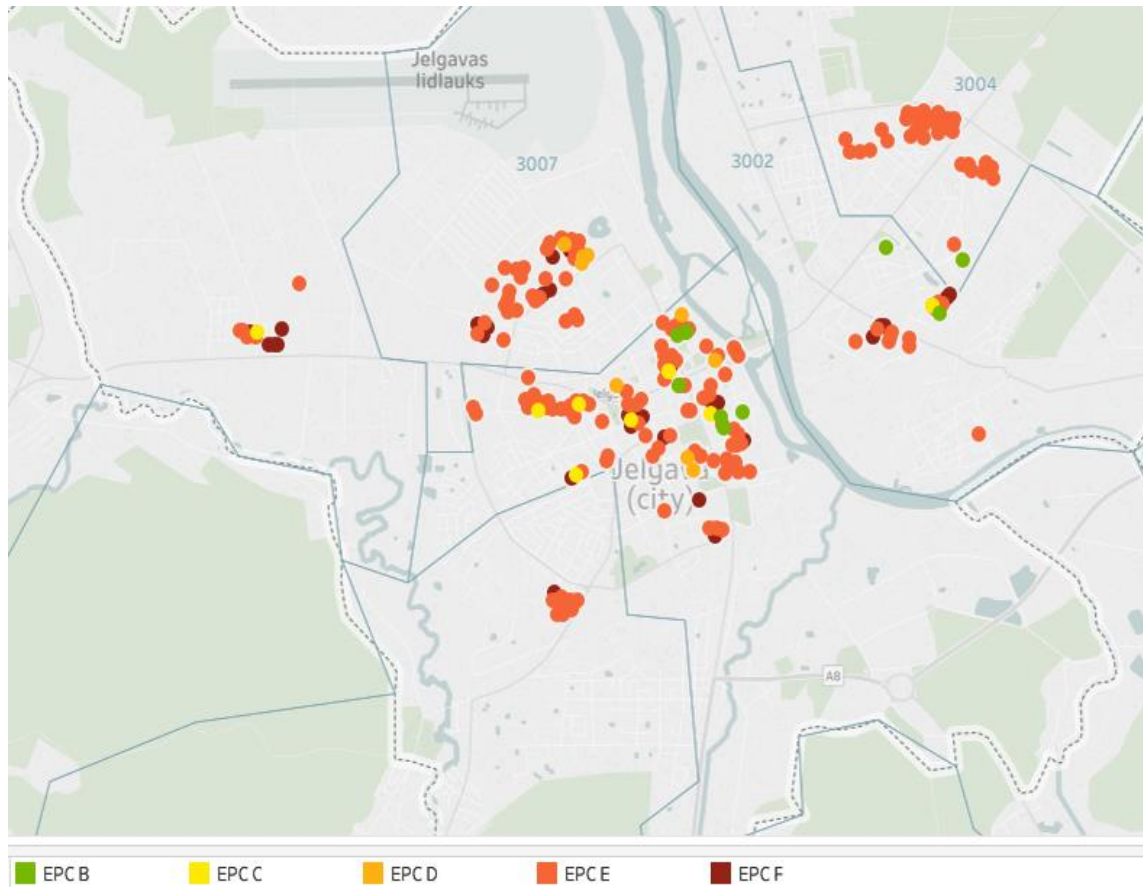


In Jelgava, Latvia, the municipal building maintenance company motivates and supports apartment owner associations in EE refurbishment process.

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;

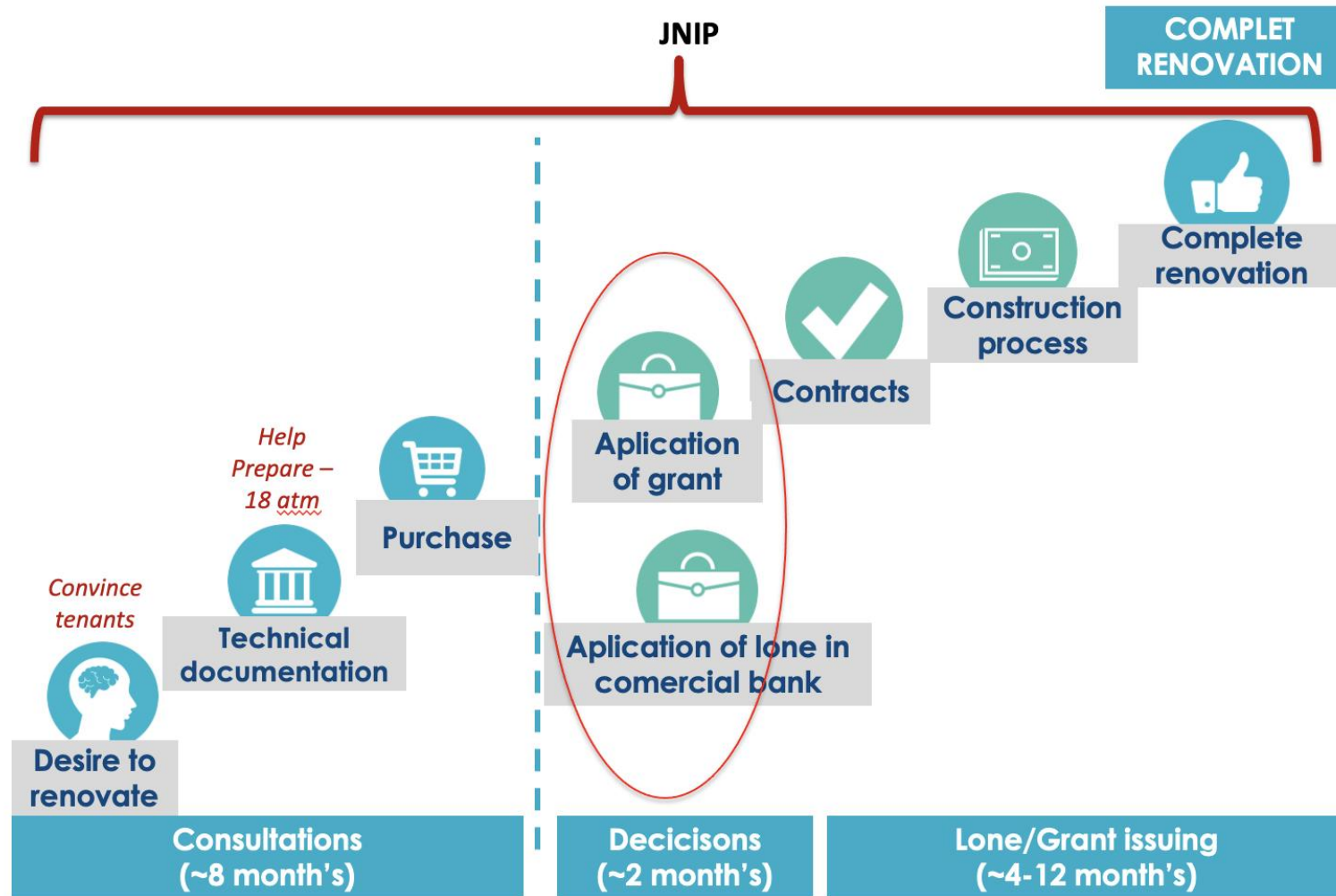
# Importance of consensus building

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- 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 <sup>2</sup> ]	306		
	Total m <sup>2</sup>	m <sup>2</sup>	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

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- 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!**

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