Setting-up a One-Stop-Shop for condominiums: Riga, Latvia

Riga, Latvia

633.071 inhabitants
154 private condominiums

Timeframe:
January 1st, 2018 – ongoing

Quick tour: what's in it for you?

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The Latvian long-term strategy for renovations sets the goal of improving the energy consumption of 14 000 households and, on a local level, the municipality of Riga committed to energy retrofitting by signing the Riga Development Plan 2030. Riga also signed the Covenant of Mayors, aiming to reduce emissions by 60% by 2030. In line with these political commitments, the Riga Energy Agency, a municipal entity of the city of Riga, took part in the INNOVATE project, an EU Horizon 2020 project that aimed at setting up a One-Stop-Shop (OSS) to provide information on energy renovation for citizens. Almost 85% of Riga's population lives in multi-apartment buildings, 94% of those residents own their apartment. Many of these condominiums are in need of energy retrofitting, since they were built during the post-war era and are poorly insulated.

The project's main goal was to increase the condominium owners' willingness to renovate their apartments in order to increase energy efficiency. The improvement of the overall living standard was also a goal. The One-Stop-Shop's objective is to:
– provide retrofitting information, guidance and services to households
– motivate owners to take control of their housing management and encourage them to get organized in cooperatives or associations
– stimulate energy efficiency measures
– introduce a subsidy program to increase interest in retrofitting

In this case study, you will learn how the Riga Energy Agency established a One-Stop-Shop to provide retrofitting information for flat-owners as well as overall guidance and support throughout the entire renovation process.

Accelerating Condominium Energy Retrofitting: how Riga aced it

To support owners (the demand side)

The One-Stop-Shop provides consultation on energy efficiency, energy audits and construction works. It also provides guidance throughout the renovation process, including help with all necessary paperwork.
To provide information for owners, Riga Energy Agency made use of various communication channels: they set up a website (renove.lv), made brochures and offered face-to-face consultations. They also organized local information events in cooperation with local community leaders.


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The OSS helps owners to establish an individual renovation plan for their building. This also includes financial advice for each individual flat owner. The OSS also assists owners to prepare the application for the city's subsidy.

To federate building professionals (the supply side)

The market in Riga is currently composed of five ESCO companies who offer energy efficiency refurbishments for condominiums, the majority of them are SMEs. There is a general negative attitude towards the construction sector in Latvia, which is characterized by very little trust towards construction works that have been carried out. The support of the municipality is important to overcome this mistrust.

To link the demand and the supply sides

The One-Stop-Shop does not engage in the procurement process, condominium owners decide on their own which company they hire for the desired works. The OSS cannot provide names or contact details of professionals, as they are a public body and hence not allowed to advertise certain companies.


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How much does it cost?

The average cost of energy retrofitting per building was about 15 400€. The city's budget for co-financing was 500,000€ in 2018, 685,000€ in 2019 and 1,000,000€ in 2020.


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To obtain financing by the city, residents had to fulfill 3 requirements: The concerned buildings had to be composed of at least 8 apartments, the residents could not have any tax debts and they were obliged to establish a housing cooperative to take care of any possible issues. Residents were allowed to contract a housing company for this, but they had to do this themselves, the municipality did not offer any help. In order to encourage renovations, the city offered a 90% tax discount for the 2 years following the establishment of the cooperative. Single owners could not apply for the city's grant, it was mandatory to act as a cooperative.

The grant provided by the city covers a maximum of 50% of all energy efficiency related construction works. Owners have to get a bank loan for the other 50%. The maximum time frame for co-financing is one year. In certain cases, especially when it comes to deep renovations, the period can be extended for another year.

The One-Stop-Shop is entirely financed by the Riga City Council. It does not make profit, as it is a public institution of the municipality of Riga. In order to cover the OSS costs (salaries, marketing, events, administrative costs), 60 condominiums have to be renovated through the OSS per year.

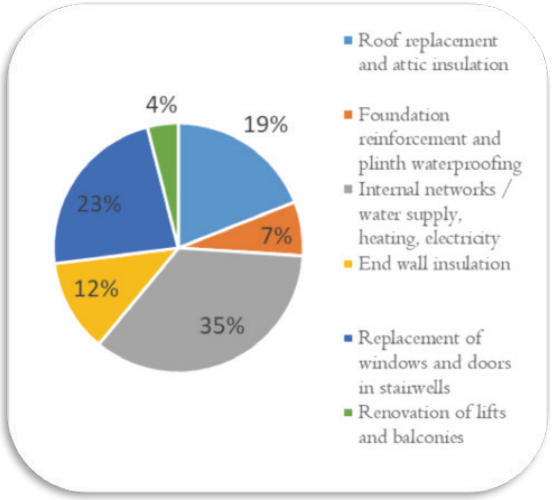
And how is the project organised?

The Riga Energy Agency was reorganized in order to set up the OSS and increase efficiency, especially regarding the implementation of the city's financing programme. The OSS is entirely organised by the Riga Energy Agency, who takes a strictly administrative role in the project, being in charge of consultation, processing applications and payments. It also manages and monitors progress. The city commission decides on financing and the housing cooperatives organise and oversees the construction works. Construction works that could be a danger to residents when not done according to health and safety regulations (such as elevators or balconies) are controlled by the OSS. There are four employees responsible for consultations and the overall implementation of the project.

As a branch of the Riga Energy Agency, the One-Stop-Shop is located in the same building as the Energy Agency. It is opened for homeowners every Tuesday and Thursday, but due to the high demand, the OSS is currently looking to relocate to a bigger office to be able to receive homeowners more often.

Some figures

In Riga, 154 condominiums were retrofitted. This equals about 385 000 m2, more than 10 000 inhabitants were engaged in the process. Energy savings through deep renovation are estimated to be about 50%, decreasing the overall utility bill by 40%.
Renovation works concentrated on:
– Roof replacement and attic insulation
– Foundation reinforcement and plinth or skirting board waterproofing
– Internal networks, water supply and heating as well as electricity
– External wall insulation
– Replacement of windows and doors in stairwells
– Renovation of lifts and balconies



Here is some advice if you'd like to do it in your city

Providing accurate and independent information is key. Owners often feel unsure about renovations and do not trust construction companies, who often do take advantage of homeowners by overpricing their services. This can be a barrier for owners to commit to energy retrofitting.

Construction works should be divided into smaller phases, like e.g. internal (pipes, heating) and external (windows, roof, insulation) renovation. This way, the process becomes more accessible to residents. It is crucial to approach renovations in a step-by-step manner, since owners are reluctant to commit to extensive energy renovations all at once due to financing issues. In Riga, the amount of single contracts per house is not limited, so that it is possible to receive separate funding for each part of the renovation. In addition, the scope of the project should be defined in detail beforehand, as each amendment slows down the overall process.

For the Riga Energy Agency it was a big challenge to receive financing for the first steps of the project. Strong political support was necessary here. In Riga, the Covenant of Mayors served as a starting point to convince the City Council to engage in energy retrofitting and provide financing for the launch of the project.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Any question?

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Information

http://www.financingbuildingrenovation.eu/cases/riga-energy-agency-latvia/
http://www.rea.riga.lv/en/

You too are facing the challenge of the energy retrofitting of privately-owned condominiums in your city?

The ACE-Retrofitting project aims to develop a governance model facilitated by cities linking owners and building professionals to accelerate condominium energy retrofitting. The French CoachCopro tool will be upgraded and adapted to other countries. The consortium is composed of Agence Parisienne du Climat (France), Maastricht University (the Netherlands), Energy House Antwerp (Belgium), the City of Liège (Belgium), Aberdeen City Council (UK), Frankfurt Energy Agency (Germany), the City of Maastricht (the Netherlands), Changeworks (UK) and Energy Cities (coordinator). Study visits are organised in the partner cities of the consortium.

www.nweurope.eu/ace-retrofitting

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This case study has been drafted by

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