



UNECE
First Workshop on Energy Efficiency in Housing
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Sustainable Models for Energy Efficient Renovation of Condominium Housing



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Common problems of the housing estates in all Eastern European big cities:

- High energy consumption in existing multi-storey housing
- Deteriorated status of condominium housing

In Bulgaria these problems are more complicated due to:

- Extremely high share of the homeownership
- Lack of any traditional practice and legislation concerning the maintenance and management of condominium buildings

As a result:

- More than 50% of the owner occupiers do not have sufficient income to cover the current costs of the services
- Contradiction between the status of an apartment owner and the income level of the residents
- Increasing decapitalization of the condominium buildings

In most of Eastern European countries:

- Rental stock privatized together with imposing obligations for collective management and payment of running costs
- Homeowners' associations established according to privatization contracts

In Bulgaria:

- Condominium property established immediately after completion of the buildings
- Government used to transfer the property of the apartments to their future residents without creating rules for proper building maintenance

As a result:

- Urgent necessity to introduce new rules but AFTER the ownership has been acquired
- Crucial difference in comparison with the rest Eastern European countries that creates huge legal problem
- Lack of consensus in Bulgarian society in regard to the approval of the new Condominium law

In this specific situation in order to solve the problem with the management of the condominium property we need to tackle first the issue with strengthening the civil society starting at community level



“Ad Hoc” energy efficiency renovation activities for the insulation of separate building parts by the apartment owners as a result of the increase of energy prices and the lack of proper legislation in Bulgaria:

- Wasting of scarce resources
- Prevention of further renovation activities at the scale of entire building

Zaharna Fabrika Pilot Renovation Project



Investigation of possible solutions for a sustainable and efficient renovation and a subsequent maintenance of the renovated condominium building;

Tackling three main obstacles for the implementation of housing renovation activities:

- Lack of know-how about energy efficiency in housing
- Lack of adequate organisation of homeowners
- Lack of affordable financial tools

Project was implemented in Zaharna Fabrika housing estate in Sofia in 2003-2004.

Still the only existing attempt in Bulgaria for a comprehensive integrated approach in tackling the energy efficient renovation of existing condominium housing.

The project covers all related stages in solving the issue of the sustainable housing renovation at building level:

- Establishment of a homeowners' association for renovation and further management at building level
- Energy efficient housing renovation based on a long-term soft loan arrangement
- Energy audit and building certification



Pilot Estate "Zaharna Fabrika"



СЕРТИФИКАТ

за енергийните характеристики на сграда

Категория

A

Номер 063ЕЕК001

Валиден до: 2016 г.

Сграда	Жилищен блок №10		
Адрес	София, ж.к. Захарна Фабрика		
Тип на конструкцията	Средна		
Година на построяване	1 946 г.		
Застроена площ	240,5	m ²	
Отопляема площ	1 214	m ²	
Отопляем обем	3 152	m ³	



Годишен разход на енергия

ДЕЙСТВИТЕЛЕН	ЕТАЛОНЕН
138.9 kWh/m ²	148.1 kWh/m ²

Издаден на 06.06.2006 г.

Издаден от

ЕнЕфект –Консулт
ЕООД

Рег.номер

00063

Подпис/печат



Renovated pilot building has been awarded by Eneffect Consult Company **Certificate Class A** for energy efficiency of residential building. It was measured that after renovation heat consumption decreased with more than 50%

Project approach based on carefully engineered project feasibility scheme:

- Renovation costs covered by savings for heating energy afterwards
- No increase of running costs after renovation
- Apart from soft loan facility offered by DIGH, there was no subsidy

The project scheme is even more prospective and sustainable in combination with a state budget subsidy under the National Renovation Program available from 2007

The project was presented in the period 2004-2008 at different Bulgarian and international events – media articles and broadcasts, research projects, seminars:

- Intelligent Energy Europe research projects - INOFIN, ROSH and RESHAPE
- Presentation of Dutch International Guarantees for Housing at the EU-CECODHAS Seminar on use of Structural Funds in housing – January 2007, Brussels
- CECODHAS, DIGH and others newsletters, etc.

The project approach – flexible, bottom up oriented, end-users friendly and managed by specialized non-governmental organization, is not yet meeting a sufficient support on behalf of the Ministry for Regional Development and Public Works in order to have its results multiplied at larger scale

The project achievements have been analysed by the Bulgarian Housing Association together with other relevant pilot activities in “TACKOBST” and „Power House Europe” multi-country energy efficiency research/dissemination events co-funded by the European Commission (IEE)

Building before the renovation





On site negotiation with residents



Renovation activities





Renovation activities



Official opening event



**Building after
renovation**

What should be done in Bulgaria in order to increase the energy efficiency in housing?

The problem of energy efficiency is a part of the (social) housing problem. Energy efficiency can be seen in the same time as an important tool to solve the housing problem

What are the existing housing policy documents in Bulgaria?

- The National Housing Strategy – approved by the Council of Ministers in 2004
- The National Program for Refurbishment of Residential Buildings – approved by the Council of Ministers in 2005

What is being done in regard to the implementation of housing policy and the energy efficiency measures in social (mass) housing?

The National Program is currently the only existing state policy document deriving from the Housing Strategy

However the Program implementation for the time being is limited just to the Pilot Project developed by UNDP since 2006. Apart from this Pilot Project, no other state involvement exists in housing renovation

The following obstacles prevent the Program implementation:

- Budget subsidies stated in the Program are not available
- Lack of necessary regulatory framework for organizing and financing the renovation activities – legal norms are needed in regard to the structures for the Program implementation as well as tax incentives for end users
- Lack of institutional capacity for the Program implementation – currently, the Ministry for Regional Development and Public Works has no expert and financial resources to cover the overall scope of required activities

What has to be done for the successful implementation of the housing policy and energy efficiency measures in social (mass) housing?

1. Adoption of the necessary legal norms allowing a transparent and competitive utilization of the state budget subsidies for renovation provided in the National Program
2. Establishment of a specialized Program Coordination Unit within the Ministry of Regional Development and Public Works for Program implementation providing
3. Provision of economic incentives for residents to invest in energy efficient renovation (income taxation laws, local taxes)

4. Elaboration of a scope of financial packages to cover the renovation expenses in addition to the state subsidy in collaboration with banks, ESCO companies, etc. (financial engineering);
5. Securing the state budget allocations for renovation subsidies;
6. The measure 1.1.2. Housing Policy from the Operational Program “Regional Development” allowing use of EU Structural Funds subsidy for renovation must be open as soon as possible by the Ministry for Regional Development and Public Works. The measure provides funding for housing renovation in the context of urban regeneration activities;
7. Particular attention must be paid to the end users – the apartment owners and the newly emerging associations of apartment owners.

Implementation of housing policy and energy efficient renovation at local level:

Decentralization by creating a proper organization at local level – Program Implementation Units

Establishment of Housing Association as a non-profit company set up according to a special law and taking over the municipalities' duty to develop, manage and maintain social housing units

Creation of the necessary minimal share of social rentals in Bulgaria and improvement of the deformed ownership structure of the housing stock

Housing associations will be also very useful in regard to the start of the large scale energy efficient renovation activities in existing housing. As it happens in Western Europe, housing associations can take over on behalf of the municipality the coordination role between different stakeholders of the housing renovation and urban regeneration process.

Having realized the importance of the Housing Association as a prospective body for the energy efficient improvement of the existing housing stock and development of new rental stock, The Bulgarian Housing Association together with the Dutch Housing Association Woonbron is currently working on a concept and a feasibility study for establishment of a Social Housing Organization in Bulgaria.

Thank you!



For more information:

www.bha-bg.org

www.cac-bg.org

www.tackobst.eu

www.digh.nl/project/show/Central%20and%20Eastern%20Europe/

www.cecodhas.org/content/view/263/206/1/4/