

# Development process of large scale housing in Latvia

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# housing indicators of Latvia

Index	1990	1995	2000	2007
Total housing, mill. m <sup>2</sup>	52.9	52.7	53.4	60.1
Average per inhabitant, m <sup>2</sup>	19.2	21.4	22.6	26.4
Housing in towns and	33.8	34.1	34.7	39.1
Average per inhabitant in towns and cities, m <sup>2</sup>	18.3	20.1	21.5	25.3

- **Housing units – 967 thousands.;**
- **Apartaments – 71%; family houses – 29%**
- **Residential buildings – 330,6 thousands;**

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# housing policy of Latvia

- Housing Policy Framework (1996)
- Housing Development Lending Programm (2000)
- National Development Plan (2006)

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# housing reform

Housing reforms in Latvia during the transition period were marked by emphasis on privatisation of state and municipal housing, reduction of supply and demand subsidies and deregulation of housing markets. Within the general process of change in the ownership structure, three main forms can be discerned:

- ❑ - restitution;
- ❑ - privatisation;
- ❑ - transformation of co-operatives

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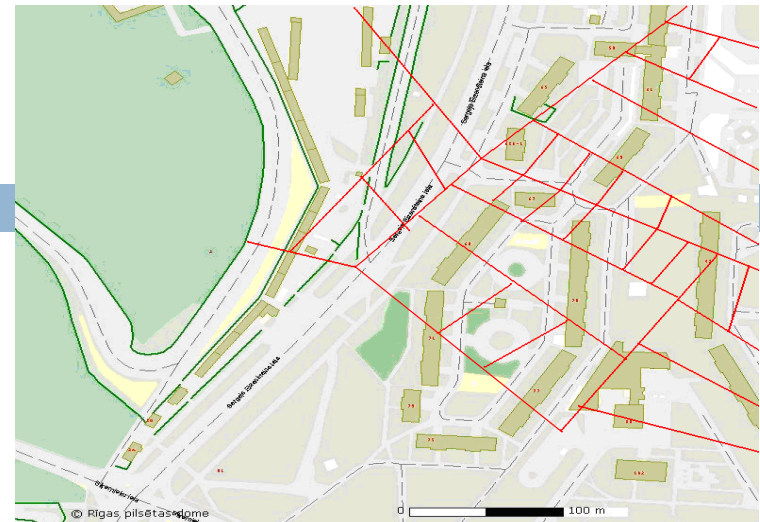


# restitution

By the end of 2002 close to 57,000 dwellings were returned to their pre-WW2 owners

The process has created a private rental sector, accounting for approximately 13 percent of the housing stock

Restitution was also carried out for land areas that had been privately owned prior to WW2



# privatisation

Tenants in state and municipal housing could use privatisation vouchers to purchase their units. By the end of 2004 as many as 187,447 dwellings had been privatised in Riga, they accounted for 94% of the total number of dwellings open for privatisation

Property of another private owner	Property of household		Property of the municipality or state	Property of cooperative society of owners
1991	5.8	No data	84.2	10
2004	74.4	13.1	7.8	4.7

Population by ownership of dwellings in Riga, 1991 and 2004

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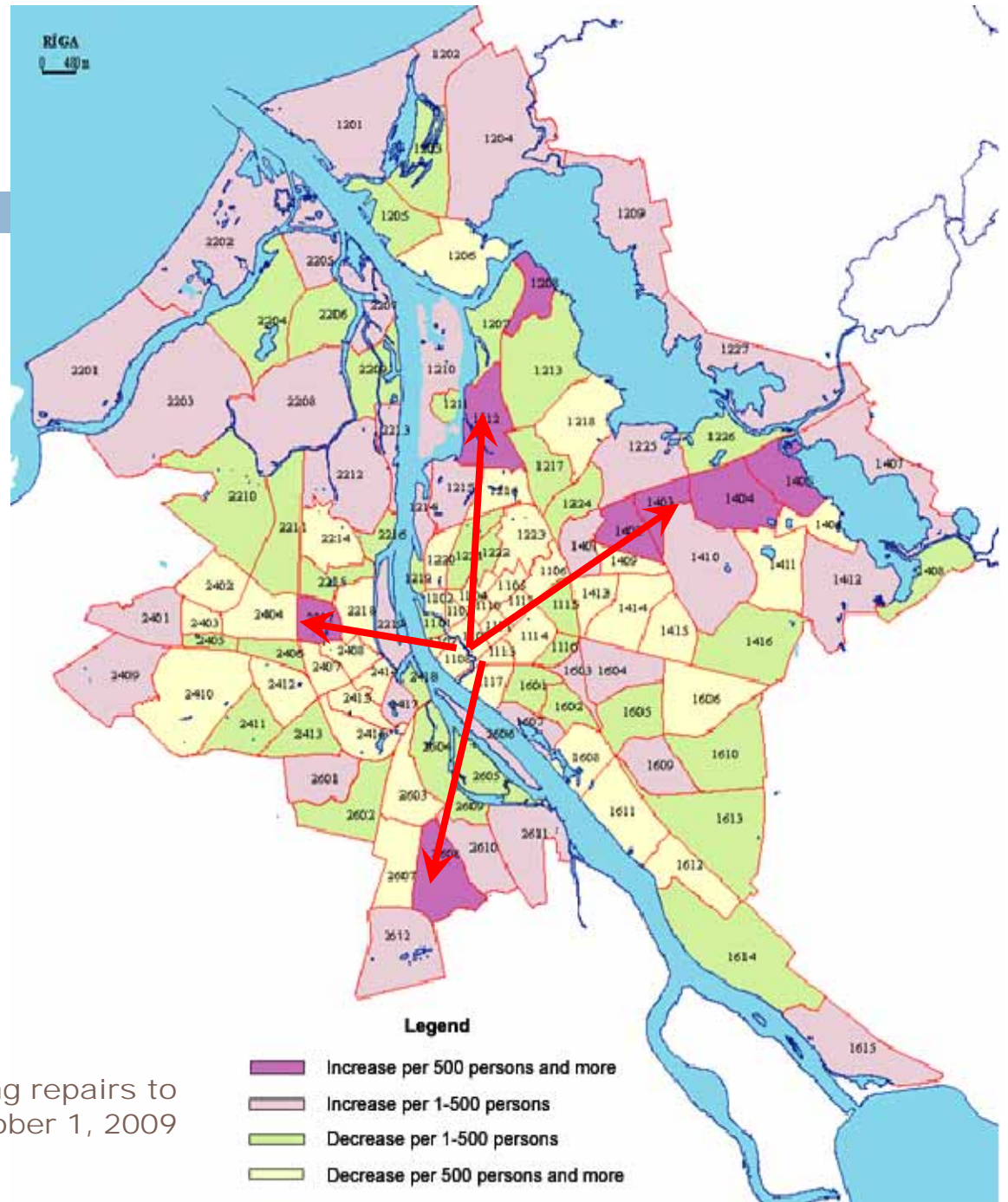
# large scale housing areas in Riga



	Period of construction	Housing area	Number of inhabit	Densit y inh/ha
1	1958-1962	Āgenskalns	25	109
2	1960-1975	Sarkdaugava	22	174
3	1961-1970	Jugla	35	160
4	1961-1971	Ķengarags	60	213
5	1965-1975	Imanta	60	157
6	1965-1975	Purvciems	65	201
7	1965-1975	Bolderāja	15	116
8	1965-1970	Iļģuciems	37	157
9	1968-1980	Vecmīlgrāvis	39	176
10	1977-1985	Mežciems	20	220
11	1985-1990	Pļavnieki	60	200
12	1985-1990	Zolitūde	25	109
13	1985-1990	Ziepniekkaln	22	125
	Total/ average		485	163

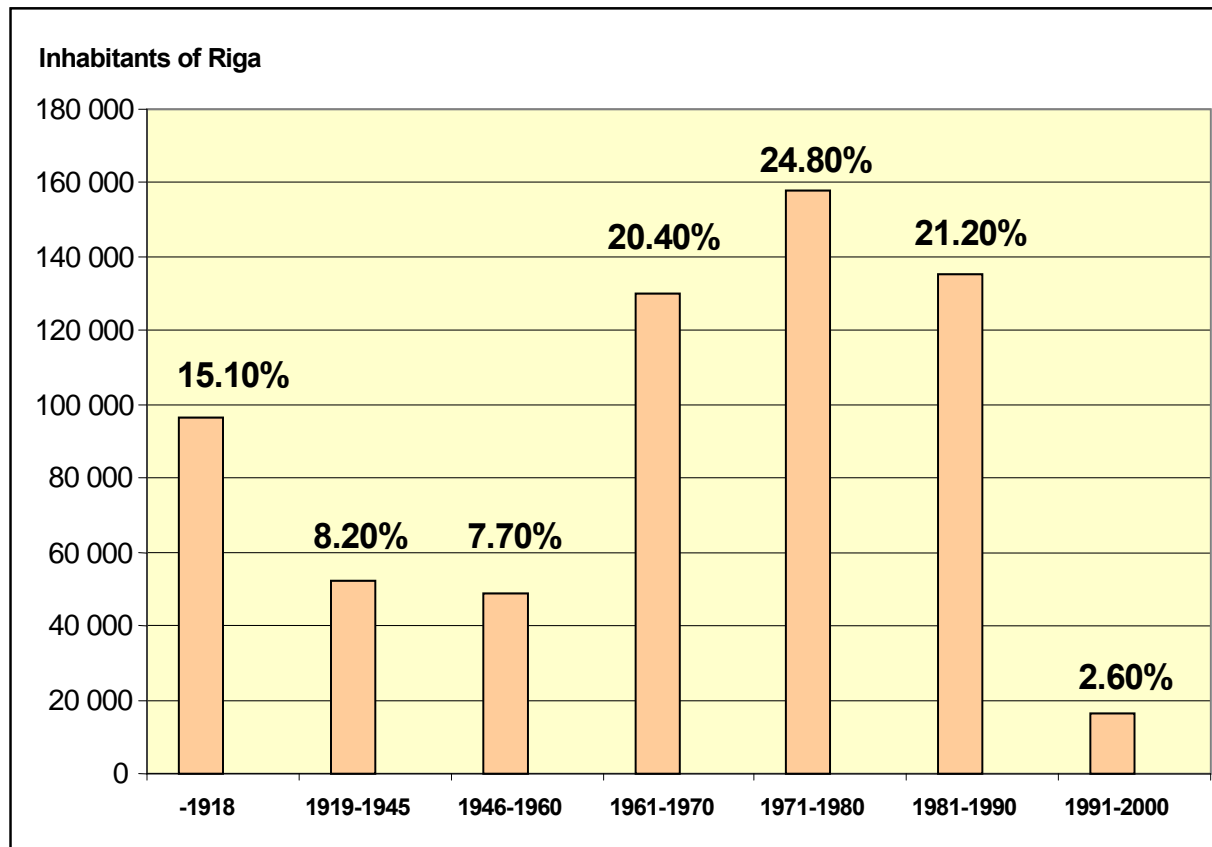


# Changes in the population number in the statistical areas of Riga 1997 – 2007



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# Percentage of inhabitants residing in dwellings built in different periods



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# Current trends: new development

- new apartment buildings are constructed in the vacant areas between the existing buildings
- The area surrounding the new object is facilitated re-planning the existing road network and greenery structure of inner yards which in general leads to a gradual reconstruction of the degraded territory
- This situation also brings some benefit as the existing environment is being improved at the expense of the new developer



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# Current trends: new development

- new complexes of apartment buildings are constructed on the edges of housing estates
- Simultaneously with planning of roads, squares and parking spaces, greenery, playgrounds and sports grounds are arranged in the object according to a common structure



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# Purvciems 1999 and 2007



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# reactions to the development

- Protestations of inhabitants
- Decision of Riga City Council for moratorium of new development in large scale housing areas (01.08.2007.)



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# Current trends: housing renovation

- 1200 apartment buildings has taken various renovations, which invested around 3 mill. Euro
- Home residents invested in refurbishment from 15.000 – 150 000 Euro



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# Regulatory Framework

Cabinet of Ministers approved:

- Law on the Energy Performance of Buildings & Regulations,
- Regulations Nr. 59 (February 2008) “State Budget co financing of energy efficiency activities in dwellings” on the amount of co-financing and the rules of procedure. In this Regulation is noted that:
  - 284,6 EUR (200 Ls) for multifamily house auditing and
  - 20% from total investments for the multifamily house renovation project.

This co-financing should be available from this year (2009).

2. From 2009 it is enough to **have 51% of apartment owner's** agreement to take loan in Latvian Banks. Realised Project applicants faced a problem to reach at least **75%** apartment owners agreement to take loan and to start whole renovation of dwelling (it is required by the bank in case there is no any additional security provided).



# Latvian Energy Efficiency Strategy 2008 - 2010

According to the Latvian Energy Efficiency Strategy for the years 2008 - 2010 (2007)

following goals should be achieved:

- Energy audit realization in multi - family houses (more active in this year);
- Energy audit realization in public and municipal buildings (very slow);
- Reducing average energy demand in buildings from 220 – 250 kWh/m<sup>2</sup>/year to 150 kWh/m<sup>2</sup>/year in 2020

# Renovation approaches

Basically there are two approaches for building renovation projects implementation in Latvia:

- \_ step – by – step renovation
- \_ complex renovation

Both approaches analysis were based on building renovation activities in Latvia: Cesis, Broceni, Riga, etc.

Both approaches were analyzed from point of view of:  
technical measures taken energy saving effects achieved –  
based on monitoring results barriers for project implementation

# Housing renovation for energy saving

The projects are located in different regions of Latvia – Riga, Cesis, Broceni, Liepaja and Salacgriva.

The projects owners in realised projects were:

– Associations of apartment owners – in this case association took a loan and accordingly they went through all the formalities including all administrative, technical and financial actions (projects –Riga, Cesis, Sigulda).

– Municipalities (Broceni, Liepaja, Riga) – in this case municipalities are responsible and for all payments and all actions.

The discussions showed that in both cases the Projects owners noted that it was right decision and both schemes could be useful.

# Example of complex renovation

## Riga, Celmu str. 5

Main parameters of the building :

- Number of floors – 5
- Number of apartments – 60
- Number of tenants – 151
- Heating area – 2972 m<sup>2</sup>
- Hot water – provided all year around

Measures implemented :

- Windows changed, m<sup>2</sup> – 541
- Walls insulated, m<sup>2</sup> – 2023
- Top floor ceiling insulated, m<sup>2</sup> – 780
- Thermoregulation installed on each radiator, pieces – 190
- Thermal energy meters installed on each radiator, pieces – 190

Total investments – **148 560 €**



# Main problems and challenges I

\_ Project applicants faced a problem to reach at least 75% (now 51 %) apartment owners agreement to take loan and to start whole renovation of dwelling (it is required by the bank in case there is no any additional security provided)

\_ It is very difficult for inhabitants to agree to take loan for investments in common property. There are very different people that are living in the same house – for some of the planned payments are acceptable but for some are too high

\_ Inhabitants are not ready to invest in common property and still do not

realize that it is their common obligation

# Main problems and challenges II

- \_ Projects required complex renovation of dwellings. That is correct from technical point of view but it requires also high investments. Not all inhabitants are ready for so big credit payments that are necessary to finance complex renovation
- \_ Inhabitants don't have collective borrowing experience therefore are very skeptic to participate and to take loan
- \_ It is a time consuming process – from project idea to real implementation

# Opportunities

- Housing sector has a great potential for reduction of heat energy consumption and GHG emissions in the future
- Pilot projects proved that it is technically possible to reduce heat consumption by 50% implementing complex panel building renovation project
- Green investment schemes could be very good financing mechanism for this sector:
  - many projects with similar packages of measures planed and simple calculation models for calculation of GHG emissions reduction potential
  - success will be very much dependent on creation of the overall project financing system for renovation of panel buildings that will have enough motivation for inhabitants to take loans and to implement measures

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Thank you for your attention!



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