



INNOVATE project

WP2, D.2.2

Local Development Plan

Riga

Introduction

The City of Riga has been focusing on the issues of condominium renovations in the recent years. The Local Development Plan with the link to the attached Action Plan describes in detail a current overview of the measures that are aiming at building a more sustainable and systemic process of renovations.

A. What is the starting point?

Three studies have been performed by the Riga Energy Agency (REA) during the past few years. First, Riga Energy Action Plan (SEAP) was revised in 2017. Second, within participation in Infinite Solutions project, REA developed the Revolving Fund model, as well a housing market research. Third, within Innovate project, REA developed the Market Gap Analysis, where an in-depth overview of the market was performed.

Local feedbacks enabled to confirm project's objectives:

- to bring a complete guide service to households
- to motivate households to overtake control and management of their housing management
- to stimulate energy efficiency measures
- to introduce a subsidy program that would increase popularity of retrofit works

B. Where to?

6,000 buildings which cover almost 75% of the total floor surface (12 million m²) were built during the post-war period and need urgent renovation.

Primary focus for Riga is the renovation of multi-apartment buildings that were built since the middle of the 1960s, which were erected mainly on the basis of standardized solutions and also panel construction technologies that have low heat stability, which is in line with the construction standards of that time as priority was given to low construction costs. These buildings are the city's main concern, since their energy efficiency needs to be increased and energy consumption decreased alongside reducing CO₂ emissions. About 60 % of the city's population lives in multi-apartment residential houses, and they form the main part of the housing stock, which was privatized when independence of Latvia was regained. Renovation of the privatized multi-apartment residential houses was started in 2001.

Approximately 90% of those condominiums were built in the period from 1960 to 1990 and generally present no historical value. 85% of such condominiums are using district heating. Moreover, 75% of condominiums built in the 1970s-1980s require deep renovation. Due to long heating periods and generally cold winters, the heating period is 6 months, with the opportunity for significant efficiency improvement through the energy efficiency measures.

The Market Gap Analysis was a valuable study that allowed to reveal new factors, affecting the number of renovations to be achieved as a final aim. Multiple previously-known factors such as financial opportunities and gains through economic impacts proved to be significant, meaning that they should not be dismissed. A distinction was made between factors that can be affected on a local level, a public authority level and more continuous factors that are implied by economic and market conditions. Raising the level of income makes flat owners more comfortable in getting extra liability of refurbishment repayment costs. Drivers of the refurbishment process should be escalated to greater extent, while the barriers should be decreased. It is crucial that the aim is set at the national level and all stakeholders are joined in achieving the set targets.

The main goal is to change the culture of the housing management, to increase willingness of flat-owners to renovate their homes, to motivate flat-owners to increase energy efficiency of the condominiums.

From the perspective of the city, another aim is to increase welfare of the citizens and to increase the number of renovated houses per year.

C. How? What?

In order to meet the long-term goal of renovating condominiums in Riga built during the previous mid-century, as well as to raise awareness of flat-owners, the City of Riga established following short-term aims:

- establish a one stop shop for citizens to obtain all necessary information on renovation programs offering co-financing options, and provide explanations of how the program works;
- establish a 500k euro subsidy fund as a pilot project, to get more citizens familiar with the process of renovation and increase their motivation, where one of the requirements is to overtake full control and management over the owned buildings and get rid of debts.

Furthermore, according to SEAP, added-value of renovations will improve energy security, pushing society towards a greener economy.

Following the fairly wide scope of initiatives would be a significant step towards social responsibility and increase citizens' motivation to start acting.

D. Who?

In order to improve the process of the program as well as the transparency of each step, a special commission (with cross field experts engaged, including representatives of largest housing companies, financial department, construction bureau, etc.) was established by the Riga City Council.

Since then, necessary decisions by the Riga City Council have been made, a dedicated team within Riga Energy Agency was allocated, more people were hired, including a program-dedicated specialist to prepare the draft document, consult the public and coordinate submitted applications; an energy efficiency expert to facilitate with the matter; and a technical expert to assess submitted requests from the technical point of view.

E. In what time?

See Action Plan, attached to the LDP.

F. What will be the indicators of success?

What are the measurable development objectives, in relation with the objectives listed under B.?

Following indicators of success will be used:

- Number of houses renovated per year;
- Decrease in energy consumption after completion of the work;
- Number of submitted applications for renovation works;
- Number of houses overtaken from the municipal housing company;
- Number of established private housing management companies;
- Conversion rate (percentage of homeowners who established contact, and who actually perform the renovation works);

See Action Plan, attached to the LDP, for details.

G. Other comments