People First – the case of owner occupiers in multi-apartment buildings

Gyorgy Sumeghy, HFHI/EME
UN-ECE workshop at ISHF, Helsinki
June 15, 2022
Context of CEE countries

- Nearly half of the residential housing was constructed between 1960 and 1990.
- Pre-fabricated multi-apartment buildings - representing 30% to 70% of total housing stock.
- Mass privatization in the 1990s resulted in owner-occupation rates from 80 to over 90%.
- The speed of mass privatization left many countries without an adequate regulatory framework for managing and maintaining these buildings.
- New homeowners had few resources to manage and maintain their own apartment, let alone common building facilities. Many of them still did not get used to their ownership rights and responsibilities.
• Residential Energy Efficiency for Low Income Households-REELIH project in Armenia; Bosnia and Herzegovina; North Macedonia – with the support of USAID
Key challenges

- Low level of income in general
- Lack of “ownership” among home-owners
- Weak legislation for Home-owner associations (HOA)
- Limited access to finance for HOAs
- Lack of predictable and sustainable subsidies for vulnerable households
- Energy poverty
REELIH response: facilitating the Eco-system of residential energy efficiency stakeholders

Disclaimer: This graphics is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents are the sole responsibility of the Habitat for Humanity Europe, Middle East and Africa and do not necessarily reflect the views of USAID or the United States Government.
• Community training and facilitating decision-making
REELIH initiatives

- Demonstration projects: renovation of multi-apartment buildings
- Testing mixed financial models: loans and subsidies
REELIH initiatives

- Advocacy at national level: improving HOA regulation
- Advocacy at local level: subsidies for REE
REELIH initiatives

• Regional comparative research and knowledge sharing

• EU-level awareness raising
ComAct project

- Community tailored actions for energy poverty mitigation in CEE
  - To empower and activate the communities of homeowners’ associations
  - To develop and adapt financial tools that provide financing for low-income families
  - To optimize technical solutions that provide most favorable cost-benefit ratio for the energy efficient improvements in multi-family apartment buildings.

- Pilot projects: Bulgaria, Hungary, Lithuania, North Macedonia and Ukraine

- Funded by EU/Horizon 2020

- Check: [https://comact-project.eu/](https://comact-project.eu/)
• Recognize the owner-occupied multi-apartment buildings as a special form of social housing in Central and Eastern Europe

• Combine energy policy and social policy

• Identify the issue of alleviating energy poverty as one of the focus areas in shaping national building renovation goals

• Provide technical assistance for Home-Owner Associations (HOAs) including social facilitation

• Support renovations by mixed financing models (subsidies + loans) to make this predictable and sustainable long-term

• Strengthen the capacity of local governments so that they can provide the complex technical assistance for HOAs
• National and local governments should conduct massive awareness raising campaigns targeting homeowner associations to promote energy efficiency measures in owner occupied multi-apartment buildings

• One-stop-shops targeting owner occupiers of multi-apartment buildings should provide complex technical assistance including social facilitation. This service should be provided by independent experts and paid by national or local government subsidies to ensure scaling up renovation of these buildings in a sustainable way

• Create an enabling regulatory environment for banks to be able to scale up renovation loans for homeowner associations
Some key regional outcomes

- Knowledge transfer between EU member states and accession countries
- BBC video: https://getwarmhomes.org/
- ComAct papers and toolkits
- Gap analysis of the housing sector in Western Balkan countries
- Influencing EU policy making - EPBD
- Establishing the REE Observatory for CEE – in progress
Thanks!

- Gyorgy Sumeghy
- Associate Director, Policy and Advocacy
- Habitat for Humanity International
- Europe and Middle East Area Office
- gsumeghy@habitat.org

- https://getwarmhomes.org/
- https://comact-project.eu/