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BEST PRACTICE GUIDE 2022

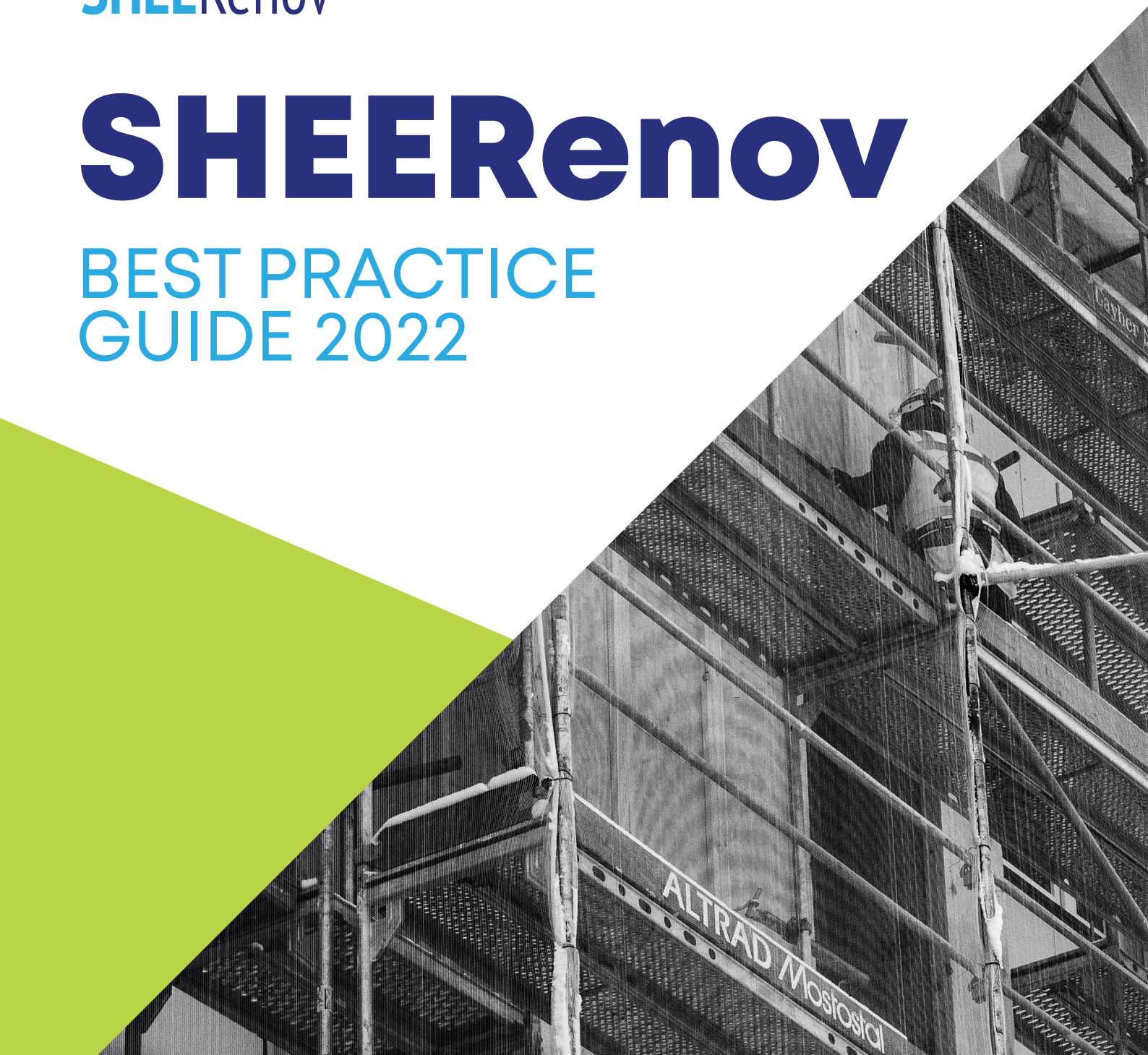




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List of Acronyms

AA	Apartment Association
D	SHEERenov Deliverable/Report
EE	Energy efficiency
HoA	Homeowner Association
WP	Work Package (part of SHEERenov Work Programme)



Introduction

Residential energy efficiency has been a challenge across Europe due to the aging building stock, market failures and lack of functioning homeowners' organizations. In Bulgaria, the refurbishment efforts in multi-family residential building sector have faced considerable policy, market, and information barriers.

SHEERenov initiative, implemented in 2020-2022, has objectives to develop and test a model for the provision of integrated residential renovation services on the territory of Sofia, to create enabling conditions to attract and facilitate participation of relevant market stakeholders and players in the process of energy-efficiency renovation in the residential sector, and to initiate policy change regarding multifamily building renovation in Bulgaria.

This Best Practice Guide is prepared according to the needs of target groups in Bulgaria identified in the SHEERenov project, and results of the analysis of local and European good practices with a focus on applicability and know-how transfer to establish a sustainable market-based renovation model, that is to say, a refurbishment model and financing scheme where owners of private property, market players and commercial financing institutions play the leading role facilitated in this action by public authorities. The main purpose of this guide is to inspire authorities and housing organizations to support the renovation of residential buildings with different legal, financial, organisational, and training instruments.

This guide focuses on practices that authorities can adopt to promote efficient management, maintenance, and renovation of multi-family buildings. It shows how complex issues with energy-efficiency renovation have been tackled in Estonia, Hungary, and other countries. All of the selected practices have resulted in better outcomes, with strong performance achieved through systematic activities. The presented examples are considered to have high potential for replication with objective basis for claiming effectiveness in Bulgaria.

The four areas of best practices described in this guide are:

- Legal and Regulatory Framework
- Financial Instruments
- Renovation Project Management
- Training, Awareness Raising and Marketing

The knowledge gained from the four areas of activity presented in this guide underpins the importance of strategic and systematic coordination for multi-family building renovation, which helps homeowners respond to the challenges of energy efficiency in their homes and helps communities of owners overcome their collective action problem.



Chapter 1

Legal and Regulatory Framework

A good legal and regulatory framework is essential for the effective management, maintenance, and renovation of buildings. In the absence of a proper legal framework that obliges owners to be responsible for the dwelling and clearly defines the roles and responsibilities of stakeholders involved, a housing management system cannot fully function.

Well-designed laws give clear guidelines around how the decisions on renovation are made, providing the rules needed to take a loan for energy efficiency renovation and ordering services for renovation works. This section outlines examples of acts of law that create the legal basis necessary for the effective renovation of apartment buildings.

Acts Regulating Apartment Ownership and Homeowners' Associations

Country: Estonia

Apartment ownership represents a construction created by law, which combines the principles of law of property, law of obligations and company law. In Estonia, particular attention has been paid in development of apartment ownership legislation, i.e., to the internal relationships between owners, legal nature of the community of apartment owners and the external effects of the relationships. When it comes to management and maintenance of residential apartment buildings in Estonia, the field is regulated by the Apartment Ownership and Apartment Associations Act. The new Act entered into force in 2018, with the most significant principles being that all apartment ownership is managed in the form of apartment associations, all apartment associations are formed legally, and all apartment owners are by default members of these associations.



Examples of principles in the Apartment Ownership and Apartment Associations Act that support the renovation process are as follows:

- “Apartment association” (AA) means a legal person in private law the members of which are all the owners of apartment ownerships of one immovable property ownership divided into apartment ownerships.
- The highest decision-making body in an AA is the general meeting of apartment owners. As a rule, if the decision has not been contested, it is binding on all members of the AA.
- An apartment owner is required to maintain the object of exclusive ownership and use the object of exclusive ownership and common ownership in a manner not exceeding the effects produced on other apartment owners by the normal use of the property and to organize also the administration of the apartment ownership thereof while being away or leaving the apartment empty.
- Apartment owners shall decide issues related to the regular administration of the apartment building (regular maintenance and repair of the object of common ownership; entry into contracts for services consumed through the AA; establishment of a repair fund; taking of a small loan; ordering of an energy audit and energy performance certificate) by the majority of votes, unless the articles of association of the AA prescribe more stringent requirements.
- The making of necessary changes for modernisation of the object of common ownership, including improvements in energy efficiency, may be decided by qualified majority, with more than one-half of all the votes of the apartment owners, who own more than one-half of the shares in the common ownership. The same rule applies when taking a loan that exceeds the amount of the management costs of the AA for the previous financial year.

In addition, the management and maintenance of apartment buildings is regulated by different standards on management and maintenance of facilities, which are of recommendatory nature.

Country: Hungary

In line with Estonia, and legal practices and principles throughout Europe and the West, buildings that house at least two individual and independent housing units, or apartments, are subject to legislative oversight on the part of the State, who as a neutral third party is called upon to exercise its right and obligation to mediate, regulate and enforce, via legislation, any right and obligation the individual owners may have through the shared ownership of the common areas of the building that houses their individual properties, even if the said property is of any use other than housing, such as a commercial space, as long as the ownership of the two or more units are independent of each other.

In Hungary such a legislation has a rather long past going back to the establishment of multi-apartment buildings, given the simple fact that in such a building, in case of multiple ownership, and due to the fact that the individual units are not independent and their very structure and function depends on the state of the building as a whole and on the state of the individual units, property rights extend beyond the individual ownership into the common structure and area. Furthermore, and beyond property rights, both under the Continental Legal System (Roman Law) and the Anglo-Saxon Common Law, questions of liability or Tort obligations emerge, in case of damage or maintenance needs for example. And thirdly, the Building itself is not isolated from the infrastructure of the city and the amenities provided, whereby the provision of such services may be affected in case of damage, repair works or improvements planned.

Given the aforementioned three rationales, which distinguish multi-apartment buildings from buildings with a single owner, these are some of the ways that the legislation meant to regulate the creation and operation of a Homeowners Association (HoA) in Hungary facilitates the energy efficiency refurbishment of these buildings:



→ In Hungary a HoA is a legal entity that exists de facto even before the entity itself is registered and its two founding documents, detailing the creation of the HoA and its operation manual, are written and accepted by the General Assembly of the owners. Under Hungarian Law all buildings that are owned by multiple owners come under the exact same legislation irrespective of whether or not such a legal entity is registered. The clear rationale being that in such buildings 'no apartment is an island'. Equally, while legally speaking it is the current owner of a given apartment who is a member of the General Assembly, the rights and obligations of such a membership derives from the property itself, and stays with the property when ownership changes hands. It follows thus that membership in such a HoA is not up to the owner, even if for example the new owner of an apartment was not present when the HoA was registered.

→ Any decision regarding the operation, maintenance and upgrading of the building as a whole is made by the General Assembly, with a 50 %+1 vote. The rationale being that any such legal entity must operate on a fundamental democratic principle, where a simple majority should have the right and power to pass decisions that affect the whole community of owners. Such decisions are binding on all. If the majority of the community decides to refurbish the building, and in order to do so it engages into various contracts with several service providers, including construction companies, energy auditors or commercial banks, these contracts are enforced under the law even if a minority of owners disapproves of the decision or any of the apartments change ownership in the meanwhile.

→ HoA are created and registered in Hungary due to the fact that they clarify the rights and obligations that the owners of these multi-apartment buildings have under the law. They allow the community to respond with one voice in case of need, and they facilitate the transparent management and maintenance of the common areas. Even without such a legal entity the obligation of the owners is still there under the exact same law, yet if they fail to register such a HoA their capacity to respond adequately and manage whatever issue may arise with time is seriously hampered, and the cost of such management is much higher than if a HoA has been registered and is operational.

Recommendations:

→ In a situation where the majority of apartments are in private ownership, well-designed apartment ownership legislation is necessary to create the essential framework for energy-efficient renovation of apartment buildings.

→ Laws that provide clear guidelines about apartment owners' rights and obligations, as well as clear voting rules in apartment associations, facilitate effective and transparent processes of maintenance and management of apartment buildings and ensure the commitment of all owners, which is necessary for the implementation of financial assistance measures for renovation.

→ While such a legislation may allow a community of owners not to register their building as a HoA, it should not except such buildings from under the exact same legislation, for the State has an obligation, under its reason to be, to mediate, regulate and enforce the rights and obligations derived from a common ownership or an inseparable common structure, as is the case with these buildings.

→ Such a legislation should allow the creation of a HoA as a legal entity with the approval of a simple majority. The HoA should include all individual units that are independently owned. And membership in the HoA should stay with the apartment even when ownership changes hand.



Chapter 2 Financial Instruments

For the retrofitting of residential buildings, the cost of renovation and the various schemes and mechanisms to finance it are determining factors. The main challenge is how to use financial engineering to bring the cost down and support largescale investments in energy efficiency. This chapter provides examples of successful financial instruments developed and implemented in different countries for the renovation of their poor-condition housing stock all based on similar or identical economic principles and decades worth of experience.

Renovation Loan Combined with Grants

Country: Estonia

Estonian renovation loan programme was launched by a public financing institution KredEx (as of January 2022 Estonian Business and Innovation Agency) in 2009, with a focus on homeowner associations in multi-apartment buildings. ERDF financial resources and a loan from the Council of Europe Development Bank (CEB) allowed KredEx to enable Estonian private banks to grant more favourable loans with longer repayment periods, of up to 20 years, for energy efficiency in apartment buildings. From 2014 onwards the programme became a fully functional standalone lending instrument supported by a revolving fund.

The core principle of the financing programme for the renovation of apartment buildings in Estonia has been that the loan and grant recipient is an AA, not an apartment owner individually or a management company. In some cases, also rural municipality or city can apply for the grant, if the apartment building is owned by the local authority in its entirety. Currently, KredEx is providing apartment building renovation loans for AAs that have received a negative response to their renovation loan application from a bank or an offer with unreasonable terms, and loan guarantees for AAs who want to take a bank loan for financing work performed to raise the quality of life for their residents but whose risk is deemed by banks to be higher than normal.



The loan instrument has been combined with grants related to the deep integrated renovation of existing buildings with the aim of achieving energy efficiency and indoor climate conditions comparable to modern apartment buildings.

Some examples of grants:

- Renovation grant: round-based grant intended for the renovation of apartment buildings. The grant amounts to 30–50 % of the total cost of the renovation works depending on the region, where the building is located. The aim is to ensure more uniform regional distribution of grants and to provide a more equal level playing field between high income cities and low-income rural regions when it comes to applying for the grant.
- Factory reconstruction grant for apartment buildings: targeted to large-panel buildings that were built on the basis of a standardised design. This grant helps to facilitate the adoption of new technical solutions in the reconstruction of apartment buildings.

High variety of costs are eligible for support, including reconstruction and insulation of the facade, balconies, roof, basement, heating system, water supply system, electrical system, lifts, replacement of windows and doors, construction of a heat-recovery ventilation system, installation of equipment necessary for using local renewable energy, preparation of the building design documentation, carrying out the site investigation and building audit, use of the services of the technical consultant and owner supervision.

Evidence from Estonia shows that a state subsidized renovation has been, in practical terms, budget neutral with direct financial support used in last 10 years. Large-scale renovation has generated positive effects on the macroeconomic level, quantified in terms of job creation and tax return. 17 jobs per 1 million euros of investment in renovation have been created directly and indirectly per year in Estonia. Tax revenue from renovation construction projects has been quantified to be 32–33 % of the total renovation project costs.

In addition to the state grants, smaller, specific renovation allowances are offered by municipalities in Estonia. Municipal subsidies for apartment buildings allow to fulfil local needs that aren't covered by state-funded renovation grants, including, by the example of the city of Tallinn, facade renovation allowance, restoration benefit, support for audits of balconies and canopies, support for the improvement of outdoor areas, landscaping grants, and training grants for board members of AAs.

Country: Lithuania

ERDF operational programme resources have been successfully used to establish loan and guarantee financial instruments to support energy efficiency improvements to apartment blocks in Lithuania. After implementation of financial instruments under the JESSICA initiative, the Jessica II fund of funds was set up in the ERDF 2014–2020 programming period to fund loans to support investment in energy efficiency.

The financial instruments have supported the development of a single product for homeowners known as the 'Modernisation Loan' which forms the centrepiece of the Lithuanian government's programme to improve energy efficiency in residential properties, providing residents with low cost, long term, low interest loans. No deposit or collateral is required to be provided by the borrower. The works undertaken typically include the replacement of doors and windows, exterior cladding of the building and installation of new more efficient heating systems.

The energy efficiency financial instruments in Lithuania are also implemented in combination with grants, both in the form of technical assistance, interest rate subsidies and as capital rebates. The success of these initial financial instruments has led to the subsequent development of the Lithuanian Leveraged Fund, with loan and guarantee instruments that aim to attract even more financial support from banks and international financial institutions.



The financial instruments are implemented through local banks with a strong presence in the community. An integrated project delivery process has been established which allows residents of a single block, working through their building administrators, to receive support from the government agency BETA to prepare their renovation project. This leads in turn to the works being delivered in a single package for the whole building, with the contractor receiving payment directly from the financial intermediary on behalf of all final recipients.

Country: Hungary

The Hungarian model of EE finance in multi-apartment buildings follows a similar pattern as seen in Estonia and Lithuania and is based in the same economic and financing principle employed across Europe and the West. Whereby the liquidity that is present in the private sector, exemplified by commercial banks, is channelled into the EE refurbishment industry, and in particular directly to Homeowners Associations (HoA), through the use of public funds that are employed as special financing instrument. The target of these instruments are the market failures that prevent commercial banks, or the homeowners themselves, from financing these HoA without the assistance of public authorities or development institutions. There are three market failures that are addressed by these instruments:

- First, is the real or perceived risk that commercial banks incur when they enter a new market or new segments of an old market. In Hungary for example, commercial banks were unsure as to the defaulting risks they would run if they were to finance directly the HoA, given that financing the individual homeowners was both expensive and unprofitable. In order to reduce this perceived risk, the World Bank has set up through the IFC a first-loss guarantee fund that covered this risk allowing the banks to issue loans that were both secure and affordable. Similarly, and employing an identical but internal guarantee scheme, some banks learned how to guarantee their own loans through a direct and complete knowledge of their clients, in this case the HoA they financed, by requiring the HoA that applied for refurbishment loans to open their official bank accounts with the bank and thereby providing the bank with the necessary intelligence to decide whether a given HoA was trustworthy or not. In addition, they required the setting up of a saving scheme that would function as a first-loss guarantee fund, whereby the HoA would save for a period between 2 to 5 years with the bank in question before they were eligible for the very favourable EE loan. Both mechanisms have proven to be very effective.
- Second, is the question of a manageable payback period on these EE retrofit investments. Given that the vast majority of people that own apartments in multi-family buildings, especially in buildings built with prefabricated technology or buildings outside of the capital, hail from a middle to low-income family, and given the price of the technology and services employed during the retrofit project, the State and sometimes the Local Authority would intervene directly through subsidies that would cover part of the investment need. They would do so either through direct subsidies targeted at the HoA, or through interest-rate subsidies targeted at commercial banks. In the case of the direct subsidies the average intensity would cover around a third of the investment need, thereby dramatically reducing the payback period and making the investment very profitable for the owners, since the investment itself would result in immediate savings on energy expenses that would cover a larger share of the cost, and once the loan is repaid the savings stay with the household entirely.
- Third, is the question of financing directly, through limited public funds, what constitutes private property. Public authorities are limited by their budget, and income through taxation and other means, in their ability to finance the EE retrofit of the building sector which is rather large and requires substantial funds well beyond the capacity of most governments. Simply put, if they were to finance these refurbishments entirely from public funds it would take them half a century to get through all the buildings, if not more. Equally, while there are clear environmental and energy benefits for the society at large, these buildings, in Eastern Europe, are owned by the people that inhabit them, that is to say, they constitute private wealth, even if the household in question has a low income. If the government would finance these investments entirely from public funds that would constitute a 100 % private profit at the price of 100 % public expense. Through the use of these financial instruments governments and development institutions were able to leverage limited public funds to mobilize commercial resources and private investment.



Recommendations:

- When it comes to financial instruments to support the renovation of multi-apartment buildings, a combination of loans, grants, and guarantees has proved to be successful.
- In addition to state support, municipal financial instruments play an important role in fulfilling special local needs that aren't covered by state-funded renovation grants and engaging local apartment organizations in improving the living environment.
- Large-scale renovation generates positive effects on the state's macroeconomic level, quantified in terms of job creation and tax return, making partially state-subsidised renovation, in practical terms, budget neutral.
- All of these instruments that are targeted at multi-family apartments are based on the same or very similar economic rationale that attempts to tackle the market failures that prevent the retrofit of these buildings. They are not meant to replace the market but simply to address its failures.
- On average, covering a third of the investment need in the form of first-loss guarantees, direct subsidies and/or interest-rate subsidies through public funds can mobilize substantial private funds, leverage limited public funds and increase the profitability of these investments for the homeowners considerably, without distorting the market substantially.



Chapter 3 Renovation Project Management

Properly organized support services for renovation project management serve a clear, long-term and market-shaping role. They help condominiums, homeowners, and other stakeholders plan and organize the renovation process in the most effective and sustainable way and bring purposeful norms into renovation practice—vital to a clear and well-managed renovation process. Common examples of renovation support solutions include special advisers and consultation services. This section outlines some examples.

Technical Consultants

Country: Estonia

If state funding is used for full-scale renovation, the condominium in Estonia is obliged to use a certified professional called “technical consultant” in the renovation process. The role of technical consultant is to lead the whole renovation process from the project to the end of the work. The technical consultant advises the beneficiary on the budgeting of design and construction works, procurement of design and construction works, preparation of time schedules and carrying out other necessary processes. The main task of the technical consultant is to advise the apartment association on technical issues, in particular before the start of the renovation works, but also in the later stages of the renovation process. The content and scope of the services commissioned from the consultant is a matter for the condominium to decide. The costs related to the technical consultant are eligible for state support. The condominium has to select a technical consultant from the list published on the website of state-owned financial institution KredEx, which currently holds contacts of 180 technical consultants.



The technical consultant in Estonia is a natural person who has undergone competence training in the renovation of apartment buildings and passed an examination. He or she provides services on the basis of a written agreement between the applicant and the technical consultant or between the applicant and the company through which the technical consultant provides services. A sole proprietor may also act as the technical consultant. The technical consultant must provide an independent service. He or she may not have any economic interest in the companies from which bids for design or reconstruction work are requested and which will carry out such work.

The technical consultant performs all or some of the following tasks, depending on the agreement between the condominium and the consultant:

- preparations for the commissioning of the building design documentation (at least at the stage of the final design documentation) and conduct of the procurement procedure for the design work. For compiling the terms of reference of the building design documentation, this example of the terms of reference and contracting volume can be used, if desired;
- advising on the entry into a contract with the entity compiling the building design documentation;
- coordination of design work and expert assessment;
- preparation and conduct of the procurement procedure for construction works, and related advisory services;
- advising on the entry into a contract with the building contractor;
- advising on the preparation of the documentation necessary for application for the grant;
- coordination of renovation works;
- verification of the compliance of the statements and invoices submitted by renovation contractors with the concluded contracts and with the degree of completion and agreed volumes of works;
- exercising owner supervision, subject to the existence of the required qualifications;
- organising inspections during the warranty period and advising on the acceptance of warranty works

Consultation Service for Condominiums

Country: Estonia

County Development Centres in Estonia are development organizations which operate in all 15 counties across the country and, with the support of the state, European Union and local partners, contractually provide information and counselling service as well as development support for companies, non-governmental organizations and local authorities. One of the tasks of these centres is to offer free consultations to condominiums and provide them with different types of financial services that help to maintain the building, increase its energy efficiency and improve the indoor climate. Through the centres, it is possible to apply for a loan and a loan guarantee, as well as for a non-repayable grant. To access this service, the representative of the condominium must choose a suitable county from the website, contact the consultant working in the selected county, and arrange a time for a meeting.

Every condominium can get consultation on: what services are suitable for their condominium, what requirements have been set for the applicant and the application of renovation grants, what documents are required to apply, what is the list of works to be financed with the help of the loan, guarantee or grant, what are the obligations of the grant recipient and what is the process and what are its deadlines. If necessary, the consultant will also provide help with filling in and submitting the



grant application. In addition, it is possible to invite consultants from County Development Centres to participate in the general meeting of the condominium, free of charge, where they will help explain the terms and conditions of services directed at the condominiums. Regarding technical questions, technical consultants provided on the KredEx website will continue to provide help.

The Hungarian 'one stop shop'

Country: Hungary

In Hungary the single most important role played in the creation and maintenance of a healthy energy efficiency retrofit market is that of consultancy SMEs that specialize in energy efficiency project management. Once finance is available, in the form of loans and subsidies, it is these consultancies that generate demand for investment in the energy efficiency of multifamily residential buildings, by first contacting the professional facility managers that manage these condominiums, and then with their help presenting their case in front of the general assembly of the apartment owners association that the facility manager represents. It is at these first meetings that the case for the renovation is made, presenting to the manager and owners the available funding sources, the type of technological intervention used in such projects and the expected results. Once the general assembly decides that they wish to engage seriously with the project idea a technical and financial plan of the retrofit project is prepared, that makes the case for the best possible technological intervention at the best possible cost/benefit ratio. This retrofit plan is financed in small part by the condominium and in greater part by the consultant, in the hopes that it gets approved which allows the relationship to progress to a contractual stage where the consultant can charge its fees.

Once the plan is approved by the general assembly of the apartments owners' association a contract is signed between the consultant and the association represented by the facility manager. This contract varies in depth, but usually extends to a full-scale project management duty, whereby the consultant becomes responsible for securing of the finance needed for the implementation of the project, including the writing of loan applications, writing of proposals to access available subsidies, insurance, saving/investment account, etc. They are also responsible from the very beginning of providing or supervising the technical expert that prepares the energy audit and performance certificate prescribing the best technical intervention. Once the project has the necessary financial means, the consultant is responsible for facilitating the procurement process, and helping with the selection of the contractor(s). From beginning to end they are also responsible with supervising the reconstruction process, the quality of it, and to intervene if necessary, when mistakes are made or the quality of the implementations is questionable. Once the project is finalized, it is the consultant that accepts together with the facility manager the project handover from the contractor. Equally, it is the consultant that advises the facility manager and the community in how to operate the new technology installed. Furthermore, they are also responsible with organizing and supervising the quality control of the project two years and five years after the project implementation, in order to assess the results and how they compare to the estimates proposed in the technical and financial project plan.

It is thus the consultant that acts as a campaign manager for the available state support for energy efficiency, as a loan sales agent for the available loan products that can be used for such refurbishment, as a chamber of commerce for the different businesses involved in the energy efficiency market, as a project manager, as an educator and advocate of the community that owns the building in question. Between the first contact and the handover of the refurbished building, and even afterwards it is the consultant that creates the demand and connects that demand for energy efficiency with the supply side. With their help in two decades Hungary has managed to refurbish 50 % of their inefficient multifamily residential buildings built after the war as of 2021.



Recommendations:

- If renovation is planned in the condominium without a technical expert among the staff, using an external certified professional ("technical consultant") is essential in the renovation process. The role of a technical consultant is to lead the whole renovation process from the start of the project to the end of the work.
- Free and accessible consultations for condominiums and homeowners across the country provide significant help to maintain the building, increase its energy efficiency and improve the indoor climate.
- Where suitable the consultant can perform both roles as seen in the Hungarian example. In a competitive market setting such consultants can both promote energy efficiency, and they can (motivated by powerful self-interest) supervise the quality of the implementation and guarantee its successful outcome.



Chapter 4 Training, Awareness Raising and Marketing

A successful energy efficiency renovation process requires well-informed and educated stakeholders. Various training and awareness-raising initiatives are implemented with the goal of changing people's attitudes, habits, and beliefs about energy efficiency in residential buildings, as well as marketing the services and technologies needed to implement such retrofit projects. In this chapter, several examples of efforts for strengthening the target group's knowledge and abilities, as well as for mobilizing the public opinion in support of the subject, will be discussed.

Training program for managers of apartment associations

Country: Estonia

A special training program has been developed by the Estonian Union of Co-operative Housing Associations for managers of AA in order to improve their knowledge and skills necessary to work as housing managers and carry out building energy efficiency renovation work. The 120-hour training program provides a systematic examination of the administration and management of AA, housing legislation, cooperative property maintenance and renovation. The program was launched in 1996 and has been since then modified according to the changes in the society and economy.

**The program aims to:**

- increase the competence and improve work processes and quality of work for those in administrative roles in AA in order to support effective and sustainable housing management practices;
- encourage owner-residents' commitments and community engagement in housing management by increasing their awareness and knowledge;
- mobilize practical expertise and knowledge from multi-apartment housing sector and match it with national scientific, technological, and political expertise to promote solutions for sustainable and affordable housing in multi-apartment buildings.

The program is aligned with the professional standards of the manager of a multi-apartment association in Estonia and prepares the participants for the professional exam according to the rules of the national qualification system. The participation fees are usually paid by participants, by the AAs or housing management companies they represent, or covered by government institutions or local authorities as project-based costs.

Awareness-raising and outreach model

Country: Estonia

A dissemination and outreach model that includes the key stakeholder groups for energy efficiency in housing all over the country: homeowners, AAs, state institutions, energy and climate policymakers, municipalities, media channels, and the general public, has been developed in Estonia. The model of dissemination of information offers a variety of options for engaging stakeholders and reaching wider audiences to promote the idea of energy-efficient renovation of multi-apartment buildings.

The main elements of the model are:

- national networking and dissemination events in cooperation with state authorities,
- regional conferences and roundtables of apartment associations in cooperation with local authorities,
- specialized magazine for AAs focused of practical advice on housing management and best practices on renovation,
- media campaign with messages and exploitation activities for each specific target group,
- handbooks for stakeholders,
- regular information via online and social media channels,
- surveys to collect data and feedback from target groups and stakeholders.

The outreach network, coordinated by the Estonian Union of Co-operative Housing Associations, is extremely vibrant and evolving system for supporting AAs facing their everyday challenges with housing management and energy-efficiency, and for supporting policy makers facing their challenges with engaging the community and private sector commitments.



Country: Hungary

Similarly to Estonia, the various stakeholders involved in the EE retrofit industry in Hungary have been engaged through training events, awareness raising seminars and public engagement campaigns, funded and organized by a number of key players, the most important of these being the EE Consultants described under the Hungarian 'one stop shop' (see Chapter 3), the national associations of the Homeowners Associations (in Hungary there are several) and naturally the government/local authority, with a lesser yet not infrequent role played by various environmental NGOs and the academia.

- The providers of the Hungarian 'one stop shop' comprehensive services have a vested interest, along with their business partners, which include commercial banks, energy auditors, etc., to organize training seminars and awareness raising conferences targeted at both professional facility managers, as well as other representatives of HoA, and the general public. These training sessions are meant as both educational means as well as marketing instruments. They are events where the supply and demand side of the EE market can meet, discuss and debate the roadmap that leads from little to now interest in EE all the way to evaluating the impact of a completed retrofit project. The advantage of these events is that they do not depend on limited public finance, but rather on the simple formula that demand can be created through education and targeted information.
- Governments and local authorities also organize such events and campaigns, or finance the same through public grants, usually when they support the EE market through special financing instrument (see Chapter 2) in order to facilitate the uptake of those instruments. When they provide such instruments, in the form of direct partial subsidies, interest-rate subsidies or first-loss guarantees, it is in their own interest to promote them, along with the necessary knowhow needed to access the said funding.
- The national associations of HoA (which in Hungary includes the professional facility management companies that act as managers for HoA) organize yearly events, seminars and conferences that provide considerable training and education to their own members. These events and seminars are partially funded through the membership fee paid to these national associations and partially through the sponsorship of other commercial stakeholders, such as the 'one stop shop' Consultants, building companies, technology producers and sellers, etc., that are interested in advertising their products and services directly to the demand side. The educational and training curriculum usually includes both general managerial subjects as well as specialized project implementation skills. Providing managerial services to HoA is a very competitive market in Hungary, and these training events and educational seminars are meant to add an edge to those HoA managers that complete these short-term study programmes and attend these awareness raising events.

Recommendations:

- Regular training is essential for housing managers in order to improve their knowledge and skills necessary to work as housing managers and carry out energy efficiency renovation work.
- A well-developed outreach model and network help to influence the target groups' attitudes, behaviours, and beliefs towards energy efficiency in residential buildings and build a positive public opinion to support the issue.
- These seminars and events can be organized on a regular basis, in a financially sustainable fashion, by several stakeholders, independently of public finance limitations, either through membership fees and/or through commercial sponsorship.
- Key stakeholders have a vested interest in financing and organizing such events on a regular basis as a matter of promotion and marketing, creating new demand through education and empowerment.



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Chapter 1

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and Public Works**
Bulgaria

Global Environmental & Social Business
Hungary

**Estonian Union of Co-operative
Housing Associations**
Estonia

✉ info@sheerenov.eu

🌐 www.sheerenov.eu

📍 **Sofia, 1504, Krakra Str. 18**

☎ **+359 2 426 27 59**

