



HOUSING CO-OPERATIVES IN EUROPE and USING AAU FUNDS FOR BUILDING RENOVATION IN CZECH REPUBLIC

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CECODHAS HOUSING EUROPE

and

Union of Czech and Moravian Housing Cooperatives

ICA Housing and Türkkent

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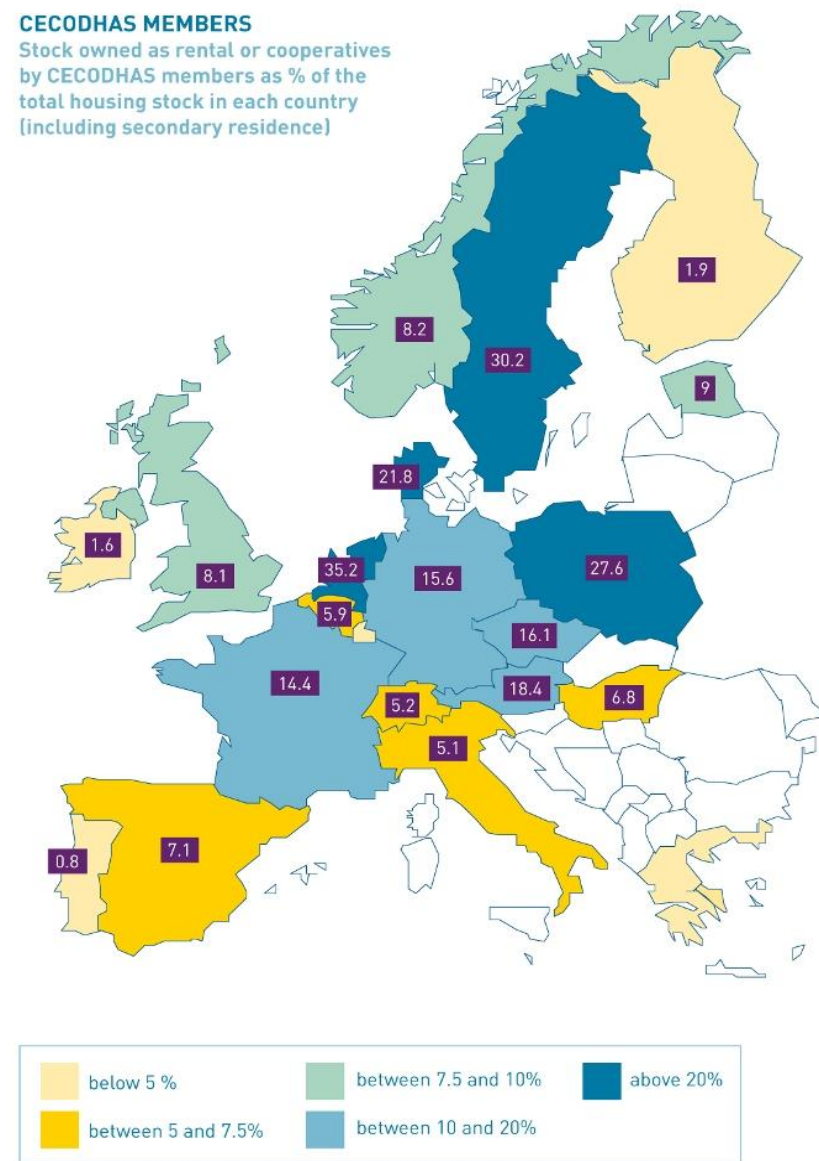
A picture of the sector

CECODHAS Housing Europe is the European Committee for social and cooperatives housing, a network of national and regional housing federations gathering 4.500 public, voluntary housing organisations and 28.000 cooperatives housing.

Together the 45 members in 19 EU members States manage 25 millions dwellings.

CECODHAS MEMBERS

Stock owned as rental or cooperatives by CECODHAS members as % of the total housing stock in each country (including secondary residence)



Housing Cooperative sector: another way to provide affordable homes: All together 10 millions of households in the EU



❑ Rental/home ownership

In Poland almost 30% of the housing stock: housing cooperatives of homeowners

In Czech republic 17% of the stock is managed by rental housing cooperatives

In Sweden, Norway: 17% to 15% of the total housing stock cooperative homeowners

- ❑ Two third of the cooperative housing units are for homeownership, mainly in the southern part of Europe like Spain, Italy, France, Portugal, but also in Sweden, Norway, Ireland
- ❑ One third of the units are long – lease contracted dwellings for the members and the Cooperative remains to be owner like in Germany, Austria, Danmark, Belgium, UK, Switzer-land



- ❑ **“A Competitive Europe? The Case for Cooperatives”** – an overview on EU policies and cooperative housing; meeting organised in the European Parliament in November 2010.
- ❑ 21 requirements to the European Commission which were partially included in the EU 2020 Strategy – proposing to reduce the number of people at risk of poverty by 20 millions, and the energy consumption by 20 per cent
- ❑ possibility of using Structural Funds for energy efficiency measures in housing
- ❑ preparation of a methodology for the Energy Performance in Buildings Directive
- ❑ „new energy efficiency action plan“



- ❑ idea of using the **European Regional Development Fund (ERDF)** for energy efficiency investment in housing
- ❑ *18 million social, cooperative and public housing apartments need proper refurbishment to increase their energy efficiency*
- ❑ *average cost of such refurbishment is 10 thousand euro per unit*
- ❑ *total amount needed would be around 180 billion euro*



Cooperative Association of the Czech Republic



Represents the cooperative sector in ČR – associates 4 cooperative branches

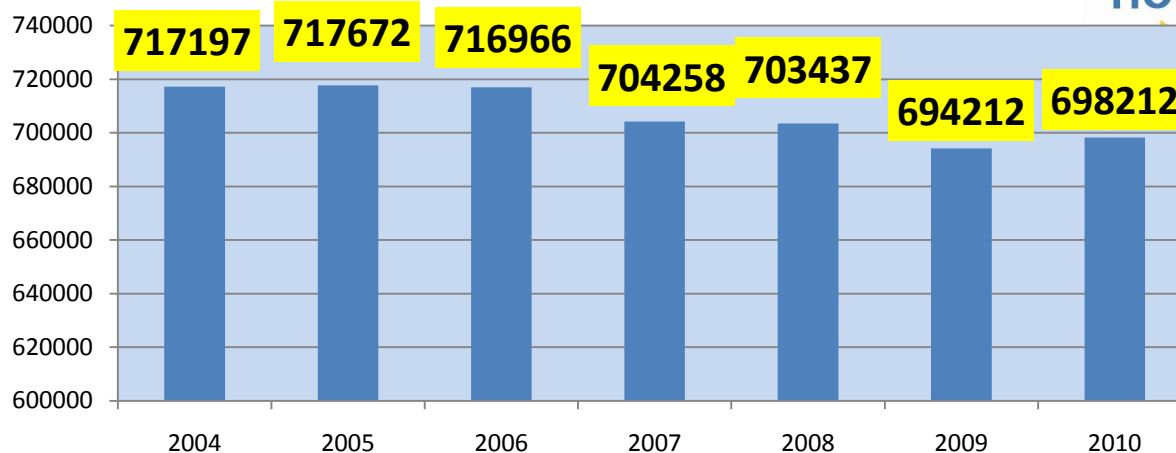
- consumer co-operatives
- agricultural co-operatives
- producer co-operatives
- housing co-operatives

UNION OF CZECH AND MORAVIAN HOUSING CO-OPERATIVES

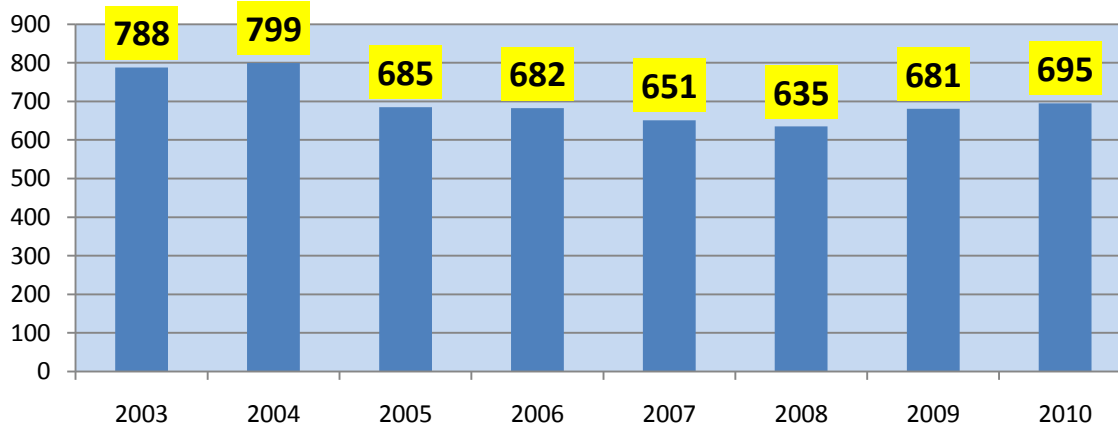
Services provided to member cooperatives

-
- **Economic sphere** - advisory services in accounting, taxation, capital investment, generation of funds (repair fund, financial guarantees etc.), assistance in ensuring finance for energy-saving measures, e.g. additional insulation, temperature meters, heat controllers.
- **Legal sphere** - participation in drafting legal rules and regulations. Providing members with information services as to the application of the legislation in everyday practice of housing cooperatives.
- **Technological sphere** - advisory service in construction, maintenance and repair of housing stock of member cooperatives.

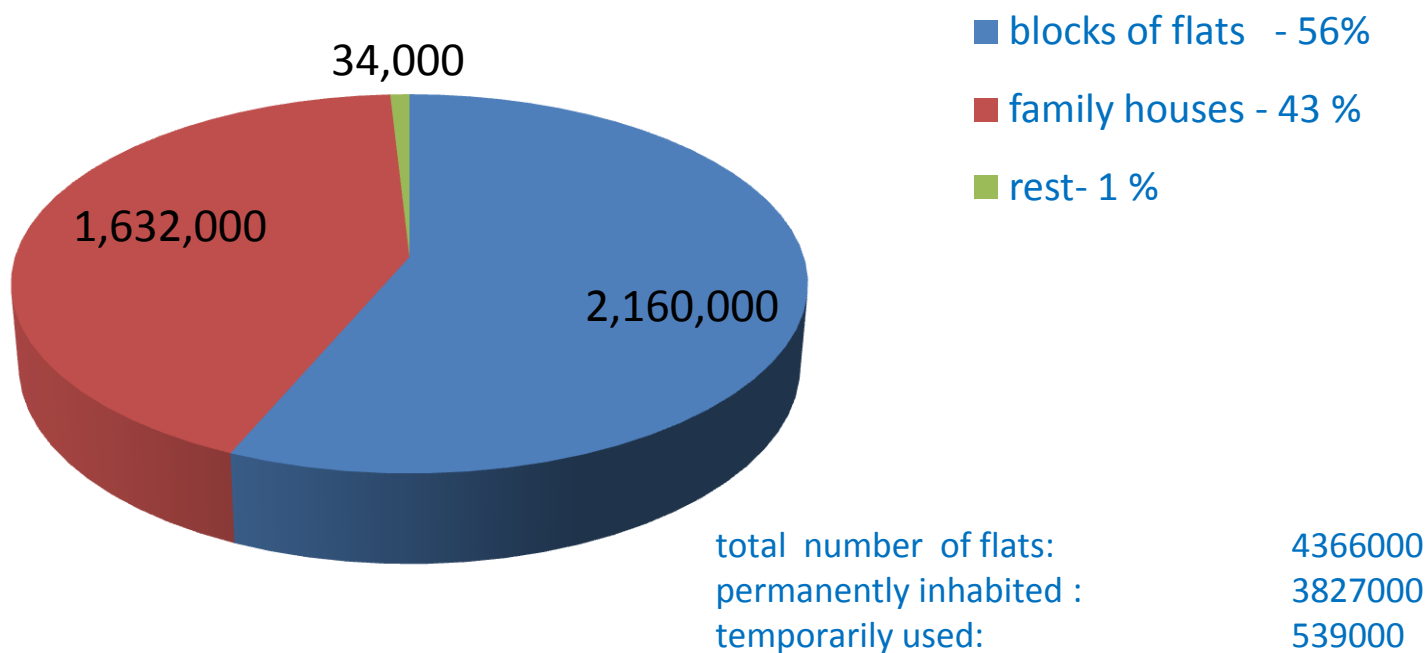
Development of managed housing units (by members of SCMBD)



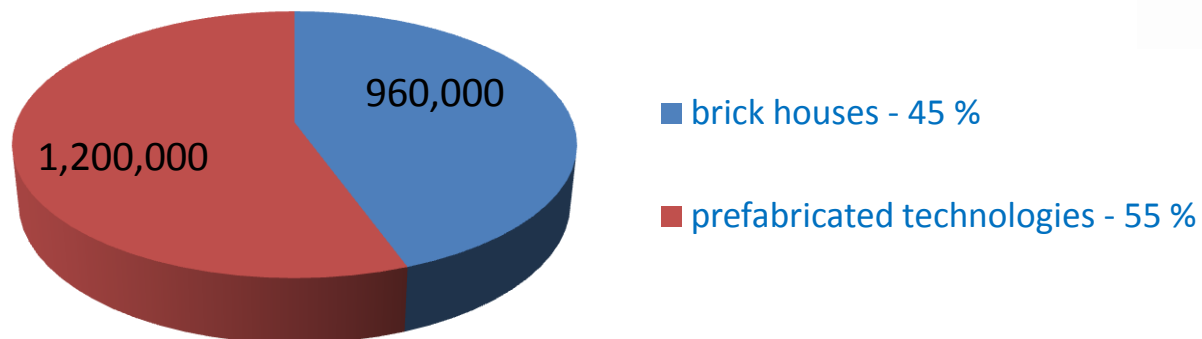
Development of housing cooperatives (number of members of SCMBD)



The structure of the housing stock in Czech Republic (1. 3. 2011)



The structure of the blocks of flats - according to technology total 2 160 000 flats



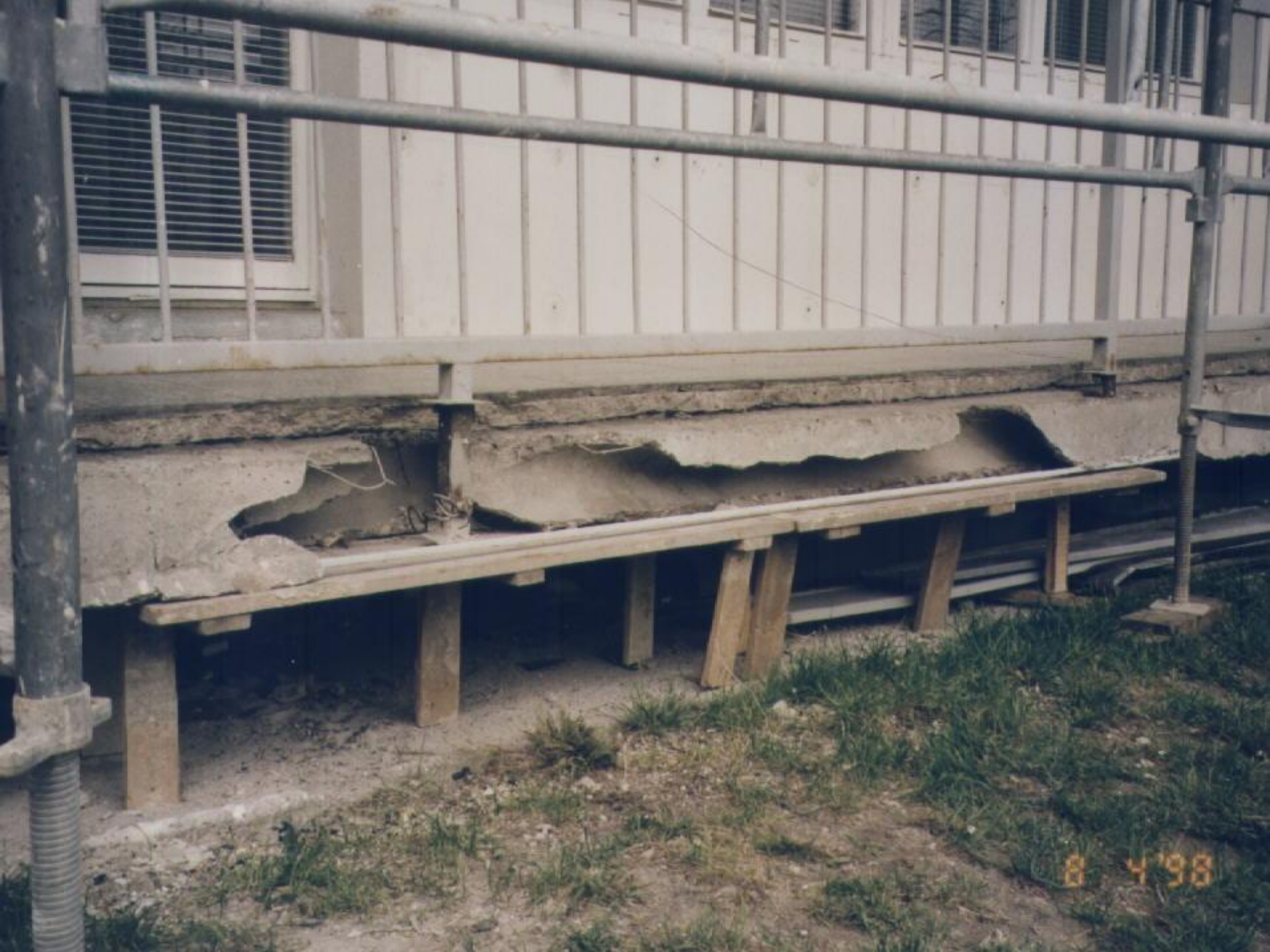
Not only energy saving, but also repairs and reconstructions

- Static defects of the structures
- Corosion of the armature
- Water leakages
- Occurance of mould or mildew
- Defects of prefabricated parts on balconies and loggias,
- Poor insulation









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Potential of energy savings and reduction of emissions in housing of Czech Republic

Potential of savings	Housing blocks	Prefab blocks
Number of units	2 160 000	1 200 000
Heat (PJ)	37	20
Heat (mil. EUR)	529	294
Dust (tons)	1 785	992
SO2 (tons)	20 916	11 620
NOX (tons)	6 103	3 391
CO2 (tons)	1 086	603

We assume that our member cooperatives will be able to realized approximately 45 thousand flats annually.

Green Savings Programme

The programme is financed from the trade of the Assigned Amount Units (AAU). This system of trading with AAUs is similar to the European Union Emissions Trading Scheme (EU ETS)

The AAU is defined by the Kyoto Protocol as a tradable unit of one ton CO₂ which may be emitted by a state as greenhouse gases in the period of 2008 - 2012. The state which reduces emissions more than it has committed in the Kyoto Protocol can sell its surplus of units to other states.



Green Savings Programme

This support is granted as a non-returnable subsidy in different amounts for different measures. The maximum amount is limited by the EU's rules on State Aid. Basic preconditions required for obtaining such subsidy is the commitment in the designed plan to reduce the need of energy for heating under the limit of 55 kWh/m² per year, and at the same time to reduce the consumption of the heat by 40% at least - after the completion of the reconstruction.



Green Savings Programme

Basic Programme Structure

The programme is divided into three basic subsidised areas:

A. Energy savings in heating

A.1. Complex insulation

A.2. Partial thermal insulation

B. Construction in the passive energy standard

C. Use of renewable energy sources for heating and hot water preparation

C.1. Replacement of environment-unfriendly heating for low-emission biomass-fired sources and efficient heat pumps

C.2. Installation of low-emission biomass-fired sources and efficient heat pumps in new buildings

C.3. Installation of solar-thermal collectors

The amounts of subsidies for housing co-ops from the programme	Unit of subsidy	Amount of subsidy
		Estimated in EUR
A.1 Complex insulation (decrease of the need of energy for heating by - at least - 40%)		
Complex insulation (specific heat requirement) <30 kWh.m ⁻² a ⁻¹)	EUR /per m ²	58
Complex insulation (specific heat requirement) <55 kWh.m ⁻² a ⁻¹)	EUR /per m ²	40
A.2 Partial thermal insulation		
Partial thermal insulation– (decrease of the need of energy for heating by - at least 30%)	EUR /per m ²	23
Partial thermal insulation- (decrease of the need of energy for heating by - at least - 20%)	EUR /per m ²	17
B Construction in the passive energy standard		
block of flats <u>in the passive energy standard</u>	EUR / per unit	5 770
C Use of renewable energy sources for heating and hot water preparation		
Sources of biomass	Max. EUR / per unit	960
Installation of low-emission biomass-fired sources and efficient heat pumps in new buildings	Max. EUR / per unit	770
Installation of solar-thermal collectors for the preparation of hot water	Max. EUR / per unit	960

Green savings programme - survey among SČMBD members (Feb. 2010)

Measure		Number of projects	Estimated budgeted cost
A.1	Complex insulation	1 282	301 mil EUR
A.2	Partial thermal insulation	406	16 mil EUR
C.3	Installation of solar-thermal collectors	172	7 mil EUR
Total		1 860	324 mil EUR

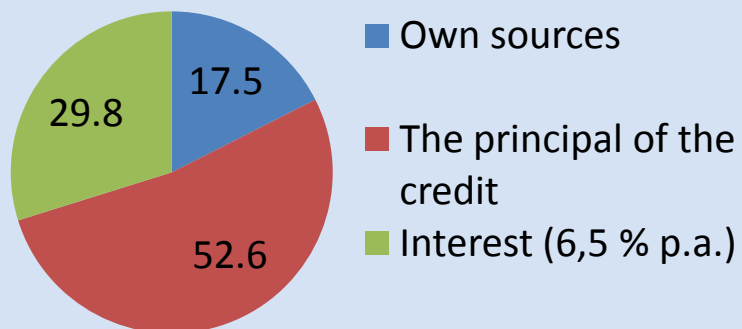
- 25 Oct. 2010 - closure of acceptance of applications - current resources drawn out; the programme will be reopened if further AAUnits are sold;
- 800 mil EUR was received from the trade of AAUnits
- We assume that before the programme closure one third of co-ops applied
- Before the programme closure 72 000 applications for subsidies were submitted, 6 000 came from housing blocks (about 168 000 flats)

New Panel Programme

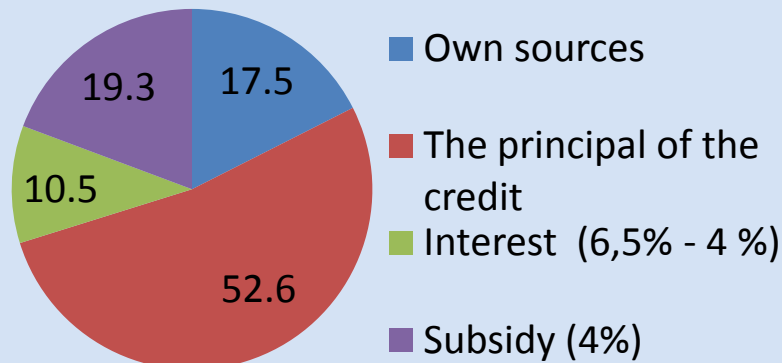
In the case of the “New Panel” a part of interest rate of the credit - which is used to finance the overall repair of the prefab housing block - is subsidized. The level of subsidy depends on the level of complexity of the undertaken repair, and it amounts to either 2,5% or 3% or 4%. Now, I need to mention that credits rendered to co-ops usually require 6 - 7% interest rate. A novelty of this programme enables subsidies also for houses from non-prefabricated elements from 1 May 2010.

New Panel Programme

Credit without subsidy



Credit with 4% subsidy



	EUR	%
Budgeted costs	7692	
Own sources	1923	17,5
The principal of the credit	5769	52,6
Interest	32691	29,8
Subsidy (0%)	0	0,0
Total costs	10961	100,0

	v EUR	%
Budgeted costs	7692,308	
Own sources	1923,077	17,5
The principal of the credit	5769,231	52,6
Interest (6,5% - 4 %)	1153,846	10,5
Subsidy (4%)	2115,385	19,3
Total costs	10961,54	100,0

Status of prefabs - the level of reconstruction of external cladding

Status	In Original Status	After Overall Renovation	Exchange of Windows Only	External Insulation Only
per cent	23	30	33	14

Status of repair or exchange of lifts

Status	After Installation of New Lift	General Repair of the Orig. Lift	In Original Status
per cent	10	29	61

Growth of costs spent on renovation of one flat

	2006	2007	2008	2009	2010
Costs per flat in Eur	7.230	7192	8.269	8.530	8.820

Key Factors - Great Challenge

- sustainable development
- social consensus
- avoiding segregation
- avoiding of ghettos



THANK YOU FOR YOUR ATTENTION

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