



Initiative Wohnungswirtschaft Osteuropa (IWO) e.V.

The Latvian Housing Market – affordable housing is still missing ... and remains a challenge not only for politicians but for the whole society

Knut Höller, Housing Initiative for Eastern Europe (IWO) e.V.

Brussels, 23 May 2018

The Housing Initiative for Eastern Europe (IWO e.V.)

... is an **NGO founded in 2001** to help

- develop **market-oriented structures in the housing sector and the building industry in Eastern Europe and Central Asia**
- foster **sustainable urban development** in the project regions
- improve **living and housing conditions** in the project regions

... forms - with its members and partners - a European network of expertise

... fosters **partnerships and cooperation of stakeholders in Germany and abroad**, that is, private and public companies and organisations as well as committed individuals and experts

... follows a **wholistic, systemic approach** in cooperation and projects initiated and developed by IWO, coordinating transfer of knowhow and experiences in the fields of business economics, technology, energy and finance for sustainable and tailored project results.

IWO's network and member structure

... about 25 active and sustaining members, among them:



Successful project management and networking of 16 years

Energy-efficient refurbishment



Energy-efficient redevelopment of urban areas

Education & training



Associations & networks



Internationaler Verband für Immobilienmanagement (IVIM)



Baltic Energy Efficiency Network for the Building Stock



Transnational projects in the Baltic Sea region



Energy Efficient and Integrated Urban Development Action

Housing sector & civil society
Russia, Belarus, Ukraine and further countries



Current projects and activities 2017 - 2019

German-Ukrainian Efficient House (BMWi/dena)



„Professional Housing Management in Kazakhstan & Uzbekistan“ (EU)

Pro House *

** in cooperation with EBZ*



Training of Managers for Urban Redevelopment in Lithuania (EUKI project)



Promotion of & consultation on BMU's UIP programme



Communication and management for citizen participation in local government in Belarus (German-Latvian-Belarusian project / EU)

... as well as organising and participating in delegations, working groups, network meetings ...

Focus countries & supporters

Russia excluded, a roughly estimated total population of **195 mio people** live in IWO's project region (OE/ZA/KAU)

The map shows the following countries labeled: Estonia, Latvia, Lithuania, Poland, Hungary, Romania, Serbia, Bulgaria, Georgia, Armenia, Ukraine, Belarus, Russia, Kazakhstan, and Uzbekistan. The logos of the supporting organizations are:

- Federal Ministry for Economic Cooperation and Development
- Bundesministerium für Wirtschaft und Technologie
- Bundesministerium für Umwelt, Naturschutz und nukleare Sicherheit
- giz
- kf.w FÖRDERBANK
- European Climate Initiative EUKI
- EUROPEAN UNION EUROPEAN REGIONAL DEVELOPMENT FUND
- EUROPEAID
- European Bank for Reconstruction and Development
- UNDP

Eastern Europe Parts of a differentiated picture – often slow transformation processes and urgent need for renovations



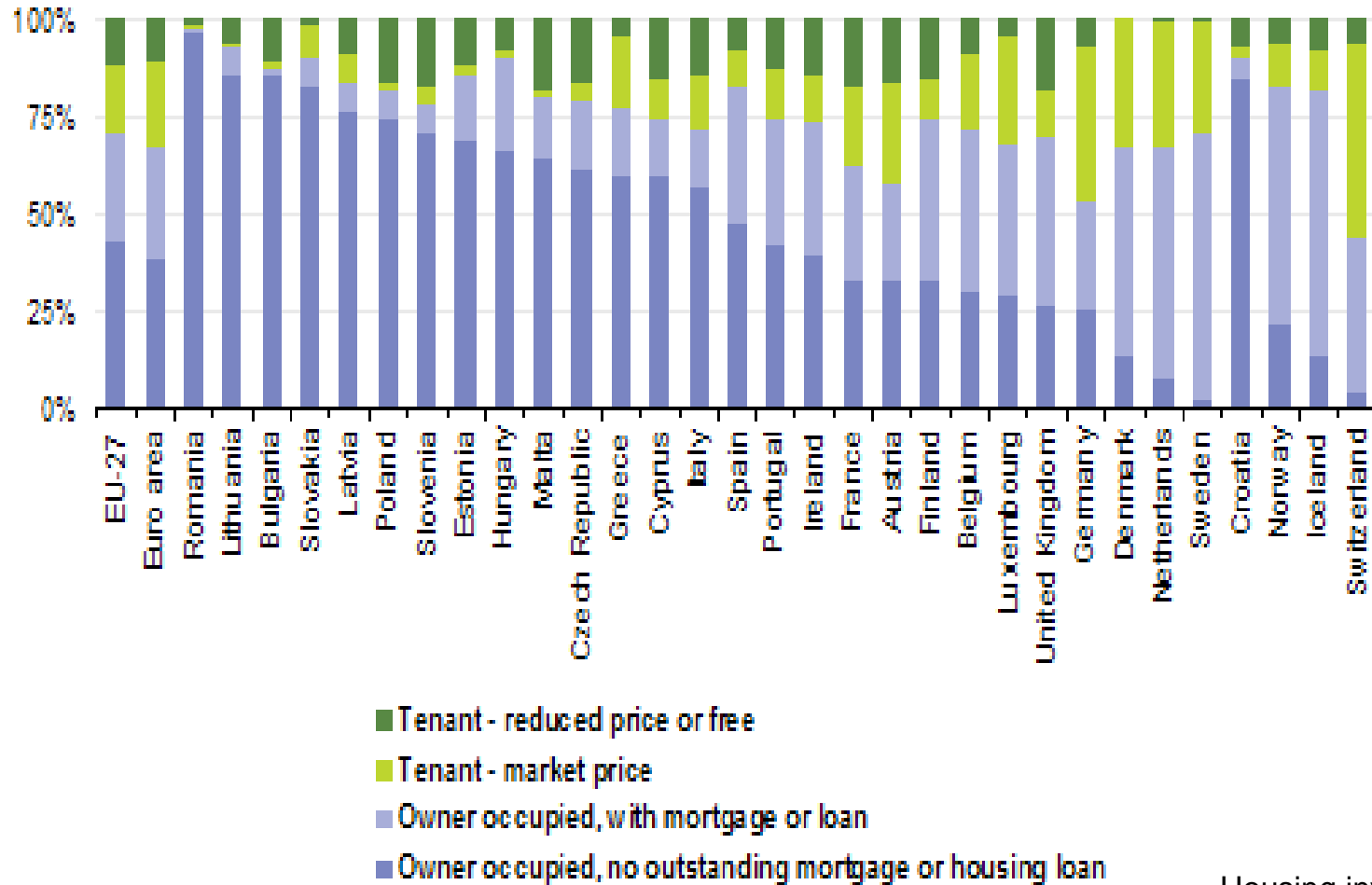
The building stock tends to consist of multi-storey family buildings from Soviet times - in which most **dwellings** were **privatised** after the collapse of the Soviet regime. In many an Eastern European country, only a minor share of dwellings are social housing.



While shares differ from country to country, a large part of the people in the Eastern European region today...

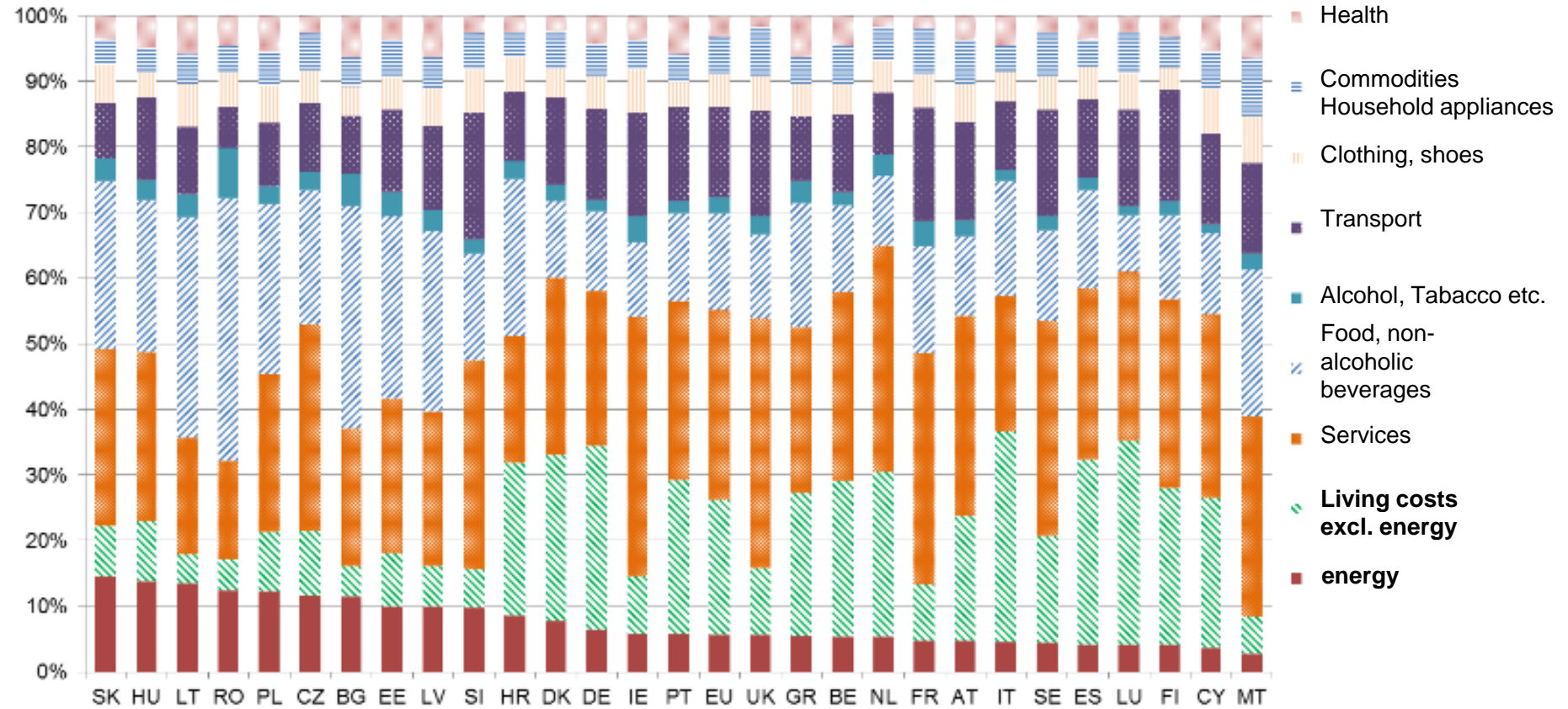
- live in apartments in multi-storey buildings that urgently need modernisation
- own their apartments while they are prone to a “tenant’s mentality”
 - are dissatisfied with (communal) housing management
 - lack awareness for their potential means to influence building and apartment maintenance
- are energy poor or at constant risk of energy poverty
 - high and rising energy prices
 - are paying a high share of their incomes for energy bills – despite the fact that energy is subsidized.
 - suffer from the effects of energy losses in the building system

Share of homeowner's in EU

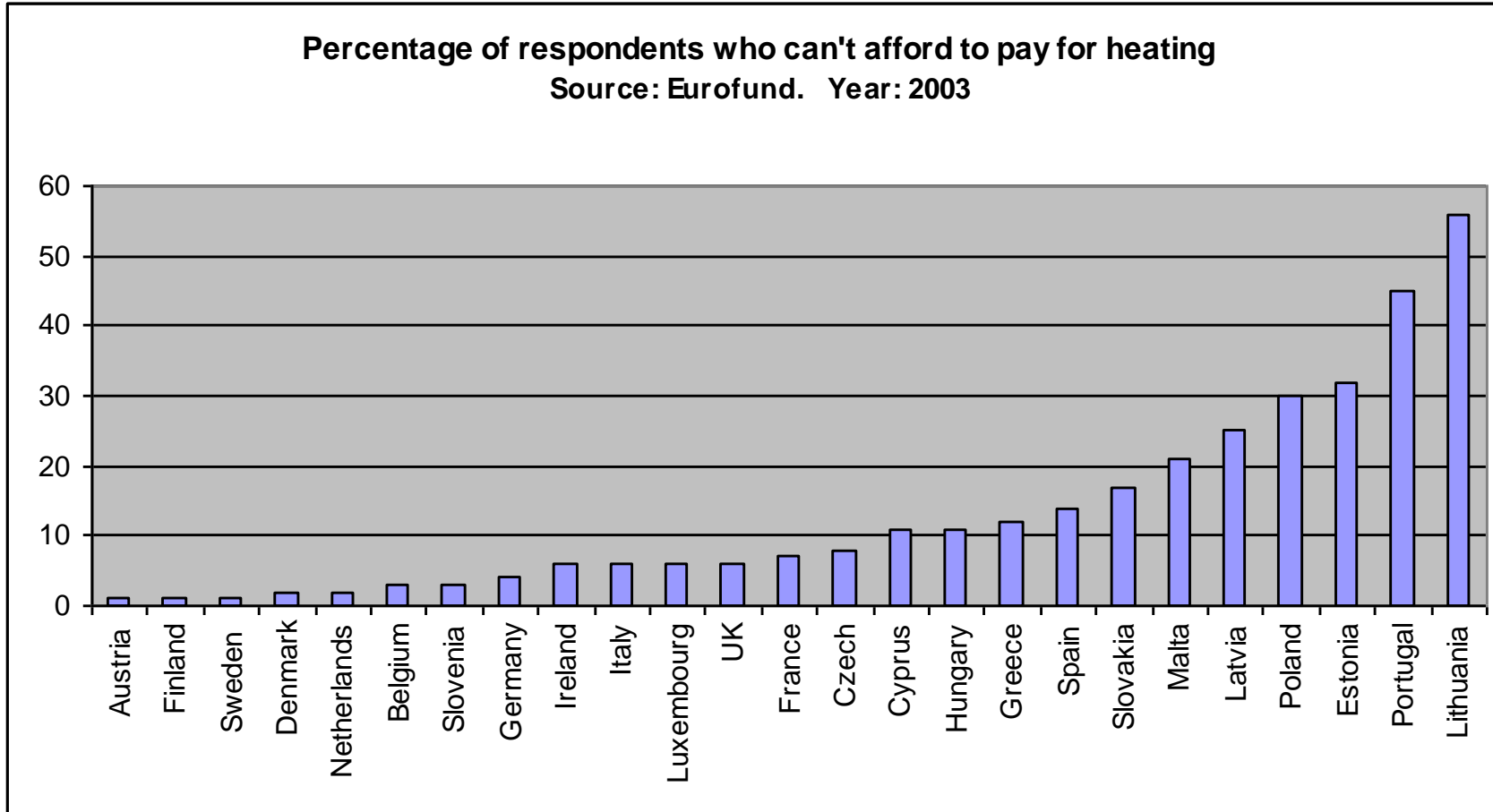


Source: Eurostat (online data code: ilo_lhco02)

Household expenses in the EU - Shares per consumption goods (2014).

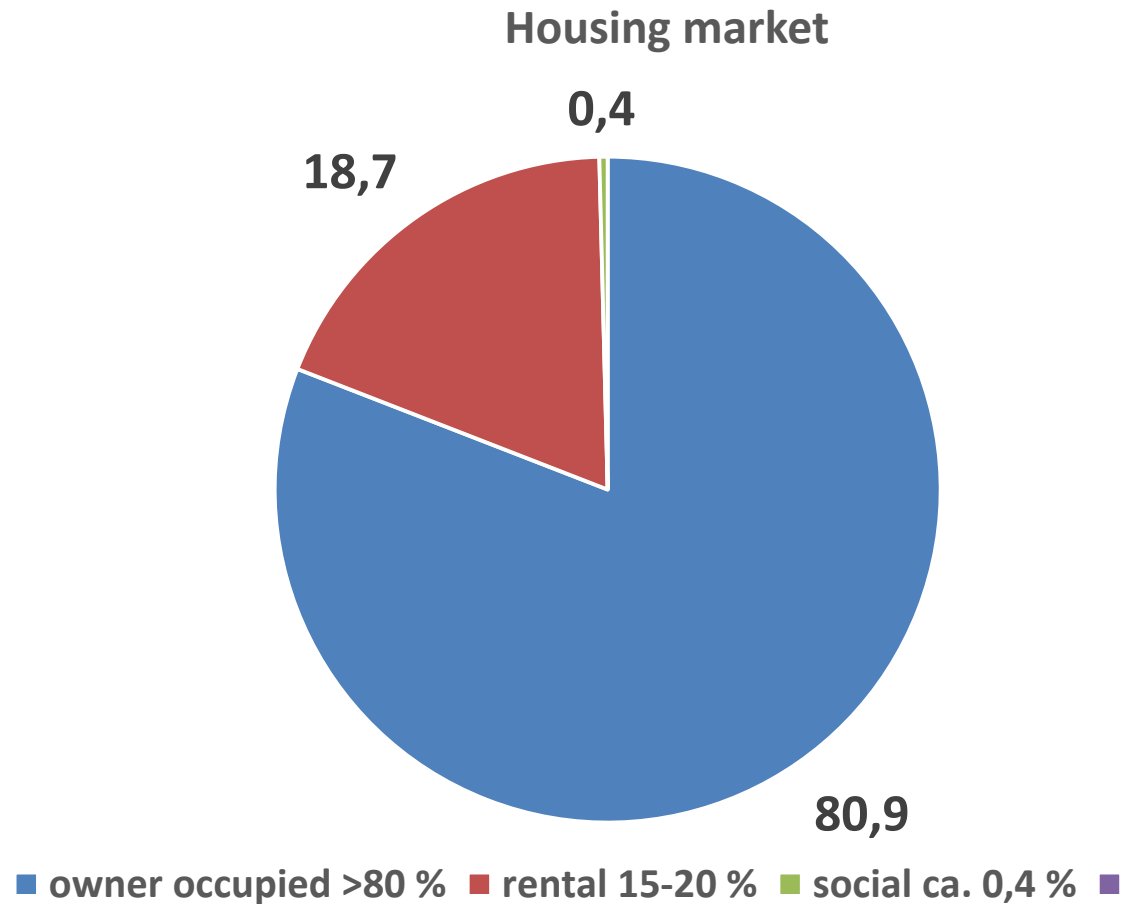


Source: GdW presentation based on Eurostat, April 2017



Source: Eurofound's First European Quality of life Survey, which gives data on percentages of people who cannot afford to pay for heating in the 27 EU member states

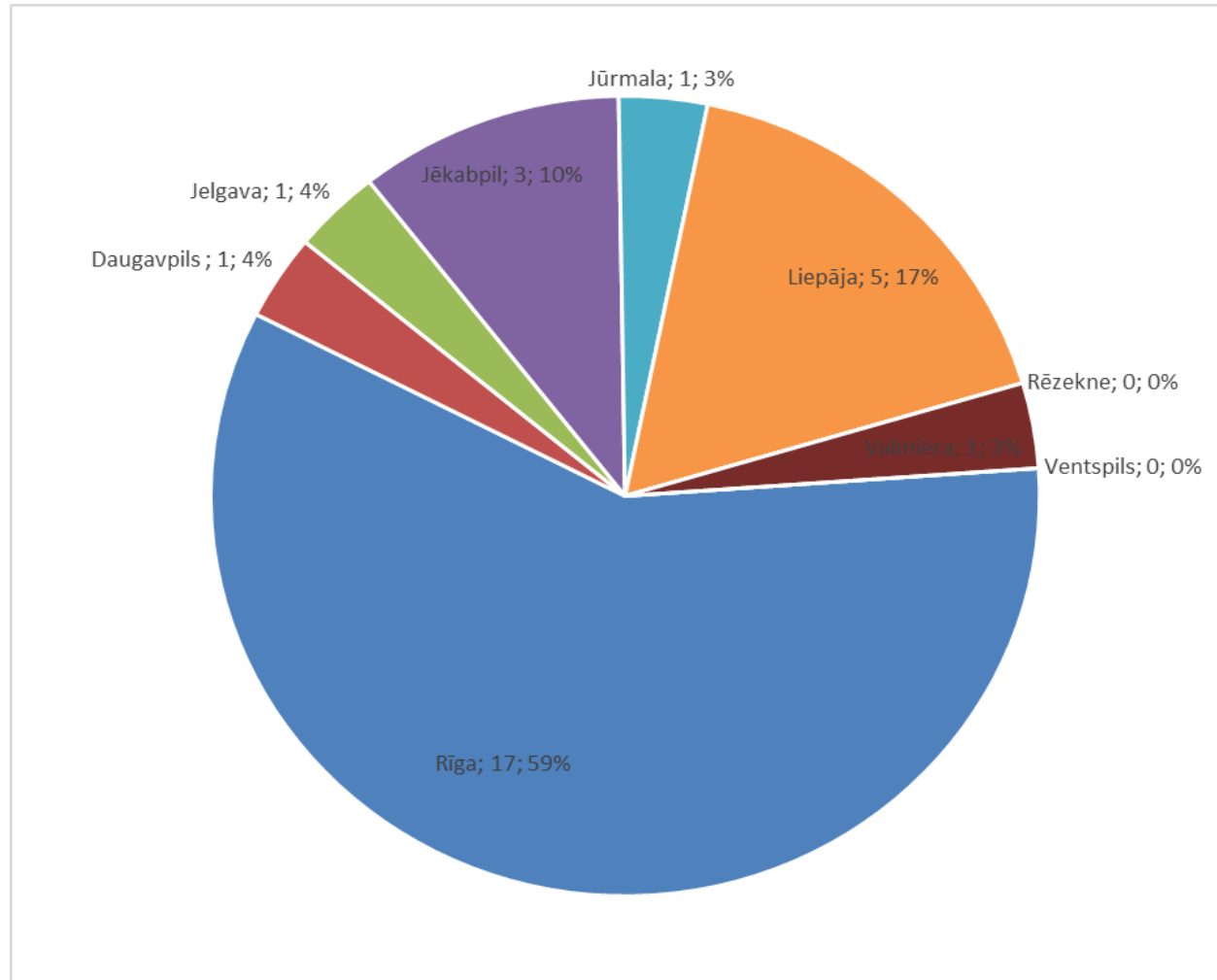
Country profil Latvia (different sources: national statistics, Housing Europe, Riga Technical University and other)



- Number of dwellings (thousands): 1 018
- Number of dwellings per 1000 inhabitants: 499
- Housing completions in 2016: 2 200
- Median annual net income: 6.365 Euro (2016)
- Number of social rental dwellings in 2017: 3632
- Providers: Municipalities
- Shortage of social housing
- Poor housing quality and high level of housing deprivation compared to EU average
- Programmes supporting refurbishment of multi-apartment buildings, including use of EU funding



The amount of social dwelling houses in cities in Latvia



Total in municipalities of Latvia: 109 SOCIAL DWELLING HOUSES WITH 3632 APARTMENT

Social dwelling house within the meaning of normative acts in Latvia

The Law "On Social Apartments and Social Dwelling Houses" states that:

- Social apartment is an apartment owned by a municipality, which is rented to a person (family) who, having regard to the conditions of this Law, has been recognized as entitled to rent such an apartment.
- A social dwelling house is a residential property owned by a municipality in which all apartments are rented to persons (families) who, having regard to the provisions of this Law, have been recognized as eligible to rent a social apartment.

Refurbishment of owner-occupied multi-family buildings as main challenge



Refurbishment of owner-occupied multi-family buildings



Conclusions:

- Development and diversification of the housing market with the aim of creating a more flexible housing market (through targeted state aid / SGEI and improved housing policy and strengthen capacities).
- Revision of the rental law to develop the rental market. (Draft prepared and submitted for consideration by the government).
- Structural modernization and energy efficient refurbishment of owner occupied multi-family buildings and rental apartments to improve living comfort and reduce costs with the aim to increase the refurbishment rate significant.
- (As much as possible) Embedding of social housing (social housing policy instruments and solutions) in the existing market segments and quarters instead of separate projects.



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Thank you.

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