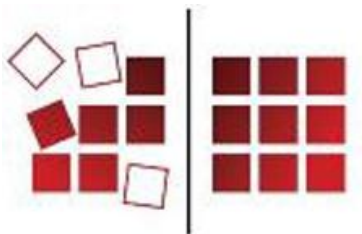




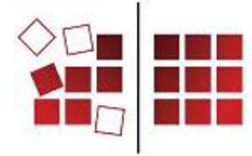
Experience of Lithuania in financing multi-apartment housing refurbishment

Simona Iržikevičiūtė
Housing and Urban Development Agency



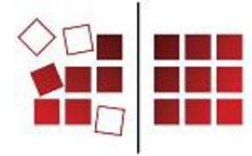
2012

Švitrigailos str. 7 / A. Vivulskio str. 16,
LT-03110 Vilnius
Telephone +370 5 262 98 53
info@bkagentura.lt

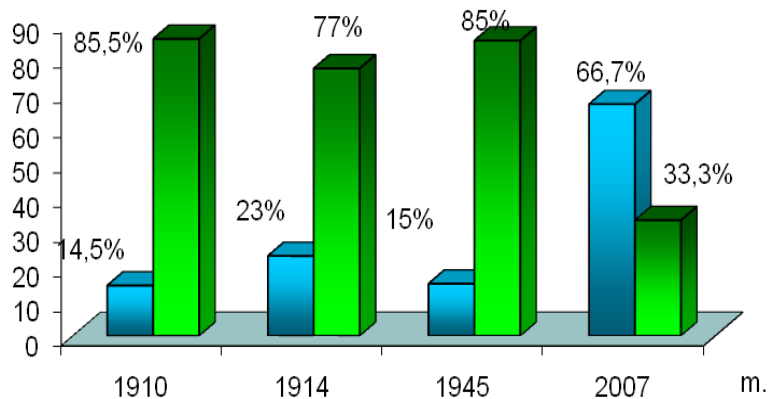


Outline

- Background situation
- Financial mechanism
- Process
- Promotion and communication
- Results



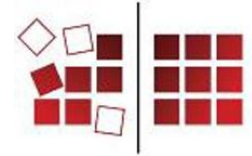
Background. Housing situation in Lithuania



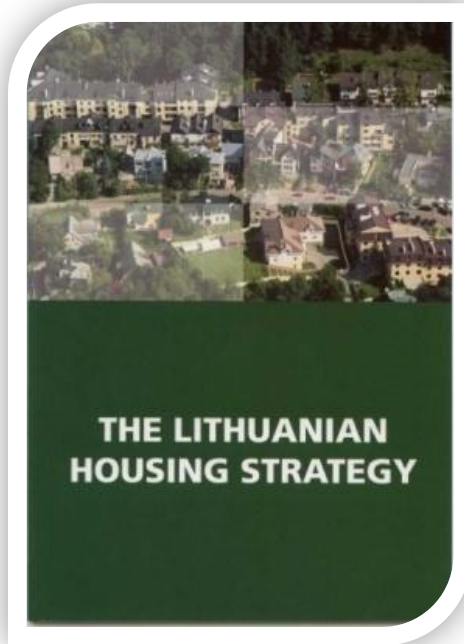
Urban inhabitants	Rural inhabitants	Year
14,5%	85,50%	1910
23%	77%	1914
15%	85%	1945
66,7%	33,3%	2007

© Department of Statistics to the Government of the Republic of Lithuania (Statistics Lithuania), 2005.

- population <3,19 mln.;
- > 66 % of population lives in multi-apartment buildings built between 1961-1990;
- 97 % private ownership, 3% social housing;



Background. Housing strategy



Approved in 2004 by
Lithuanian Government

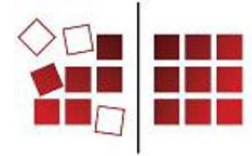
English version available
on the internet site www.am.lt

Main goals are:

Expand housing options for all social groups

Strengthen the capacity of the housing sector in the housing market

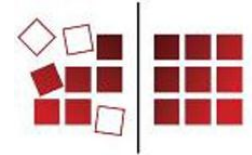
Ensure effective use of existing housing, maintenance, upgrading and modernization, including the rational use of energy resources



Background.

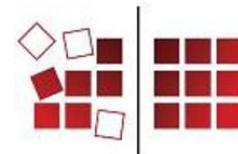
Attempts to modernise Multi-apartment buildings

- Attempts to launch modernisation of apartment blocks in early 90's were rejected
- World Bank Project in 1996-2004
- Subsidised renovation programme launched in 2006; this Programme ran out of money in late 2007
- Decision to launch a “win-win” scheme using JESSICA in early 2009
- Initiative of the European Commission (DG REGIO) which was launched at the beginning of 2006 and is supported by the EIB & CEB



Background. Approved legal acts

- The **Law on the State support** for the acquisition or rent of housing and for the modernization of multi family buildings of the Republic of Lithuania (latest amendment January, 2012);
- Resolution No. 1213 of the Government of the Republic of Lithuania regarding the Approval of the **Program for the refurbishment (modernisation) of multi-apartment buildings** (latest amendment December, 2011);
- **The Rules of State support** for the refurbishment (modernization) of multi-apartment buildings, approved by the Government of the Republic of Lithuania (latest amendment July, 2012)
- The Description of the **procedure for the preparation of modernisation projects** for multi family buildings, approved by Minister of Environment of the Republic of Lithuania (latest amendment July, 2012)
- The description of the **procedure for payment of credit and interest** taken for the renovation (modernization) of multi family buildings for low income families, approved by the Minister of Environment and the Minister of Social security and Labor of the Republic of Lithuania (February, 2012)



Background. Agreements signed

JESSICA Holding Fund

The contribution committed into the JESSICA Holding Fund is EUR 227 mln. (784 mln. Lt) and it consists of:

- European Regional Development fund (EUR 127 mln.)
- National funding (EUR 100 mln.)

EUR 149 mln. has been transferred from the EUR 227 million allocation.

EIB has to date disbursed to UDF's:

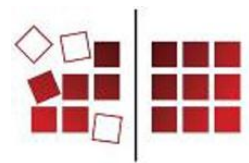
6.000.000,00 € to Šiauliai bank (I JESSICA Call 2010);

6.000.000,00 € to Swedbank (I JESSICA Call 2011);

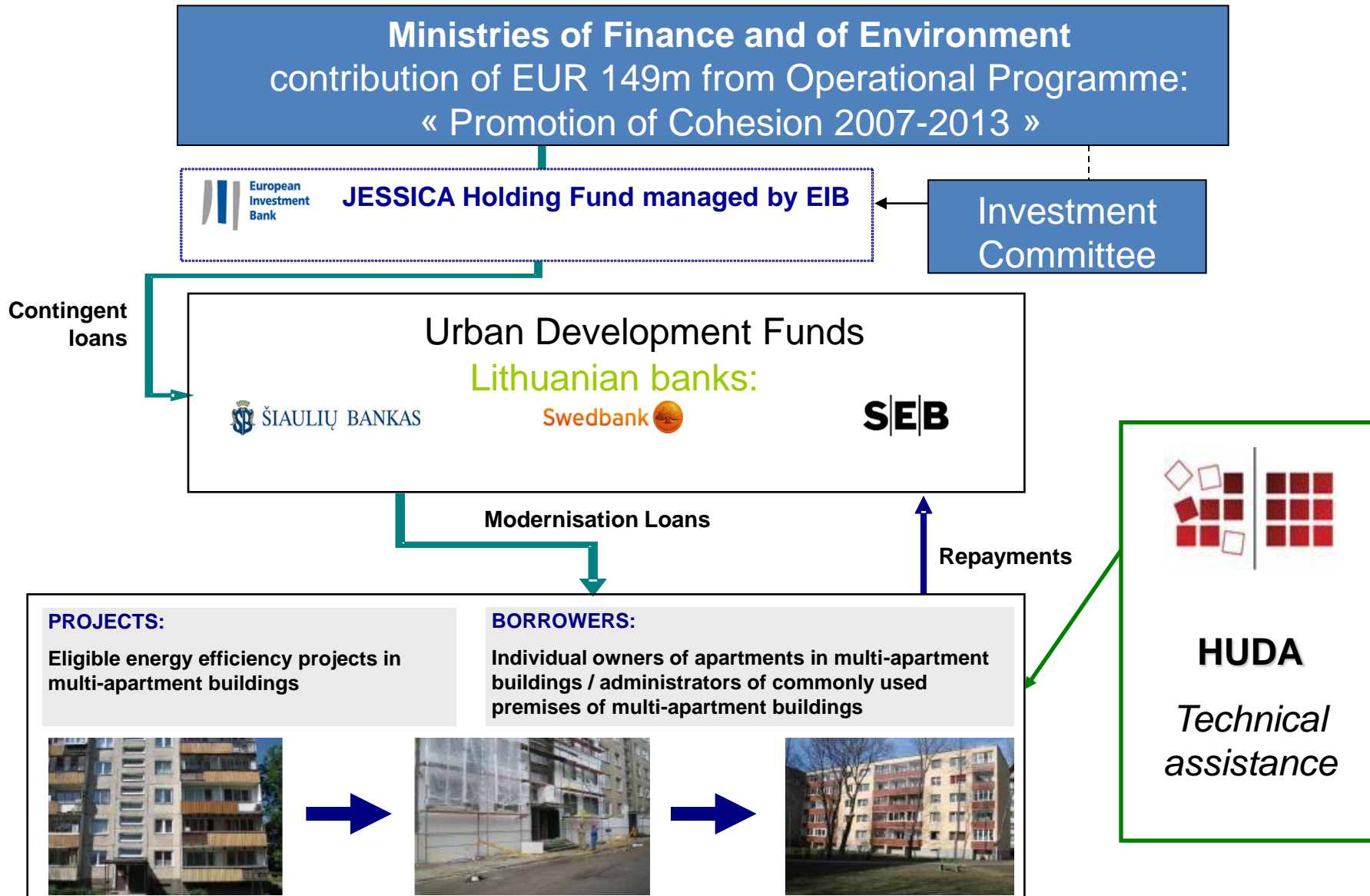
6.000.000,00 € to SEB bank (I JESSICA Call 2012);

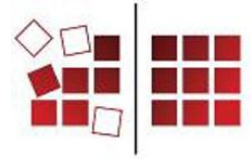
10.000.000,00 € to Šiauliai bank (II JESSICA Call 2011);

20.000.000,00 € undergoing III JESSICA Call 2012.



Financial mechanism. JESSICA scheme

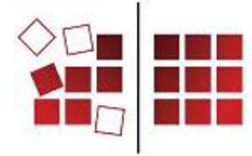




Financial mechanism. JESSICA scheme

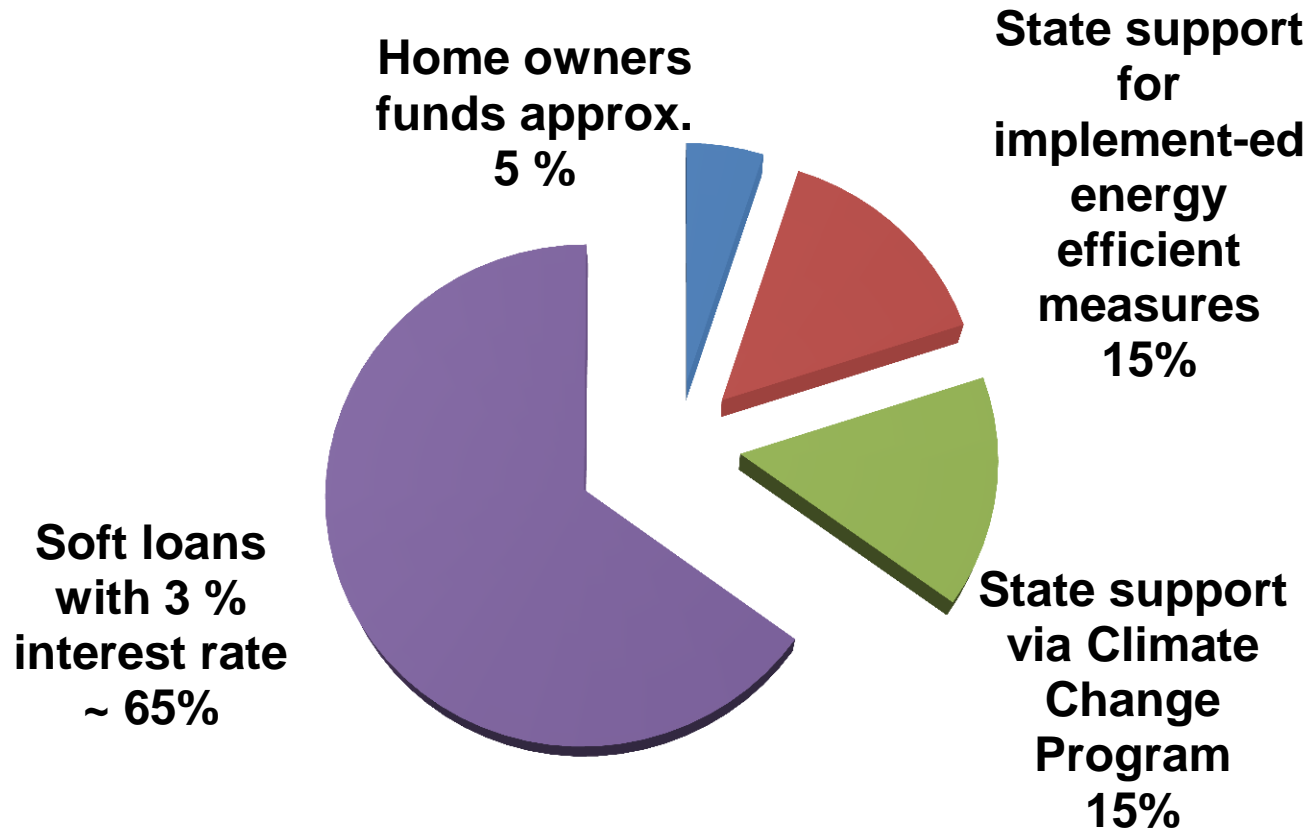
Support elements	→	100% grant* to prepare renovation documentation
	→	15% loan rebate for where minimum energy efficiency level is met (class “D” level, 20% reduction) + 15% grant from CCP (40% reduction)
	→	Exceptional 100% subsidy on all expenses for low-income persons
Maturity	→	up to 20 years
Interest rate	→	fixed for entire loan period at 3% p.a.
Self-financing	→	bank may require a down payment (not more than 5%)
Maximum monthly instalment	→	determined for each multi-apartment building
Insurance	→	no loan insurance requirements
Guarantees	→	no third party guarantee requirements
Grace period	→	2 years, during construction

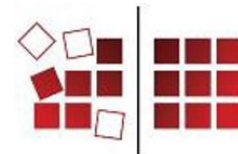
*Until 31/12/2013 after which the grant will be 50%



Financial mechanism.

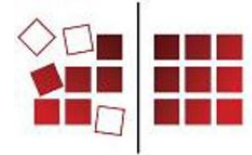
Investments for the modernisation -100%



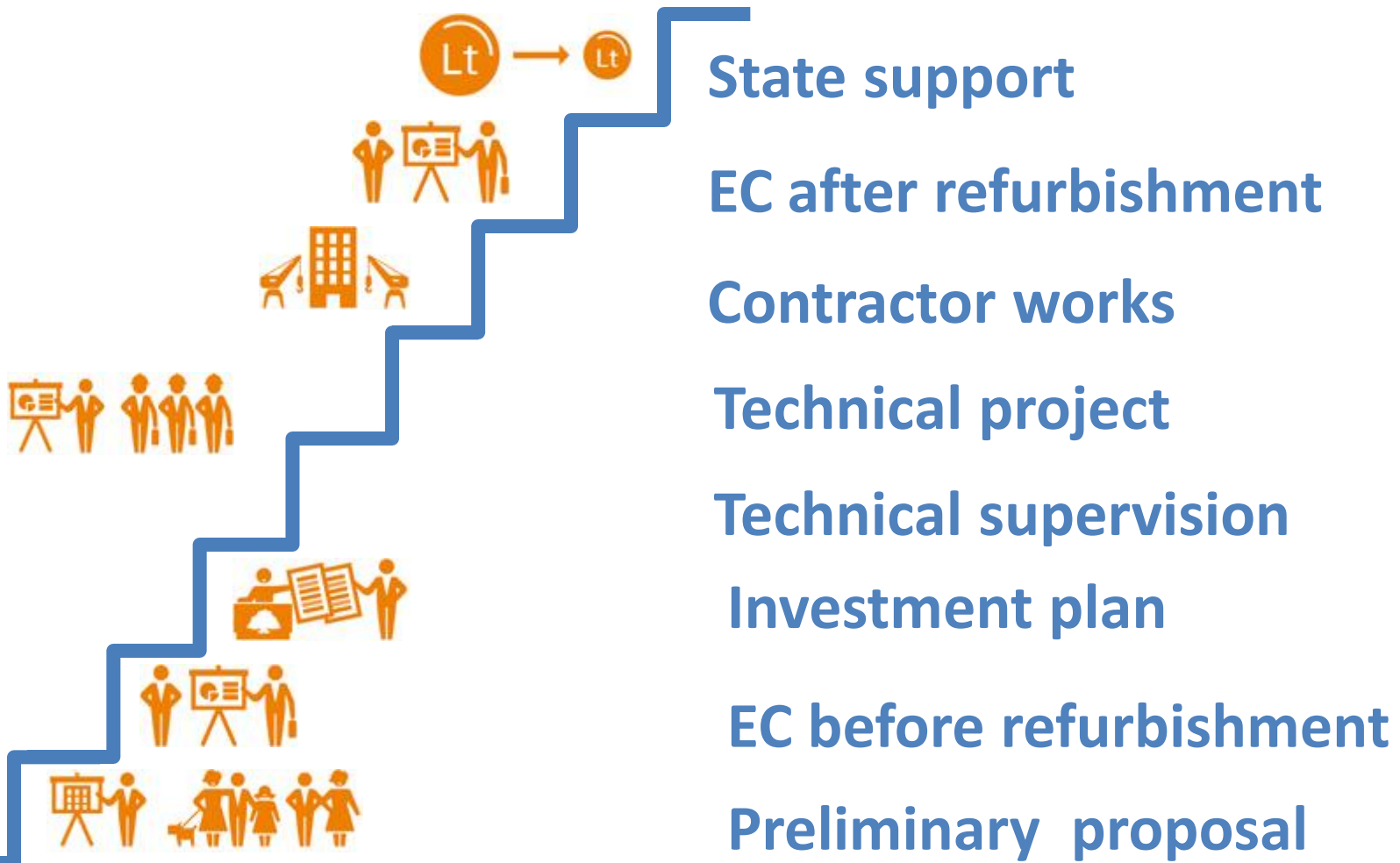


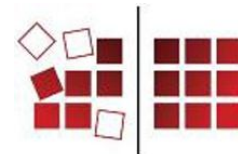
Financial mechanism. Participants

- Apartment owners
- Housing and Urban Development Agency
- Housing administration companies
- European Investment Bank (EIB)
- Municipalities
- Commercial banks (3 selected banks)
- Engineering consultant companies
- Contractors
- Etc.



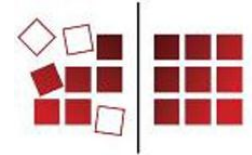
Financial mechanism. Process





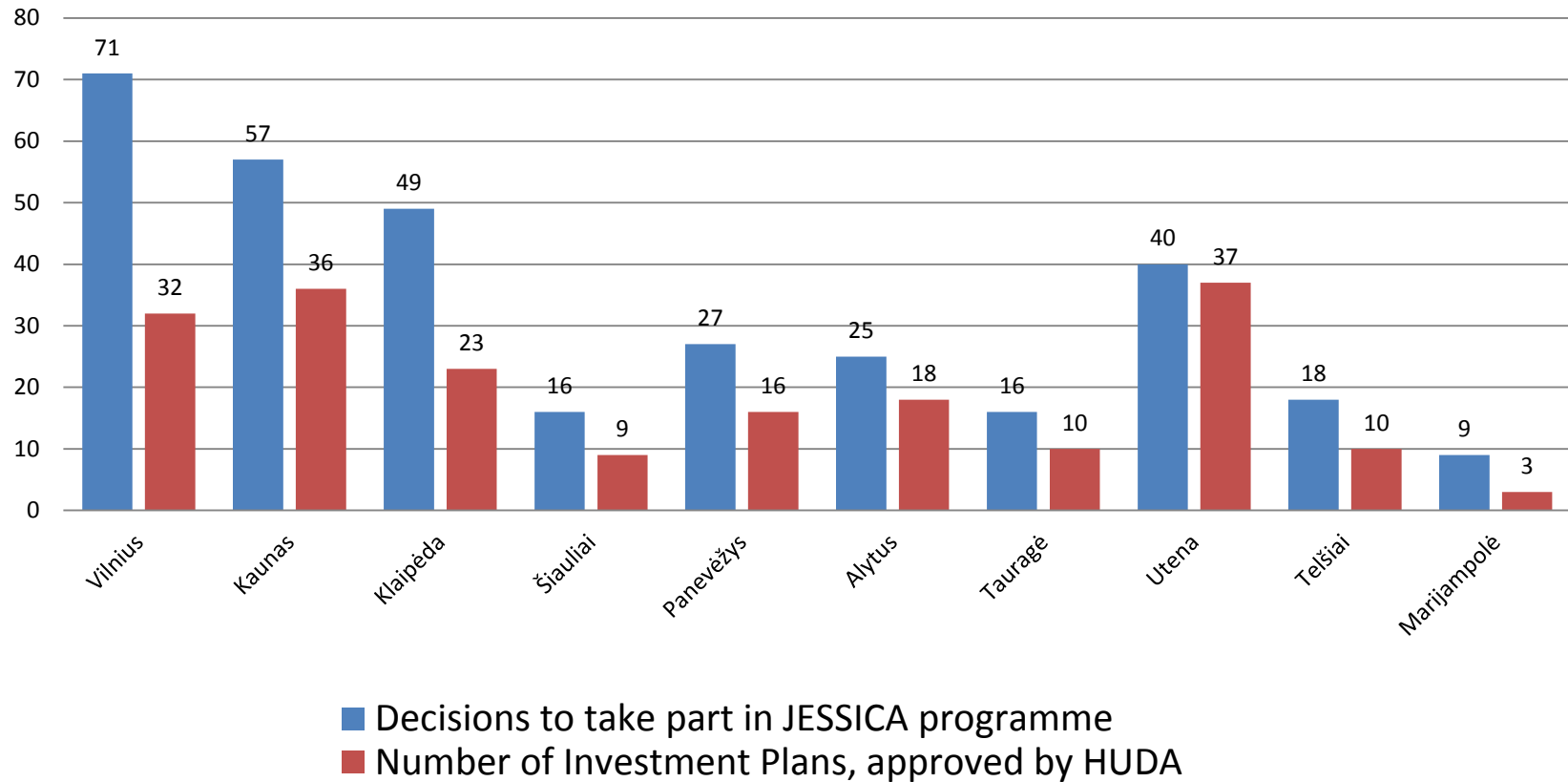
Process. State of play, October 2012

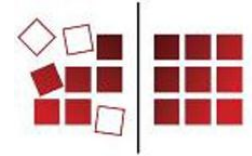
- Decision to participate **328** out of which - approved **197** Pnvestment Plans (IP);
- Total planned investments (out of approved 197 IP) – **160 million Lt (EUR 46.4 million);**
- **72** approved applications for credits:
 - JESSICA I: **35**
Credit value – **17.2 million Lt (4,9 million Eur)**
 - JESSICA II: **37**
Credit value – **9,7 million Lt (2.8 million Eur)**



Process. State of play, October 2012

Interest in participation of a new energy efficient refurbishment model under JESSICA



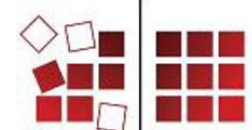


Promotion and communication. Planning

The communication is being planned and implemented taking into account key influential aspects, such as:

- 1) Season;
- 2) Political, social and economic events in the country;
- 3) Course of the processes;
- 4) Real action plan





Promotion and communication. PR campaign

Kodėl aš atnaujinu savo namus?

Kuriame Lietuvos ateitį



Proga atsinaujinti
Daugiabučių namų atnaujinimas pagal JESSICA

Kuriame Lietuvos ateitį

Konkurso „Geriausiai renovuoti daugiabučiai“ žemėlapis

Vieta: Naujas finansavimo modelis JESSICA

Konkurso „Geriausiai re...“

Vieta: Naujas finansavimo modelis JESSICA



Būstų atnaujinimas vilioja ir baugina

Sėdimo sezono daugiau nei pusė anksčiau skaičiuojamų Panevėžio Marijonų gatvės 31/31A daugiabučių namų gyventojų nebebaugina.

8 Verslas

Renovacijos virusas plinta iš lūpų į lūpas

Niekas geriau nei augantis sąskaitos už šildymą neįtikina gyventojų imtis daugiabučių atnaujinimo, o nepastikėjimą ir baimę skaido žinijimas bei sėkmingi renovacijos pavyzdžiai.

8 Verslas

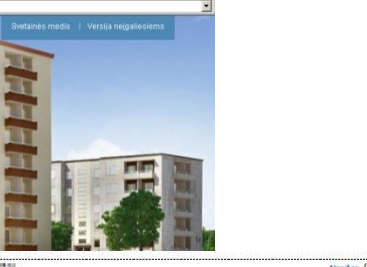
Renovacijos virusas plinta iš lūpų į lūpas

Regionas	Renovacijos kaina (€)
Šilutė	41
Utena	17

Daugiabučių modernizavimą stabdo ir mitai (2)

Zombervilių galerija

Kaunas, Kalniečiai ir Eiguliai - nuo 1975-tjų (6)



8 Verslas

Renovacijos virusas plinta iš lūpų į lūpas

8 Verslas

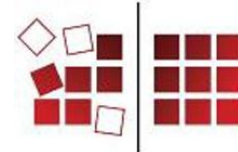
Renovacijos virusas plinta iš lūpų į lūpas

8 Verslas

Renovacijos virusas plinta iš lūpų į lūpas

8 Verslas

Renovacijos virusas plinta iš lūpų į lūpas



Results and Monitoring

Vaišvilos g. 9, Plungė

5 floors, 50 apartments.

Built in 1978.

Total heated area – 2 590,16 m²

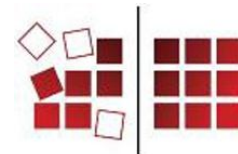


1st finished JESSICA project
Plungė, Vaišvilos 9

Implemented measures:

Heating and hot water system upgrading; replacement of windows and exterior doors; roof insulation; wall insulation; basement ceiling insulation; insulation of base; drinking water pipelines and equipment replacement; repair works of sewage system; floor insulation on the ground; electrical wiring repair works; stairwell repair works

Investments – 385.319,16 EUR



Results and Monitoring

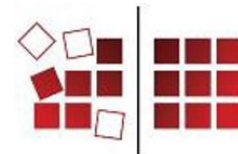
Completion date – September 20, 2011

Energy efficiency class ([according to Energy Performance Certification classification](#)) before refurbishment (modernisation) – E, planned value – C, Achieved value – B;

Energy consumption before modernisation - 293,94 kWh/kv.m

Energy consumption after modernisation - 121,01 kWh/kv.m

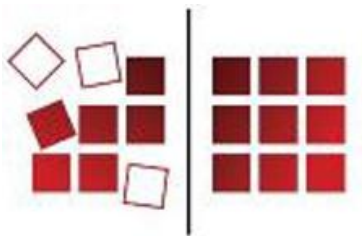
Energy savings - 58,83 (%)



Benefits of JESSICA in Lithuania

- Energy efficiency programme designed with the support of both grants and financial engineering instruments – excellent scheme to be replicated by Lithuania in future programming period
- Assistance and experience of European Investment Bank as a JESSICA Holding Fund manager in establishing and developing JESSICA financial product
- Recycling ability via repayable investment
- Mobilisation of the country's financial and construction sectors
- Large scale national programme with a potential to become an important stimulus for the economy

Thank you for your attention!



Housing and Urban Development Agency

Švitrigailos str. 7 / A. Vivulskio str. 16,
LT-03110 Vilnius
Telephone +370 5 262 98 53
info@bkagentura.lt