

Renovation of Multi-Family Residential Buildings in CEE

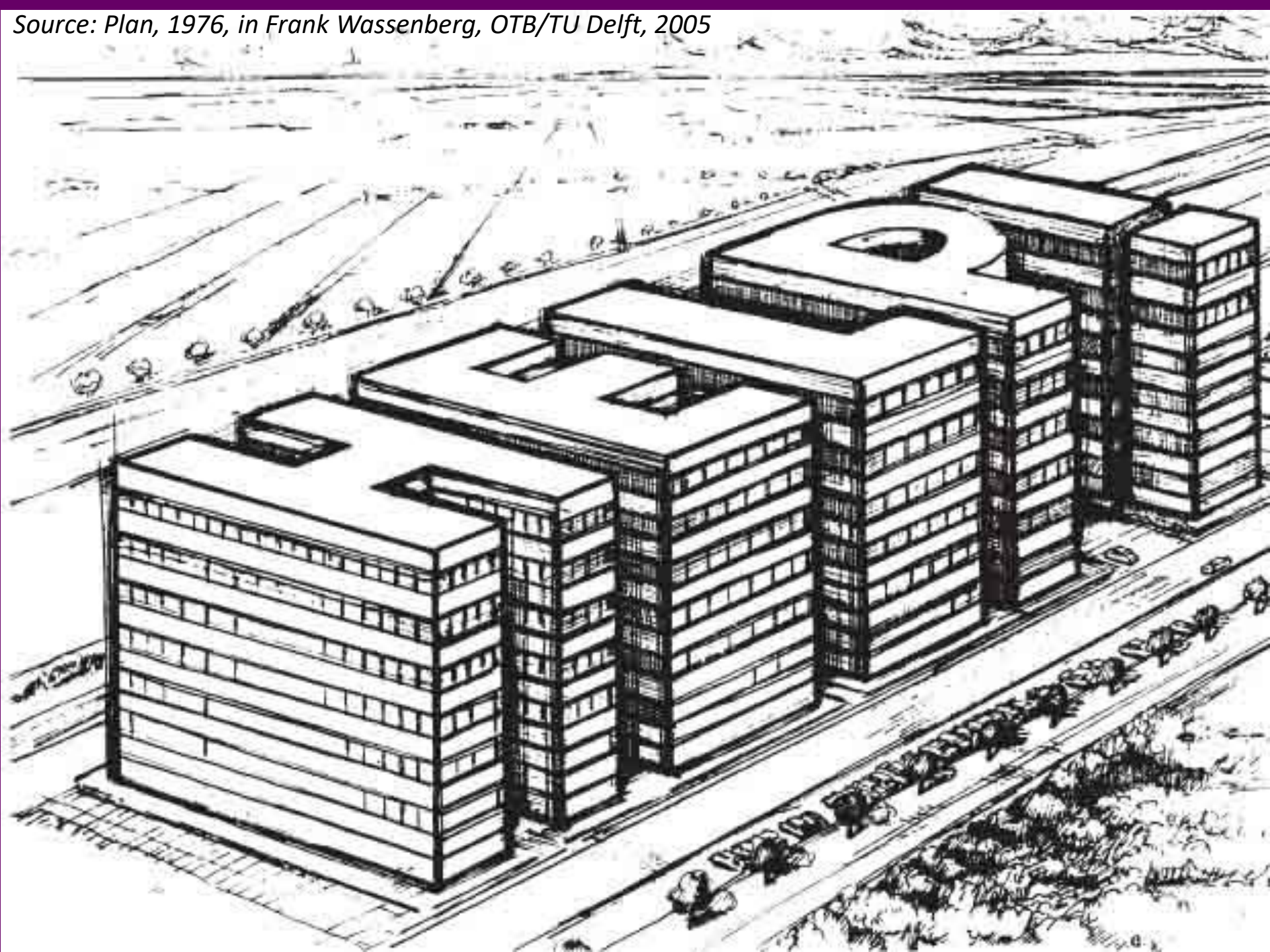
The Governance System regulating Maintenance, Management and Renovation:
participation, stakeholders, institutions, regulations, standards and enforcement



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Source: Plan, 1976, in Frank Wassenberg, OTB/TU Delft, 2005



Result of Research in Multiple Countries sponsored by the Dutch Ministry of Housing Spatial Planning and Environment – VROM, 2005

Back log in
Maintenance and
Repairs:
approximately
€ 400 Billion
EU 15: 70%
CEE: 30%

**THE
PROBLEM
IS NOT
NEW**

Refurbishment,
Renovation and
Capital Repairs in
current tempo
40-100 years

Source: VROM, 2005; PRC Bouwcentrum, 2006

Current Situation (2021)

Findings from Bulgaria, Czechia, Estonia, Hungary, Latvia, Poland, Romania and Slovakia

1. Buildings energy inefficient by large;
2. Weakness in scale of responses, funding, strategy and policy;
3. Low ambition in decarbonization (40% instead of 55% emission reduction);
4. Less efficient building stock and higher rates of energy poverty, particularly in Bulgaria, Slovakia and Hungary;
5. No plans to introduce much-needed individual heat meters in multi-apartment buildings in Latvia;
6. Without capacity building and demand for application of tougher renovation standards, workforce may not be able to go to scale and implement the Renovation Wave in Romania;
7. Fossil fuel-based heating systems still widely adopted;

Source: "Central and Eastern Europe's buildings renovation plans fall far short of 55% emissions cuts", C. Jost (2021).
In <https://energypost.eu/central-and-eastern-europes-buildings-renovation-plans-fall-far-short-of-55-emissions-cuts/>

EU: acknowledging the problem and taking action

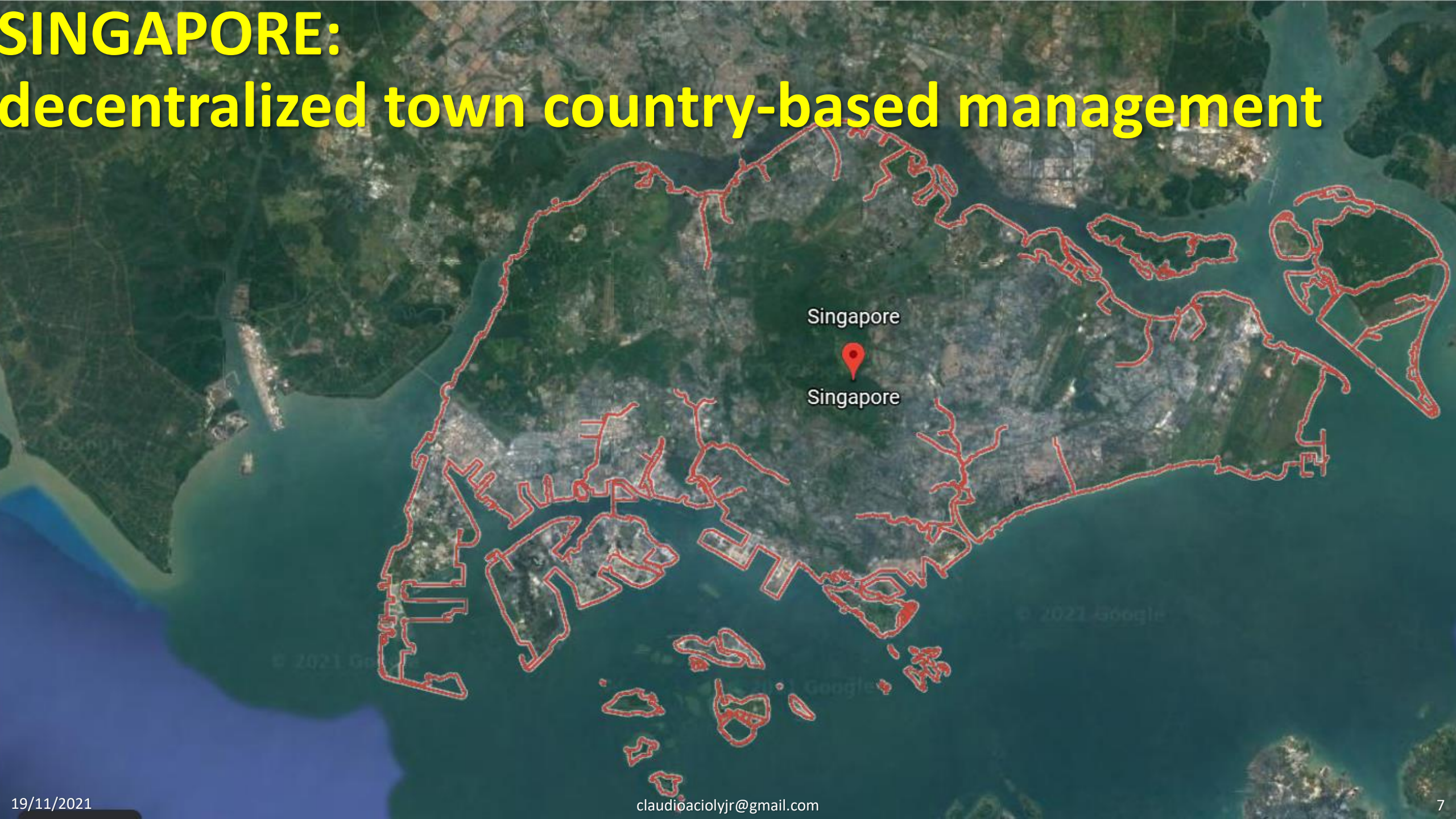
- 1. EU recovery plans:** buildings accounting to 40% of the energy consumed and are responsible for 26% of the greenhouse gases emitted in Europe
- 2. Fit for 55 Package:** revision of the EU emissions trading system (EU ETS); separate ETS for road transport and buildings; energy efficiency directive.
- 3. EUR 672.5 billion recovery fund:** EC proposing dedicated housing renovation support schemes and one-stop-shops facilitating energy renovation projects.
- 4. > € 55 billion across Europe:** investments in the building sector in nearly all national recovery plans. Building renovation throughout Europe, second only to clean transport.

Source: <https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal/package-fit-for-55>

Eight Imperatives: persistent bottlenecks still in 2021

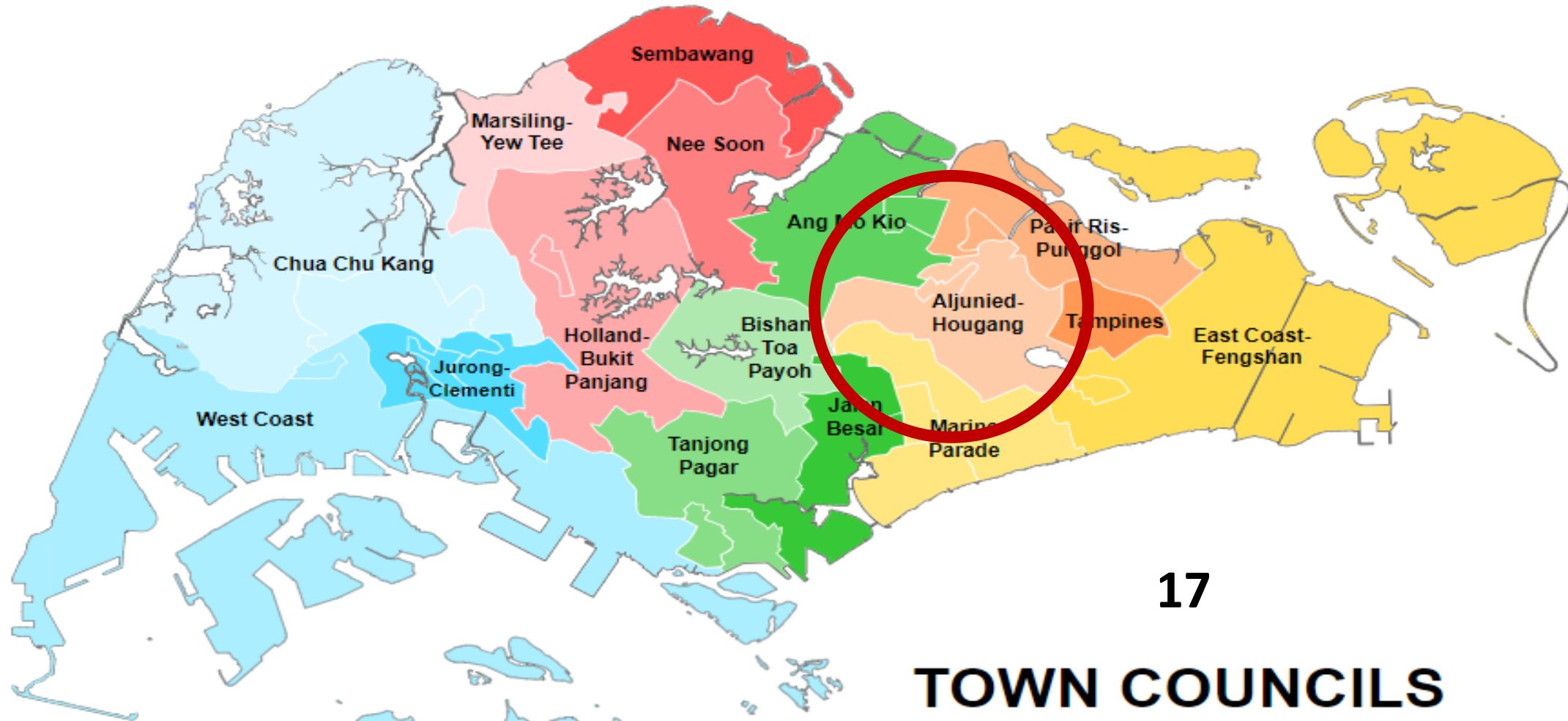
1. **Finance**: Lack of funding and instruments to mobilize resources;
2. **Policy**: National strategies not clear enough about housing estates refurbishment, capital repairs, and structured renovations;
3. **Laws**: legislations and regulatory reforms not in place to boost large scale renovation
4. **Governance of housing management and maintenance**: slow advances on holding homeowners accountable and boosting homeowners associations, condominium
5. **Strategies**: Lack of incentives and disincentives (stick and carrot)
6. **Energy and construction solutions**: Energy efficiency often recognized but not receiving robust policy attention and actions and capacity gap to adopt innovative technologies and construction materials
7. **Participation**: Stakeholders participation and creative solutions to bring together residents, homeowners, property management companies, developers, governments, private investor, etc.
8. **Attitude**: mindset of policy makers and the wide public not fit for purpose, lack of vision and the need for radical changes in heating, building, management, policy, legislation

SINGAPORE: decentralized town country-based management



Singapore:

Town councils established in 1988 (new towns, housing estates) as a mini-government, decentralized system to empower residents, create identity and delegate management and repair responsibilities.

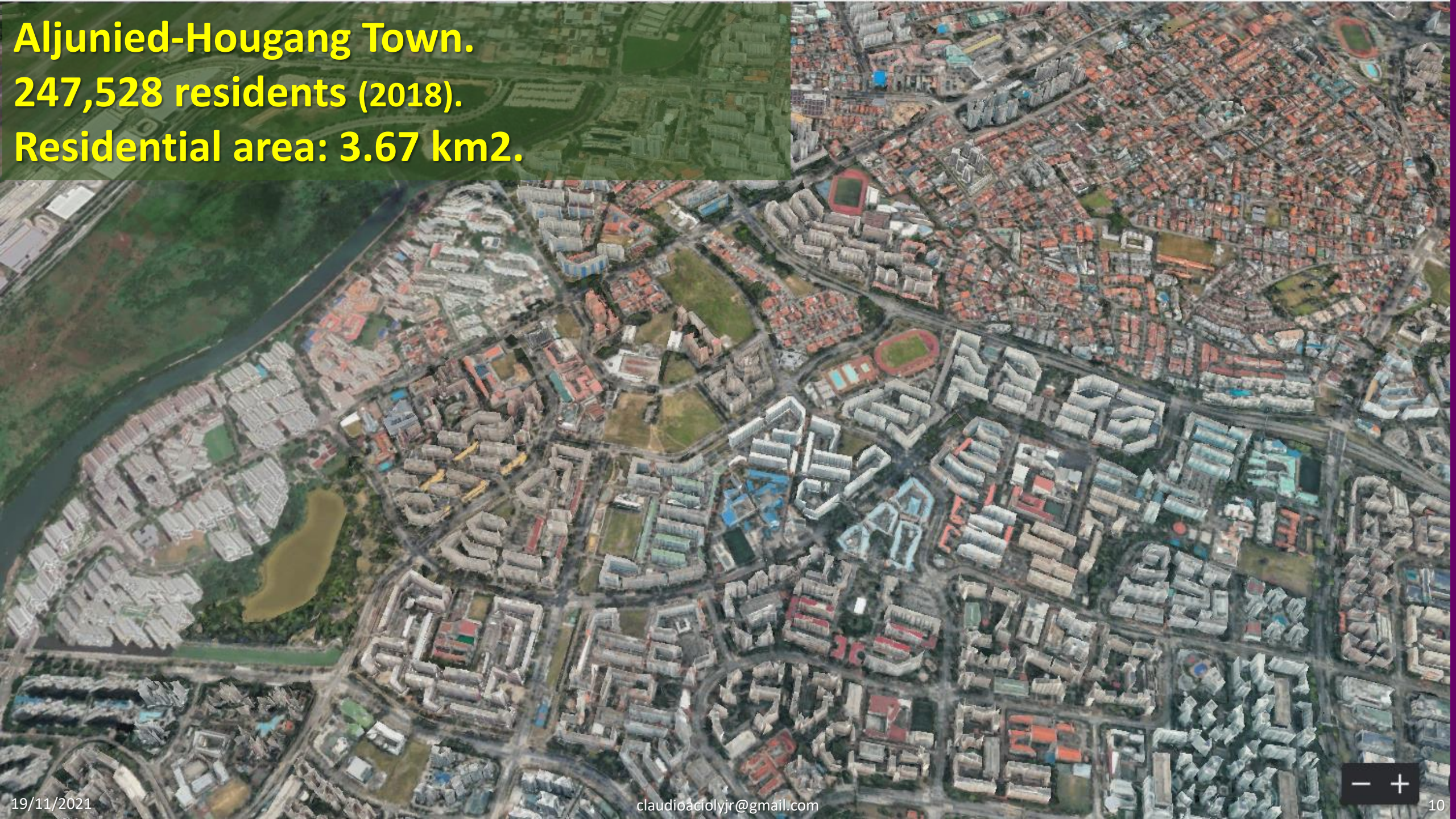


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TOWN COUNCILS

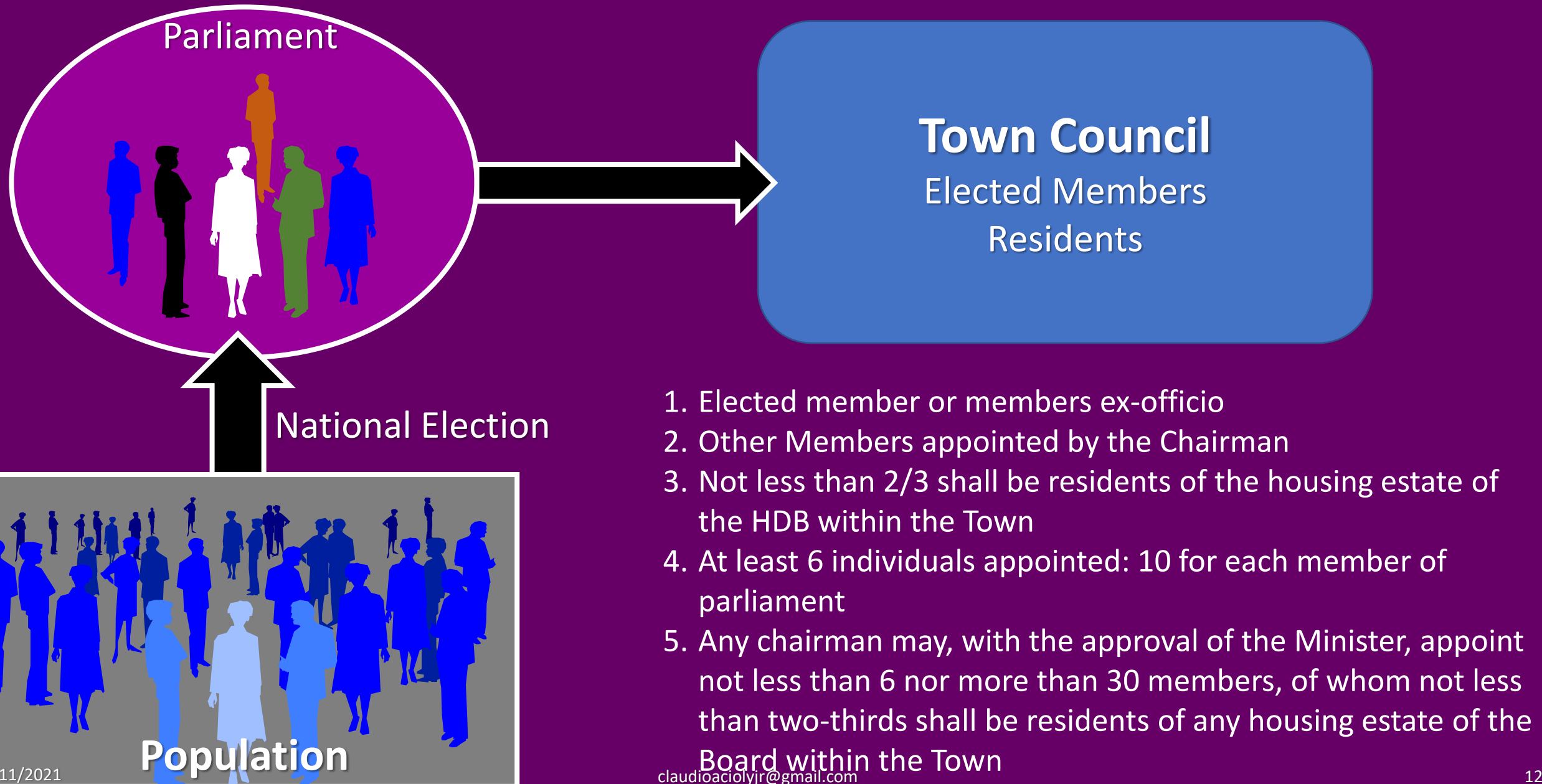
of Singapore

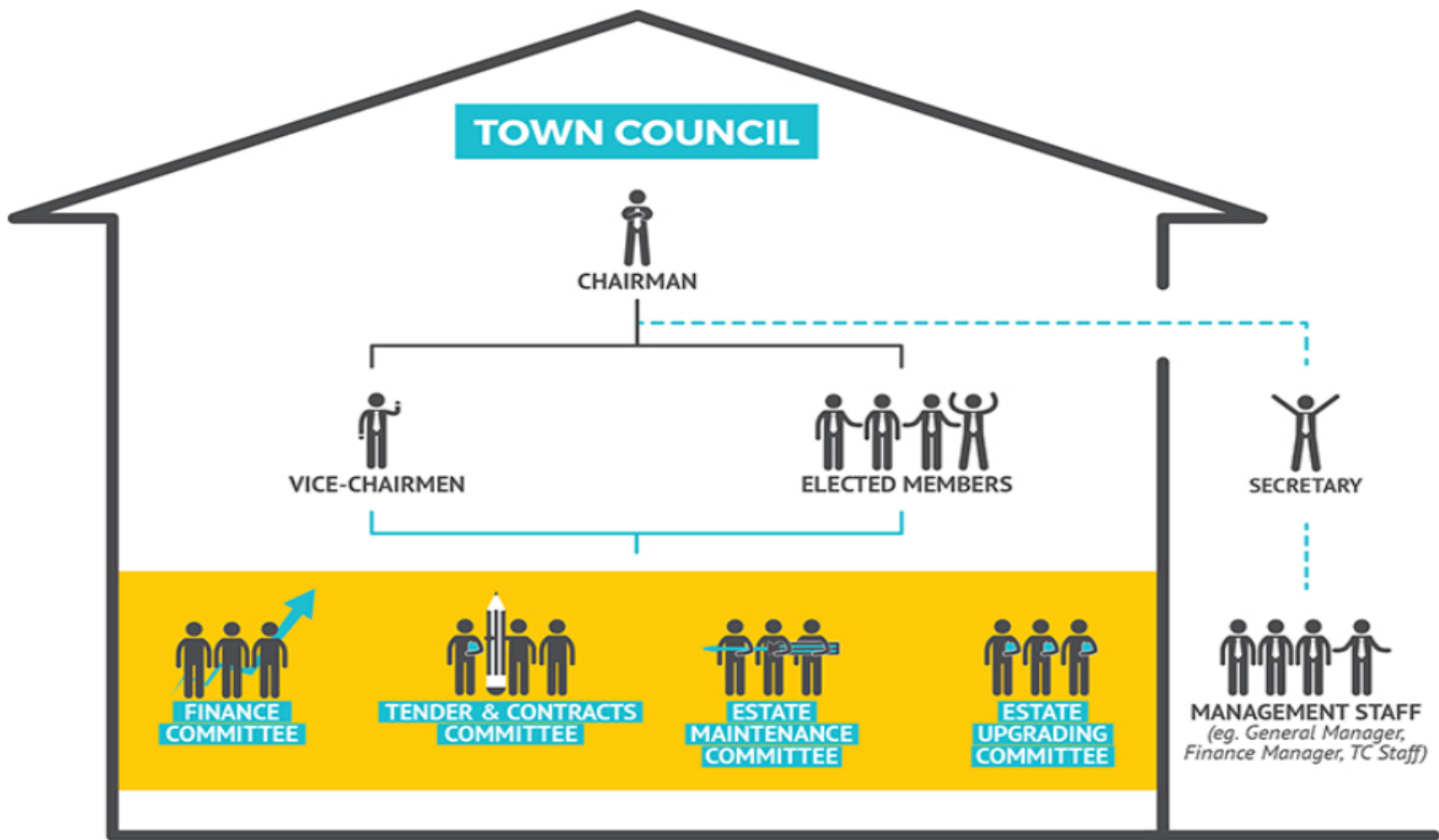
Aljunied-Hougang Town.
247,528 residents (2018).
Residential area: 3.67 km².





Singapore: Management and Maintenance of Multi-family Buildings





The Town Councils may appoint managing agents to manage their towns, adopt a self-management model (i.e. hire their own employees), or a combination of both. Managing agents are service providers appointed by the Town Councils to provide the expertise, resources and manpower to carry out the day-to-day operations, including the supervision of other contractors and service providers.



RESIDENTS & COMMERCIAL OPERATORS

- Service and Conservancy Charges (S&CC)



GOVERNMENT

- S&CC Operating Grant
- GST Subvention
- Lift Maintenance Grant (LMG)
- Lift Replacement Fund (LRF) Matching Grant



SHORT-TERM ROUTINE EXPENSES

LONG-TERM CYCLICAL EXPENSES



For **short-term** routine expenses
(e.g. utilities, cleaning, maintenance, servicing and general repairs)



For **long-term** non-lift related cyclical replacements and major repairs (e.g. cyclical repainting, and renewal or replacement of the roofing system, pumps and water supply system, and electrical supply system)



For **long-term** lift-related cyclical works (e.g. the replacement of lifts and lift upgrading works)



South Korea: council of occupants' representatives



Apartment complex in Seoul's south-eastern Songpa district. (Yonhap)



South Korea: multi-family housing subject to compulsory management

Must have a person who manages the relevant multi-family housing professionally and organize an autonomous decision-making body compulsorily, at least 150 households, prescribed by Presidential decree.

- 1. Chairperson
 - 2. Auditor
 - 3. Directors
- as Executive Officers



- 1. Council of Occupants' Representatives.
- 2. A least 4 persons.
- 3. Elected in proportion to number of households in each building.
- 4. Representative of each building.
- 5. Appoints head of management office
- 6. Selects Management Service Provider

Key Stakeholders

Ministry of Land, Infrastructure and Transport.

Certified Housing Manager

Housing Management Service Provider

Council of Occupants' Representatives

Residents' Representatives



South Korea: participation and stakeholders engagement



The council of occupants' representatives or the management entity shall organize a management body of multi-family housing, including an autonomous management body.

The council of occupants' representatives shall be comprised of representatives elected according to electoral districts prescribed by the management rules in proportion to the number of households in each building (hereinafter referred to as "representative of each building"). In such cases, an electoral district may be established by combining two or more buildings or dividing a building by corridor or floor.

Source: South Korea Multi-family Housing Management Act. Act No. 13474, Aug. 11, 2015

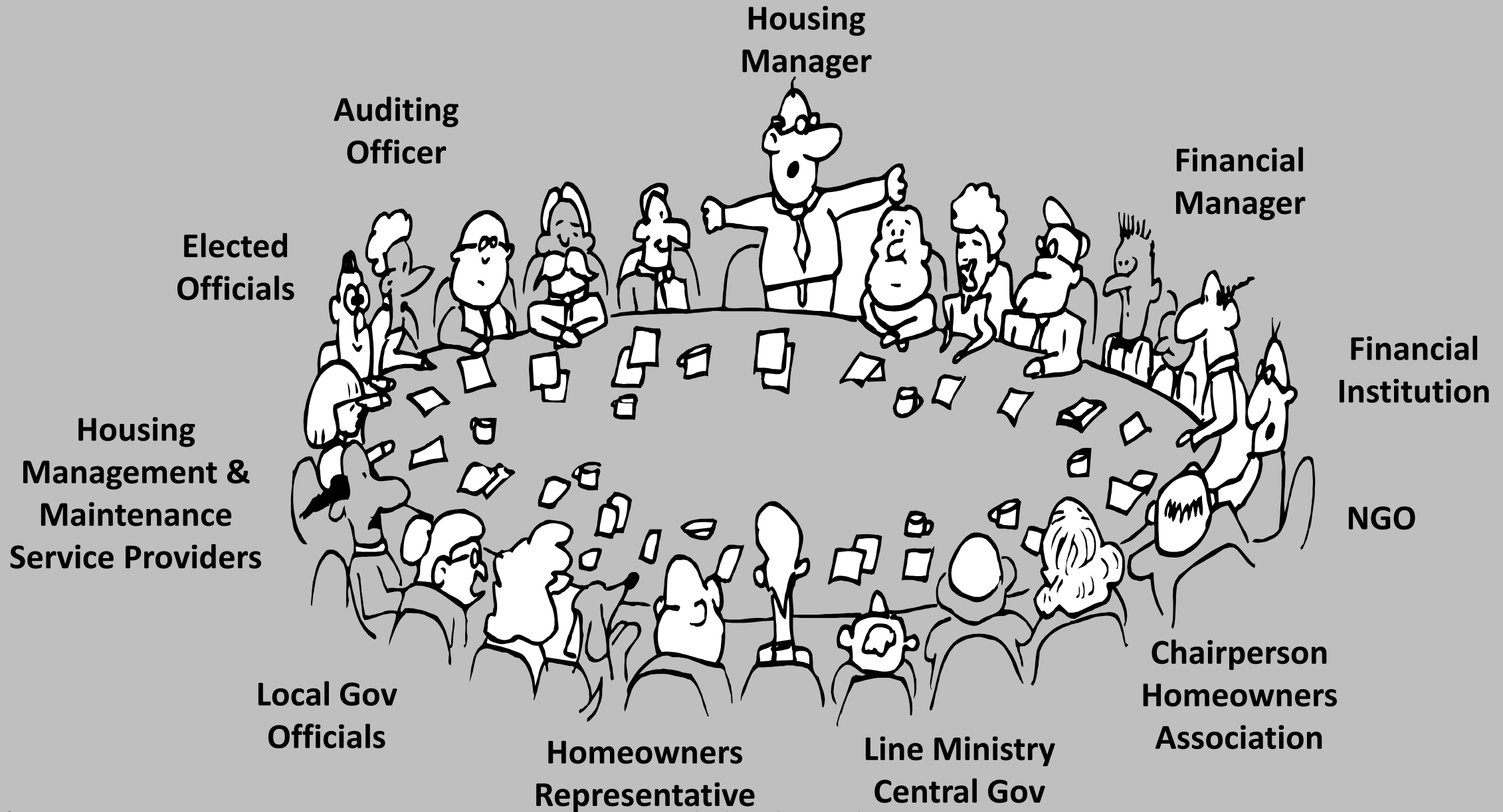
SOUTH KOREA:

Since the Multifamily Housing Management Ordinance of 1979 amended in 1980s, many institutional measures have been legally enforced and shaped contemporary practices of professional housing management such as

1. An association for housing management companies;
2. Qualification of on-site housing management agents;
3. National licensing examination for housing managers;
4. An organization for licensed housing managers
5. Mandatory registration of housing management companies;
6. Disclosure of monthly housing management fees,
7. Formalization of public assessment of housing management.

COUNTRY	Nature of Housing Maintenance	Stakeholders' engagement
Singapore	Town Council. Area-based Management. Compulsory. Multiple buildings. Elected & Appointed members. Members of Parliament linked to area.	Engage, hire and appoint specialized service providers. Including Professional Maintenance Manager.
Korea	Council of Residents' Representatives. Area-based Management. Compulsory. Elected Members. Professional Housing Manager.	
Netherlands	Homeowners' Association (VVE). Single Building based management. Compulsory. Owners automatically members.	Hire specialized service providers, including VVE administration.
Brazil	Homeowners' Association. Single building-based. Compulsory. Owners automatically members. Head of HoA elected by members.	Hire specialized service providers, including HoA administration.
Chile (Social Housing Project Las Condesas)	Municipality hires and appoints housing manager. Area-based management.	
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A Concerted Approach to Multi-Family Residential Building Management, Renovation, Maintenance and Repairs





The End

Thank you!

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