PROMHOUSE 2022

Relevance of residential building refurbishment managers (WGS) for retrofitting buildings.

Key task: The great benefit of qualified management of residential building refurbishment

Residential buildings in Kazakhstan and Uzbekistan are mostly built as industrially prefabricated and large apartment buildings. The appearance is influenced by the architectural standards in the time of the Soviet Union and can be found in similar technical design and wide distribution in all countries of the post-Soviet region, in the south at the Black Sea as well as in the north in the Baltic States, east of the Odra River as well as in the Caucasus.

These buildings were built primarily to quickly meet the great demand for modern housing. Energy standards were not given a priority. At the time of construction, the word about energy efficiency and climate protection in the building sector had not yet been spread.

The majority of the buildings in question are in need of major renovation and have well exceeded their useful life. In addition, there are major energy and heat losses, which significantly reduce the quality of living and life of today's residents, also in financial terms.

In addition to the structural-technical challenges, there is another one: The apartments in the buildings were privatised in most countries of the post-Soviet region in the 1990s and usually transferred to the residents at that time. What made people proud owners back then has now become a major burden for many. This is because very few residents can afford the urgently needed renovation. Even though homeowner associations (HOA) were formed in the buildings, many of them are still not sufficiently organised today. This is now particularly noticeable financially, because there are no reserves and no established decision-making processes to initiate refurbishment measures. Instead, owners have always focused on individual measures for their apartments; when they could afford it, they replaced windows, insulated their part of the facade, or glazed and insulated their balconies to gain additional living space. In doing so, the individual owners did not consider the building as a whole system and thus created exterior views in many places that resemble patchwork quilts and have not helped to improve the quality of the building. On the contrary, the dismantling of individual measures during a future refurbishment of the entire building must be borne financially if, for example, insulation patches must be removed before new insulation can be applied to the entire building.

The short- and medium-term refurbishment of the region's residential buildings is inevitable. Not only for reasons of climate protection and decarbonisation, for which the global community has only a few years left to mitigate the impending climate catastrophe; the structural condition is in part so poor that it poses a real danger to the inhabitants.

What needs to be done to initiate the refurbishment of residential buildings in the post-Soviet region, in Kazakhstan and Uzbekistan, as quickly as possible and on a large scale?

This task needs to be tackled on several levels, and simultaneously where possible.

First of all, residential communities need to be supported in organising themselves, in commissioning capable management companies to represent their interests and in bringing about informed and structured decisions. The formation and management of reserves, but also the taking out of loans for the HOA are important aspects to be able to implement renovations in the first place. Training and

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seminars can make this possible, as can service and contact points set up especially for homeowners and owner communities. Project and advisory work can promote the necessary problem awareness and solution orientation of residents.

The goal in the interest of refurbishing and decarbonising privatised apartment buildings in the region must be to strengthen HOAs in their ability to act and thus also the effectiveness of their decisions. In most of the countries in the region, there are examples where self-management by owners works well. However, this is the smaller part; for the majority, professional apartment and building management is the better option. A well-organised and professionally managed HOA is able and empowered to better assess the quality of building management and to select and hire appropriate managers and other service providers.

However, this presupposes that a market for housing management exists or is in development, which is hardly the case in most post-Soviet countries so far. As soon as competition exists, the providers on the market must also make their services attractive and customer-oriented. This way, homeowners are given a choice and can influence the overall quality of the market offers through their decisions and commissioning. Currently, neither self-managed nor professionally managed HOA have the knowledge and expertise to carry out complex projects of energy refurbishment of their buildings.

In terms of sustainable energy retrofitting of buildings, it is therefore crucial what qualifications and expertise the housing and building management providers have. It is not necessary that they have an engineering degree or are building physicists. Skills and knowledge that allow the manager to evaluate technical offers for structural changes, repair measures or refurbishments and to base his advice and support to the HOA on these are already a great asset and can significantly improve the quality and sustainability of refurbishments.

At the same time, HOA are dependent on the expertise and advice of their management. As a rule, they are not technically trained to examine offers and expertise in detail.

In the course of its project work since 2001, the Housing Initiative for Eastern Europe (IWO e.V.), partner in the PROMHOUSE project, has also recognised the need for targeted training of building and HOA managers and has developed a corresponding training concept: As prospective "residential building refurbishment managers" (German abbreviation: WGS - *Wohngebäudesanierungsmanager*), building managers are trained to consider the various challenges and levels of refurbishment processes as a whole and to take them into account during implementation. Not only economic considerations then play a role in the planning and commissioning of refurbishments, but also energy efficiency and energy saving goals, the coordination of (also future or expected) measures with each other and the selection of suitable technologies. Various specialised training modules ensure a comprehensive view of the topic and the inclusion of all important perspectives, including housing management, technical implementation of energy-efficient building retrofits, communication, energy audits, construction and retrofit management including quality control, and financing. In addition, greater emphasis is placed on ensuring that as many stakeholders as possible, first and foremost the owners themselves, participate in the decision-making and implementation processes. Thus, an important focus in the work of a WGS is on communicative competences and measures. Moreover, the training courses are not only available to property managers, but also to other decision-makers in the refurbishment process, such as municipal administrations, refurbishment providers and developers, energy auditors and planners.

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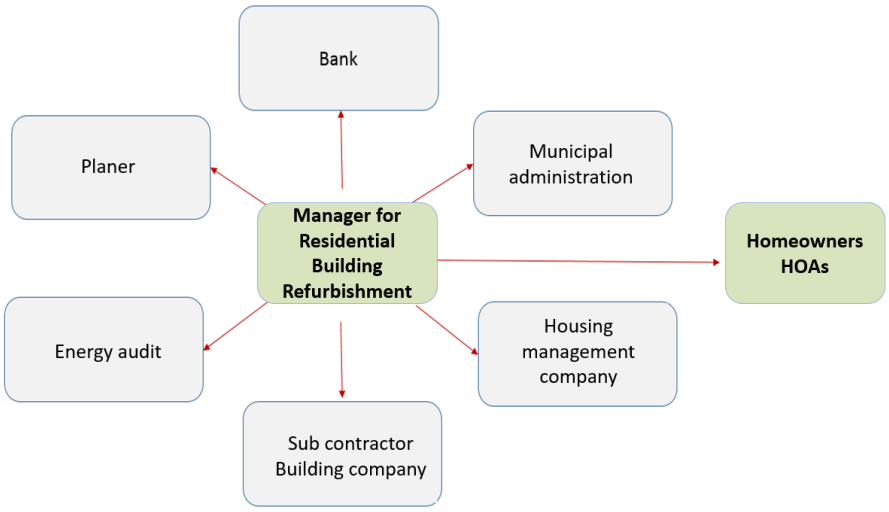
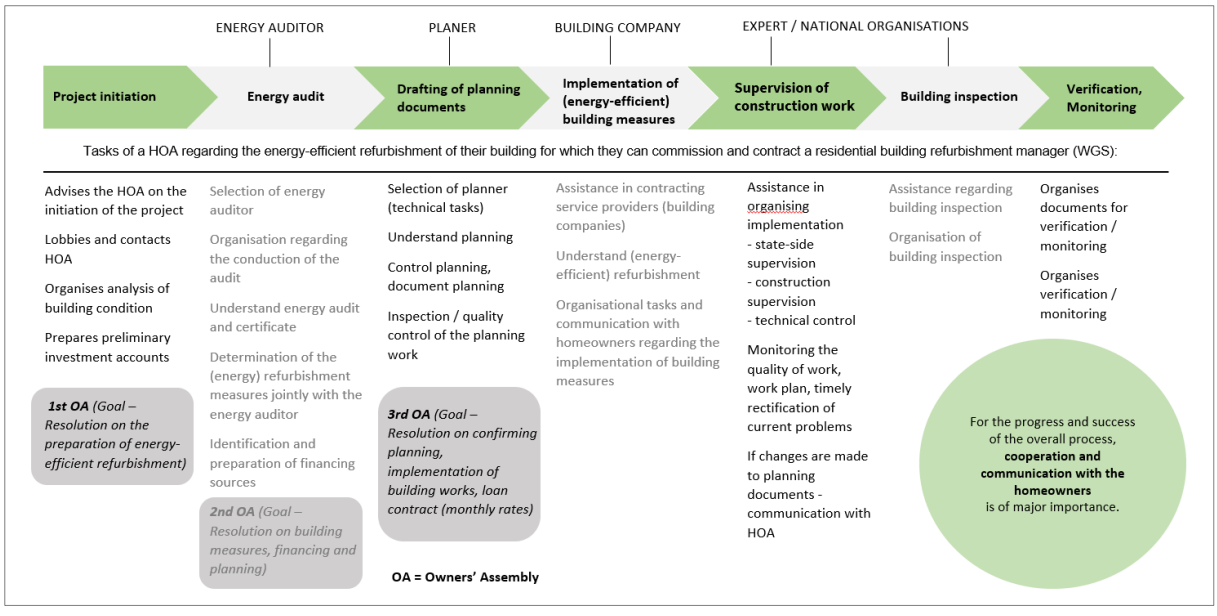


Picture 1: Stakeholders in the refurbishment process. The 'WGS' manager as key figure. Source: dena/IWO 2021

With the introduction, establishment and roll-out of qualification for residential building refurbishment (WGS) managers in the region, it can increasingly be ensured for the future that refurbishments are planned and implemented with a high technical quality and at the same time with a focus on increasing energy efficiency and reducing carbon emissions. The more stakeholders in the building and refurbishment sector the training reaches and connects, the more firmly a holistic approach and a systemic approach to refurbishment projects for residential buildings will become anchored. A WGS manager can competently and comprehensibly explain to the residents which measures should be realised, how and in which sequence, and what the benefits are for the residents. If the owners are informed thoroughly and in good time, and the cooperation between them and the management as well as the preparation of meetings are well organised, decisions at owners' assemblies can be made more quickly and with fewer complications.



Picture 2: Major phases and participants/stakeholders in the organisation and implementation of energy-efficient refurbishments. Source: dena/IWO 2021

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It also seems worthwhile to offer training on residential building refurbishment management for financial institutions: This way, incentives and approaches can be given for additional, targeted financial services and products as well as loans on the part of (private) banks. Furthermore, awareness and relevant depth of knowledge of those who ultimately decide on private applications for loans or grants for refurbishment measures are increased.

Because eventually, the availability of qualified service providers goes hand in hand with the availability of suitable financing options. Some countries, such as Lithuania, have already developed and introduced state subsidy programmes for the energy-efficient refurbishment of buildings several years ago. In Ukraine, too, the state energy efficiency fund, which is fed with funds from Germany, the European Union and Ukraine, made an instrument available to HOA for the first time with which they could finance refurbishment measures. In both countries, however, the demand for and take-up of subsidies and loans was slow to take off. Once again, it became clear that competent intermediaries are needed who know the financial framework conditions and possibilities and can make them available to owners and HOA.

Stakeholders such as residential building refurbishment (WGS) managers, who on the one hand know the conditions of the funding programmes and on the other hand can expertly accompany the process of energy-efficient refurbishment, make it possible for owners and HOA to effectively call on funding and designated loans and ultimately achieve the urgently needed increase in refurbishment rates.

Last not least, targeted legal framework conditions provide significant incentives to implement refurbishments to a high technical and energy standard. The introduction of energy efficiency classes, energy performance certificates and the like promote a change in thinking and increase awareness among all stakeholders. They also form an important basis and reference for the orientation of funding programmes and other financial products.

A harmonious combination and interplay of legislative framework, qualification and advisory opportunities and financing offers is the key to the energy-efficient and climate-friendly retrofitting of the building stock, in the post-Soviet region as elsewhere. All fields of action must be coordinated and developed simultaneously. The residential building refurbishment manager connects all these areas at the implementation level, that is, at the level of the homeowners. The relevance of this role and function for increasing decarbonisation of national housing stocks and achieving global climate and energy efficiency goals cannot be overestimated.

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