



Project „Participative Housing Reforms – increasing citizens’ participation in local housing reforms’ implementation through strengthening their capacities, improving access to information and facilitating dialogue with local authorities”

Report on the Study Tour of Belarusian Partners to Germany

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1. Introduction

According to the Project goals and objectives that envisages familiarization and transfer of German experience in housing management and public involvement into local housing policy a study tour of Belarus partners took place to the cities of Berlin and Bochum in the period since the 19th till the 26th of July 2009. Representatives of local authorities, public and private management organizations, condominiums and educational institutions dealing with training of housing sector specialists took part in the study tour. There were four Belarus regions represented, i.e. Minsk, Minskiy, Vitebskiy, Grodnenskiy and Gomelskiy regions.

The goal of the study tour was to get familiarized with the basic structures of the housing economy of Germany, studying of German “know how” in the sphere of housing management and “know how” of new federal lands in privatization and development of new ownership structures based on the East Berlin example. As a result the Belarus partners have been provided an opportunity to adopt experience of Germany for its further adaptation to Belarus conditions in development of new communication tools aimed at stirring up of public participation in the housing reforms and raising awareness of public in the issues of housing economy. The German experience can be also utilized for elaboration of the dialogue improvement concept between non-governmental organizations and public authorities (one of the main project objectives).

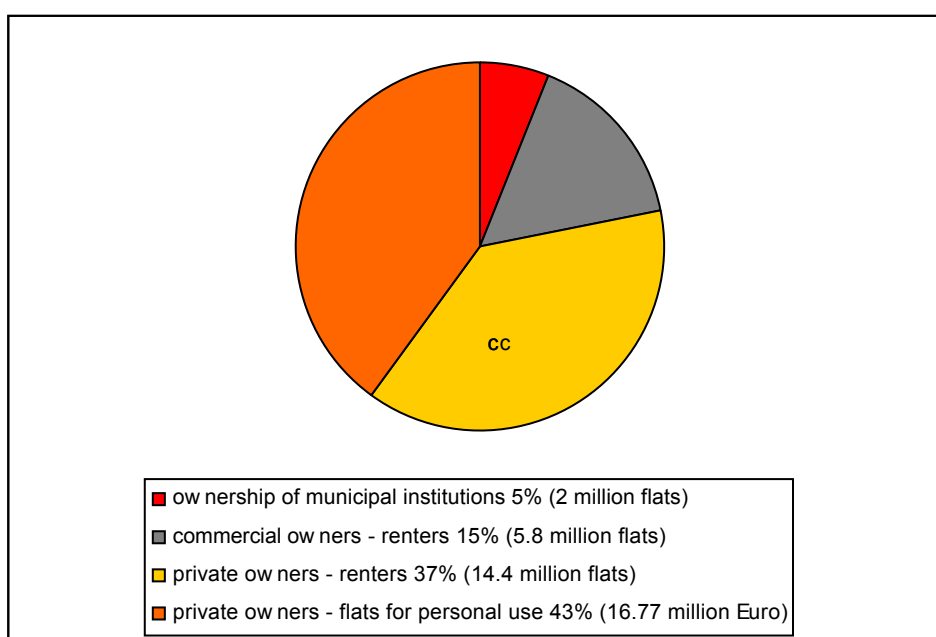
The study tour agenda envisaged familiarization with legislative, financial framework conditions and practical aspects of the housing system. Workshops, excursions and discussions covered a wide range of subjects, i.e. housing policy of Germany in the sphere of energy saving, the policy of modernization and development of urban residential quarters of panellized buildings, the methods to involve inhabitants into making of important public decisions; the functions and tasks of German unions of managers and tenants; practical activities of housing management companies; the structure of public utilities and rates; the functions and tasks of the „house master“ and etc. The programme of stay in Berlin was extended with a visit to the European Educational Centre of Housing and Real Estate Economy in Bochum that is one of the major educational institutions in Germany to train real estate managers.

2. Study tour programme

2.1 The structure of housing reform in Germany

Housing policy in Germany is in the competence of the Federal Ministry of Construction, Transport and Urban Development. The issues of local urban districts development are regulated by relevant administrations (for instance, administration of Marzahn district in Berlin). The bureaus for public interaction established by local authorities, for instance “Management of the North West Marzahn urban district” coordinate public involvement in making of socially important decisions including within the housing sector.

Picture 1: Housing ownership structure in Germany



Source: Federal Ministry for Construction, Transport and Urban Development of Germany, *Wohnen und Bauen in Zahlen*, 2007.

There are four types of owners in Germany, i.e. municipal institutions, commercial organizations and private owners renting out housing or using for personal residence. As a rule, housing is managed by specialized management companies (for instance, housing management and service company «Marzahner Tor») that unite into trade unions of real estate management (for instance, Central Union of German Real Estate Managers) to protect their interests. However, not all owners need services of managers, big housing companies as DEGEWO in Berlin or housing cooperatives as “Marzahner Tor” do management of their housing stock themselves. There is a large market of housing rent out – 57% housing stock in Germany (ownership of municipal institutions, commercial and private owners renting out housing). In the view of a large number of tenants associations were established to protect

their concerns as consumers of housing services and public utilities (for instance, Berlin Tenants' Union).

Thus, having visited all the abovementioned organizations the study group members got a clear picture of the main structure of housing economy in Germany.

2.2 Housing policy of Germany for energy efficiency increase

High energy consumption and sizeable carbon dioxide burst is typical for the European housing stock. Thus, the Federal Government of Germany has to take into account the goals of the European Union of climate protection till 2020 when deciding housing policy.

Manager of the East German Group in the Federal Institute for Scientific Research in urban and regional construction development at the Federal Ministry for Construction, Transport and Urban Development, Dr. Diana Huster has presented the current housing policy of Germany for energy efficiency improving in the housing stock.¹

The Federal Government has developed integrated programmes for climate protection and energy saving in buildings. Since 2007, energy passport have been introduced for new buildings in Germany, since July 2008 – for residential houses constructed by 1965, and since 2009 – for the whole housing stock. Heat energy consumption rate makes up 100 kW-h / sq.m. In accordance with the Federal Law of Renewable Energy and Heat Energy in force since the 1st of January 2009, heat energy need coverage has to be secured from the following alternative sources for building of new flats:

through solar energy for 15%, or

gaseous biomass for 30%, or

hard biomass, bio-oil, geothermal energy and environment heat for 50%.

The Federal programme for promotion of new construction is envisaged to support construction and purchase of energy efficient houses/ flats with energy consumption not more than annual 55 or 70 kWh/sq.m correspondingly. Loans are granted for these purposes in the amount of 50,000 Euro at reduced rates (by 0.5 – 1 % point lower than the market ones, i.e. 2.8 – 4%). Depending on efficiency of energy saving measures the interest rate is being reduced during 10 years at the expense of federal funds.

Within the framework of the Federal programme for support of energy saving refurbishment one may obtain a subsidized loan up to 75,000 Euro for a flat as well as subsidies for credit repayment at the rate of 12.5% investment costs (maximum 75,000 Euro) depending on

¹ The data bellow was taken from the presentation of Dr. Diana Huster: Energy efficiency promotion in the housing stock, <http://ochag7.narod.ru/353.2.pdf> dated 31.08.2009.

efficiency of energy saving measures (heat insulation of façade, roofs, basin flashover, windows, ventilation and heating replacement). Both individuals and legal entities may apply to the programmes of new construction and refurbishment promotion.

Since 2006, state budget provides for 5.25 million Euro subsidies for refurbishment/construction of one million houses. Funds in the amount of 1.5 billion Euro per year are allocated for these programmes for the period of 2009-2011.

«The topic of energy saving is also an urgent one for Belarus. In accordance with the Decree No3 of the President of the Republic of Belarus dated 14 June 2007 energy saving was proclaimed one of the most significant priorities of the state. Experience of Germany is a very interesting measures system of the state that allows to create high quality solutions at lower levels of real estate management», - participant of the study tour, Victor Yermolenkov Professor of the Institute of top management staff of the Management Academy under the patronage of the President of the Republic of Belarus.

2.3 Activity of local authorities on the example of Marzahn municipality. Experience of privatization, development of new ownership structures and complex refurbishment

Pursue of local housing policy and involvement of local authorities in the dialogue with representatives of civil society in Germany has been demonstrated on the example of Marzahn district administration. Representatives of the administration have shared their experience in solving of housing and construction problems in the process of district modernization making it more attractive for dwelling.

Marzahn is an outlying area of the East Berlin with high-rise panelized apartment houses (in total 55,000 flat) that has recently celebrated its 30th anniversary.

In the times of German Democratic Republic two thirds of flats were owned by the state and managed by two state public utility companies, 1/3 flats were owned by nine housing construction cooperatives. The structure of real estate changed after Uniting of Germany in 1990. Public housing and utility companies have been privatized. The mass privatization of public housing by ex-tenants as it happened in Belarus did not take place. Major housing companies have managed to obtain loans, subsidies for energy refurbishment. In the middle – late 90es housing companies started to sell their flats in the houses refurbished in order to cover their debts since the times of the German Democratic Republic. However, only 1% flats were bought by tenants residing there. Thus, today 1/3 housing stock of Marzahn district belongs to two housing companies privatized, 1/3 – housing construction co-operatives from the earlier times and newly established ones, 1/3 – private owners.

In the late 90es due to demographic reasons a problem of empty flats arose. Nowadays, the empty flats rate makes up 10-15% in the district. In the process of 100% housing refurbishment less than 5% flats have been demolished.

An excursion around refurbished panelized houses was organized in the district of Marzahn-Hellersdorf. The Belarusian partners have been familiarized with the variety of architecture solutions for various series of panelized buildings. Germany applies an integrated approach towards refurbishment taking into account technical, economic and social factors leading to saving of energy and resources and reducing of losses during a longer period of time as well as increase of market price of the flat.

The concepts of social development of the city were presented that included development of infrastructure, improving of the area around the house, inhabitants', playgrounds, car parks and landfills; reduce number of floors («Ahrensfelder Terrassen») and demolition.

«The excursion has given a vivid presentation on the works carried out in refurbishment of the housing stock and increase of competitiveness of housing in Germany. As the East districts of Berlin are similar to the districts of Belarus by their architecture and approaches in construction the technical solutions and “know how” of Germany can be applied to improve the state of houses in Belarus», - participant of the study tour, Tatiana Dashkevich, condominium “Taulma”, Lida city.

«It is possible to apply not only experience of houses refurbishment in Belarus but also improving of their attractiveness by organizational measures from the tenants' point of view (development of gardens, ponds, barrier environment and etc.)», - Andrey Tretyakov considers, chief engineer of the Republic Unitary Enterprise "Olympic sports complex "Stayki" and chairman of the housing construction cooperative in Minsk.

Public structures and initiatives have developed to solve housing and social problems of the district supported by the administration of Marzahn. Public participation has become one of the working principles of the district administration. For instance, the administration processes complaints, proposals of the initiative groups (number of members – at least 7 persons) as to the district reforms. Furthermore, the administration holds meetings for inhabitants to inform them on the projects planned. A prize for civil activity is awarded once a year.

Inhabitants were involved in elaboration of the concept for demolition/ partial demolition, houses conversion, improving of social infrastructure, creating of cycle lanes, playgrounds and sports areas in the district Marzahn. Bureaus for public interaction were founded to render consultancy to inhabitants, holding of meetings, organizing of feasts for inhabitants. The “City quarter management” bureau operates in the North West quarter of

Marzahn district for over 10 years. In total, there are 17 such bureaus. Inhabitants submit proposals to the quarter council where the most interesting projects are chosen to be implemented with the support of the administration.

Work with inhabitants requires substantial financial costs and professional background. However, these costs are justified as the ties of inhabitants are being strengthened with their district. Active interaction of local authorities with inhabitants, secures the administration feedback from population on the one hand, and – enables to respond promptly to requests and needs of people, thus decreasing social tension in the society.

The experience of Marzahn could be applied in Belarus taking into account local conditions in management arrangements of the residential houses, as well as during refurbishment of the buildings, modernization of engineering infrastructure.

According to the information of the study tour participant, Delegate to the District Council of Mozyr town, Nikolay Gaydukov, Head of the District Council of Delegates of Marzahn Ms. Petra Wermke proposed the town of Mozyr to become twin towns, it was planned to exchange organizations of different levels.² According to the information of the representative of Sovetskiy district of Minsk, Oksana Volkova an internet conference is planned involving administrations of two capitals' districts.

2.4 The system of housing management and operation in Germany

The system of housing management and operation in Germany was presented on the example of two companies.

The housing, building and management company DEGEWO of Marzahn district is a commercial owner of residential real estate and manages its stock owned.

The manager of the biggest DEGEWO's centre for client service in the district of Marzahn Mr. Mathias Balo has presented the structure and activity of the leading housing concern DEGEWO owned by Berlin Land as well as its daughter company «Housing, building and management company of Marzahn district».³

Information on specialization of DEGEWO's daughter companies was especially interesting for Belarus delegation. For instance, one department is specialized on management of condominiums only; other fulfils only housemaster service, the third – specialized on debts recovery for public utility and etc.

² Gaydukov, Nikolay: German experience – to the Mozerskiy land, Mozyrskaya public political newspaper «Zhytssyo Palessya», No128 dated 18.08.2009, http://www.zh-smi.gomel-region.by/ru/numbers/?art_id=667 dated 31.08.2009

³ Balo Mattias: DEGEWO – the leading housing company of Berlin, presentation dated 24.07.2008, <http://ochag7.narod.ru/353.10.pdf> dated 3er1.08.2009

Since 2003, DEGEWO has invested 25 million Euro into energy saving technologies: replacement of windows, façade insulating and installation of solar collectors that has led to reducing of carbon dioxide by 25% in the period since 2003 till 2008. Refurbishment/modernization was accomplished and 4,300 empty flats were demolished with the help of public subsidized loans.

Integrated management with a strong social component is a specific feature of the company: complex combination of social programmes with urban development, work with population, aimed at strengthening of motivation to live in a specific house, district; planning of housing construction taking into account the demographic processes. Therefore, 39% inhabitants of DEGEWO's housing stock older than sixty years, the company offers solutions for comfortable dwelling in elderly years: alterations of flat, additional building of elevators, barrier free access, 24 hours service and etc.

«Many solutions realized by the DEGEWO are simply ignored in Belarus. For instance, introduction of anti-noise police⁴ – is really relevant for Belarus and could allow solving of a complicated problem. Specifics of work with elderly people have to be transferred to conditions», – participant of the study tour, Victor Yermolenkov, Professor of Top Management Personnel Academy under the patronage of the President of the Republic of Belarus.

Housing management and service company “Marzahner Tor”

The company offers technical maintenance services and commercial management of residential and commercial real estate.⁵ General Director of the managing company Mr. Uwe Hess and Financial Director Ms. Leman has presented work of a manager, forming of maintenance and business planning costs. The elements of community charges and the method of their forming were described in details. The experience gained should be applied for establishment of the managing company in Belarus as well as in management of housing construction cooperatives and condominiums taking into account housing management in Belarus. This will favour successful work of the manager in Belarus, competitiveness as well as will help to justify his/her costs to the inhabitants and condominiums. German peculiarities that are not widely spread in Belarus yet are compulsory insurance of housing and financial planning for the next year. Their use seems to be reasonable also under Belarus conditions.

⁴ Anti-noise police special service within DEGEWO controlling observance of joint residence rules in a house.

⁵ Uwe Hess: Residential ownership management in Germany, presentation, http://www.iwoev.org/fileadmin/Dokumente/Projekte/belarus/veranstaltungen/Wohnungsverwalter_MarzahnerT_or_Hess.pdf dated 31.08.2009

Mr. Alex, Director of the firm “Housemaster” has presented the job and duties of the housemaster. This profession related to the housing stock management and widely spread in Germany is not known in Belarus yet. Duties of the housemaster include smaller repairs, metering, replacement of heat and water meters, ventilation and heating system control, cleaning of the area around the house, upkeep of green space and etc. One housemaster serves about 500 – 1,000 flats in districts of panelized houses. Inhabitants come with their problems to the housemaster first. He/she is a mediate between the inhabitants and the manager. It is recommended to establish separate independent housemaster companies that would co-operate with the managing companies.

In the opinion of representatives of the condominium “Ochag” from Minsk, labour efficiency comparison generates special interest to the “housemaster” notion in Belarus. Thus, for instance, a dozen of specialists are employed to do the work of one German housemaster in Belarus – all-in cleaning workers, service persons, sanitary technicians, electricians. Introduction of the housemaster institute in Belarus may lead to substantial increase of labour efficiency but in the same time – it will make redundant thousands of jobs⁶. This issue is really significant to discuss within the framework of the programme in 2009-2010.

2.5 Professional public associations within the housing sector of Germany

There are numerous organizations, professional associations protecting interests of these or those participants of the housing process in Germany. Public associations provide information to their members as well as an opportunity to express their points of view, to be involved in social life and have more or less stronger influence on political decisions. Thus, they are an active part in the dialogue. Thereupon, meetings with Berlin Tenants’ Union and the Central Union of German Realty Managers were arranged within the framework of the study tour.

Berlin Tenants’ Union⁷ was founded in the beginning of the 20th century. Nowadays, it accounts for 110,000 members. The overall goal of the Union is to provide consultancy to tenants on legal, social, technical and energy problems. The main problems the tenants address with are related to technical faults of flats, community charges, rent, capital and current repairs, modernization as well as timely vacating of the flat in adequate conditions after termination of the rent contract. The Union publishes a number of information sources that are distributed in printed form and through the Internet: 200 information sheets of various

⁶ Condominium “Ochag”: Housemaster – the housing Santa Claus in Germany, <http://ochag7.narod.ru/352.htm> dated 15.08.2009

⁷ Vetter Hartmann: The goals and tasks of Berlin Tenants’ Union, presentation, <http://ochag7.narod.ru/353.3.pdf> dated 31.08.2009

topics, monthly magazine. Membership fees range from 3.5 to 7.5 Euro a month depending on membership term and incomes. Berlin Tenants' Union is a neutral organization in political aspect impacting laws making on housing rent.

The concerns of the opposite side of housing relations is presented by the **Central Union of German Realty Managers**⁸, work of which is based on 50-years experience unites 1,300 managers (individuals and legal entities) serving 1.4 million flats. The membership fee depends on the number of flats managed; the minimum fee makes up 200 Euro a year that may reach up to 2,000-4,000 Euro a year.

The Union represents the interests of managers at both national and European levels and takes part in elaboration of unified standards of management profession. Training of managers (training term 2-3 years) and upgrade qualifications is also one of the Union's tasks. The training process is practice based: one and a half day a week – theory, the rest of time – work in a management company. Managing companies pay for training of their future specialists. The Union is open for international co-operation and provides for membership in foreign managing companies as well as training in German companies for specialists from other countries, also in Belarus.

The experience of the Union might be applied in the town of Mozyr within elaboration of a training course for housing realty managers (for instance, based on the existing branch of the Inter-industry Institute of Advanced Training and Retraining in Management and People Development). The practical part of training could be organized on the basis of the joint Belarus and German Association «Mozyr alternative».

There are no similar professional associations in Belarus yet, however, their need, especially the managing union is acknowledged by a wide circle of experts. The Central Union of German Realty Managers is interested in joint co-operation with Belarus colleagues and willing to assist managers' association in Belarus.

2.6 Managers training system on the basis of the example of the European Educational Centre of Housing and Real Estate Economy

The members of the delegation have got an opportunity to get familiar with the practice of the European Educational Centre in Bochum⁹ (EBZ). The Centre was founded in 1957. It incorporates traditions and innovation under one roof. The EBZ has been found by the Housing Enterprises Union of the North Rhine-Westphalia land and the Federal Union of

⁸ Merkel Werner: The Structure of the Central Union of German Realty Managers, presentation <http://ochag7.narod.ru/353.4.pdf> dated 31.08.2009

⁹ EBZ, <http://www.e-b-z.de/topmenu/about-us/russisch> dated 31.08.2009

Housing Companies of Germany. The nature of the Centre's activity is determined by the fact it offers professional training and higher education. There are other educational and research institutes on its basis:

- Academy of Managers Training (FWI);
- Institute for Scientific Research (InWIS); and,
- EBZ Business School (private higher school).

Owing to such a specific structure the Centre has a wide range of proposals in the sphere of education, has a clear structure of certification at the end of the training process.¹⁰ A module training system has been developed according to this structure. The whole process of education may advance from "level" to "level" and ends at the level of the specialist certification of higher education. An opportunity for on-job training using a new form of instruction by correspondence through Internet is a significant aspect of the whole educational programme. Interpenetration of the Centre's activity and researches into housing sphere is one of the main advantages of the Centre compared to other educational institutions.

The workshop participants have been familiarized with the system, content and methodology of training offered by specialties and organization of training courses, training of realty and housing managers. The existing structure of operational costs in Germany and the transparency tool developed by the Federal Tenants' Union and introduced for the first time in 2004 known under the name «Comparability chart of operational costs» were presented.¹¹

The EBZ experience in on-job training for managers is especially interesting for Belarus partners. The distance learning programme consists of individual modules and each of them can be studied separately within the framework of short-term workshops and trainings. The content of modules is divided according to the complementary principle of lectures and the practical part. The practical part is designed to secure and control understanding of specific programme issues and to form practical skills to apply knowledge gained. The distance form of learning is mainly focused on individual work and work in the Internet based on stage-by-stage performance of practical exercises of the module for independent knowledge gathering controlled by the virtual trainer.

The result of the visit to the EBZ were close contacts established between the EBZ Business School and the Inter-industry Institute of Advanced Training and Retraining in Management and People Development (BNTU) aimed at applying of German experience in development of

¹⁰ Kesselring Christian: Training, advanced training and retraining of people in the European Educational Centre of Housing Economy and Public Utilities, presentation <http://ochag7.narod.ru/353.9.pdf> dated 31.08.2009

¹¹ Kesselring Christian, InWIS: Private flats in Germany, presentation <http://ochag7.narod.ru/353.8.pdf> dated 31.08.2009

a training system for managers in Belarus, as there are a few of such specialist in the labour market of Belarus today.

Viktor Ivanov, Rector of the BNTU delivered a special presentation on the knowledge gained and the plan for applying of German experience on 27.08.2009 for members of Belarus Governmental commission for studying of activities of condominiums' and housing associations.

3. Conclusions. Outputs of the study tour

The study tour provided an opportunity to Belarus delegation:

- to get familiarized with housing policy tools in Germany and mechanisms of their implementation on practice;

- to compare framework conditions of Germany and Belarus in legal and practical aspects;

- to identify gaps in Belarus housing laws based on German experience;

- to get familiar with the system of housing experts training; to secure experience transfer gained by the European Educational Centre in training of managers with adaptation to Belarus conditions;

- to get familiar with the existing public associations representing and protecting interests of tenants as housing services consumers and managing companies as well as to discuss perspectives for establishing of similar professional associations in Belarus.

A significant result was that visit to Germany provided an opportunity to various stakeholders of the housing market in Belarus, i.e. representatives of executive authorities, public and private managing organizations, owners' associations as well as educational institutions training housing sector experts to launch jointly a dialogue, to discuss the keenest problems in the sphere of housing management, foundation and operation of condominiums, effectiveness of housing laws, to establish closer contacts and to find a common language in many problems.

4. List of information sources

Balo, Mattias: DEGEWO – the leading housing company of Berlin, presentation dated 24.07.2008, <http://ochag7.narod.ru/353.10.pdf> dated 3er1.08.2009

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