

# The Role of Communal Maintenance Enterprises in Promotion of Energy Efficiency Measures

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# Challenges of Multi-Apartment Housing Stock

- Lack of ownership approach on behalf of holders of multi-apartment housing stock.
- Real estate owners have no interest for efficient use of energy.
- Lack of financial instruments to attract investments (including, means of home-owners, leasers) for rehabilitation of multi-apartment buildings
- No government mechanisms to protection the means of home-owners, leasers accrued for the rehabilitation of multi-apartment buildings.
- Lack of investments.
- Low income of home owners.
- Lack of professional services for real estate management.
- No market for professional services for real estate management.
- Technical and moral tear and wear of building constructions, internal engineering systems (no system of accounting, regulation and management).

# Bottlenecks for Promotion of Energy Efficiency in Multi-Apartment Stock

- No legal entity interested in energy efficiency in multi-apartment buildings to represent the interests of the homes-owners and leasers.
- A large number of subjects of relationships in a multi-apartment building (each owner, leaser).
- No mechanisms to attract and protect the means of home-owners and leasers for implementation of energy efficiency projects.
- No mechanisms to return the funds invested in energy efficiency projects in multi-apartment buildings.
- No mechanisms for the enterprises implementing energy efficiency projects in multi-apartment buildings to generate income.

# Home-Owners Not Interested in Energy Efficiency

- Financially unsupported promise of the government to conduct the first capital repairs of the communal stock after the privatization.
- No willingness of home-owners, leasers to bear full responsibility for the technical condition of the buildings and efficient use of energy.
- No willingness of home-owners, leasers to accrue means for rehabilitation of multi-apartment buildings because of the lack of a government mechanism to protect thereof.
- No government incentives for the home-owners, leasers to implement energy efficiency projects in multi-apartment buildings.
- The ownership rights within multi-apartment buildings failed to have been regulated in full.
- Liberal legislation regulating the creation of associations of home-owners.

# Communal Maintenance Enterprises and Efficient Use of Energy in Multi-Apartment Buildings

- Communal maintenance enterprises are virtually the only enterprises that can and do work with each owner and leaser in multi-apartment buildings to resolve general building maintenance problems.
- But these cannot resolve the problem of energy efficiency in multi-apartment buildings (implement energy efficiency technologies, equipment) because of:
  - Difficult financial situation caused by:
    - including: tariffs lacking behind the tariff components (wages)
    - zero profitability set at the legislative level
    - need to execute works free of charge
  - Lack of economic incentives for home-owners, leasers to use energy efficiently
  - No mechanisms to attract and protect the means of home-owners, leasers for energy efficient projects
  - Lack of qualified personnel (the salaries in housing sector are by two times lower as compared to the salaries of builders)

# Solutions to Promote Energy Efficiency In Multi-Apartment Stock

- Resolve ownership problems in buildings at the legislative level.
- Resolve at the legislative level the issue of associations creation in the multi-apartment buildings with more than 3 co-owners.
- Create mechanisms to attract investments (including means of home-owners, leasers) in housing sector for implementations of energy efficiency projects in multi-apartment buildings.
- Create a mechanism at the government level to protect the means of home-owners and leasers accrued for rehabilitation of multi-apartment buildings.
- Create economic stimuli for home-owners leasers for implementation of energy efficiency projects in multi-apartment buildings.
- Create incentives for communal maintenance enterprises administering the real estate, ESCOs for implementation of energy efficiency projects in multi-apartment buildings.
- Create the market for professional services on real estate management.