



Housing renovation measures and implementation experience in Estonia

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Success guaranteed

KREDEx

KredEx Foundation: Enterprises, Export, Housing

- A self-sustaining and non-profit guarantee fund that offers:
 - Business loan guarantees
 - Mezzanine financing
 - Long term funding for commercial banks
 - Export guarantees
 - Housing financing and loan guarantees



Solid foundation

- Founded in 2001
- Under the jurisdiction of the Ministry of Economic Affairs and Communications
- State guarantee limit for:
 - Business loan guarantees
 - Export guarantees
 - Housing loan guarantees
- Fully accredited for using ERDF and SF
- Member of AECM, NEFI, IUHF, IFHP
- Number of staff: 40



Housing stock

- Estonia: 1,4 million inhabitants
- ~17 000 apartment buildings
- ~95% housing stock is in private ownership:
 - ~60% of the housing stock has been built in 1960-1990
 - ~30% before 1960
- ~ 75% population living in multi-apartment buildings
- Low quality and low energy efficiency
 - Average energy consumption per year in buildings which have not been renovated 200-220 kWh/m²
- Energy used in buildings ~ 40%



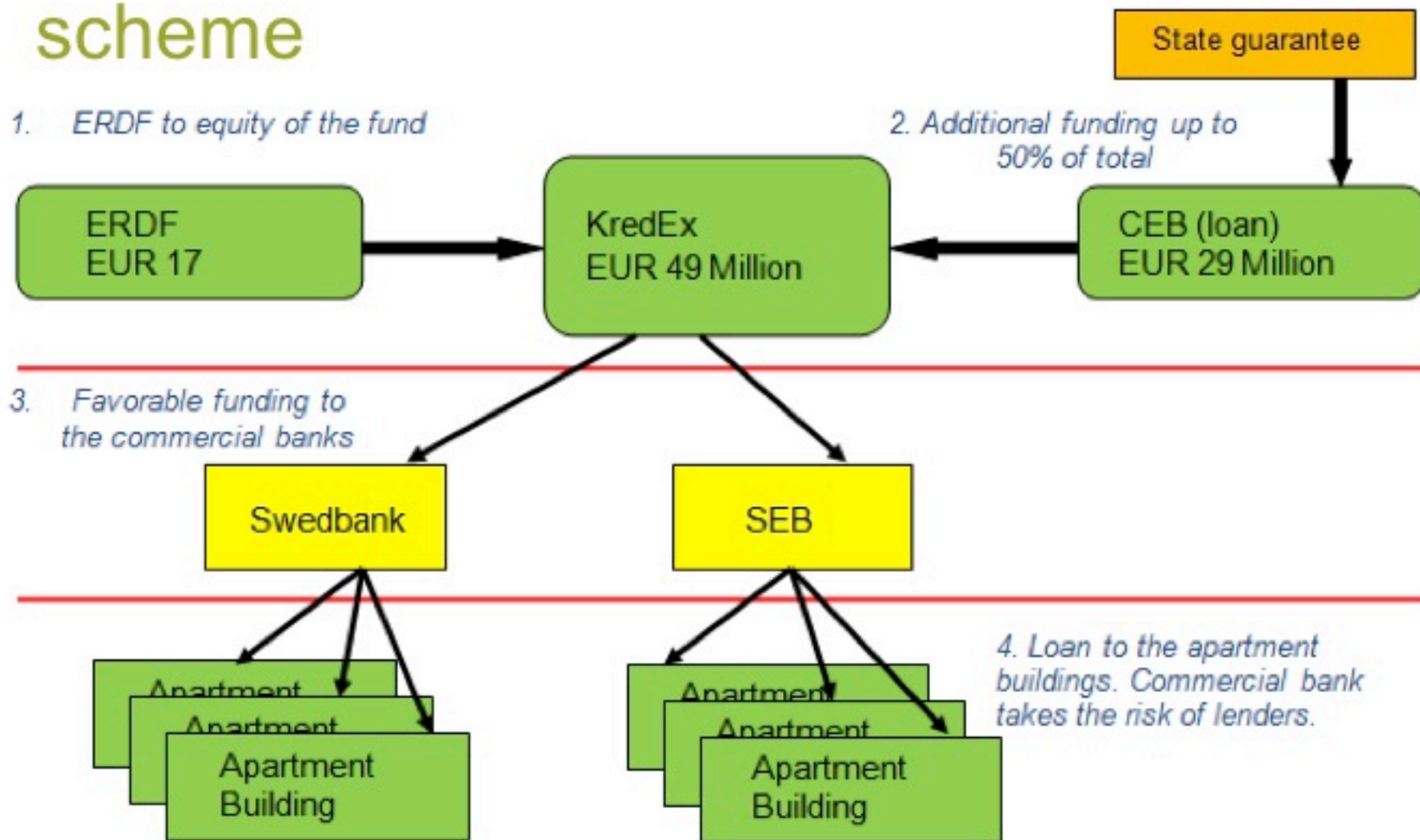
Previous measure – grant scheme

2003-2007 state grants all over Estonia:

- For energy audits, building design documents and technical expertise 50% of the costs (since 2003) –
 - Supported 5 000 buildings
 - Totally 1,5 million €
- For renovation, 10% of the costs
 - Supported 3 200 buildings
 - 17 million m², totally 11 million €
- Problems:
 - Insufficient funding
 - Singel works
 - Grant available after payments



Low interest rate loan - revolving fund scheme



From renovation grants to revolving fund – why?

- Opportunity for re-usage of the funds
- Funds stay in state
- Support scheme (10% support) *versus* loan scheme (state support is even bigger)
- Loan is needed for reconstruction anyway
- Opportunity also to smaller buildings
- Easier to administer, lower administrative costs
- End-beneficiary is used to take loan
- Innovative scheme



Credit to apartment buildings

- Main purpose - energy efficiency measures:
 - to save at least 20% of energy in buildings up to 2000 m², 30% in bigger buildings
- Self-financing 15% (now grant)
- Energy audit is obligatory
- Loan period: up to 20 years
- Interest rate: up to 4,4%, fixed for 10 years
- Credit is given against cash flow – no collateral from building is needed.
- In case of higher risk bank can use guarantee from KredEx



Selection of eligible works

- Thermal insulation:
 - of the roof
 - of the walls/facade
 - of the cellar/roof ceiling
- New windows/outdoors
- New heating system/renovation of the heating system
- Renovation of the ventilation system/new ventilation system
- Installation renewable energy devices



Obligations of end beneficiaries

- To report energy consumption (3 years before + loan period) (via internet)
- To present all building contracts, design projects and reconstruction budget
- KredEx can do the spot verification
- Information about using ERDF funds in stairhalls
- Other loan obligations



Renovation loan vs usual loan

Renovation loan

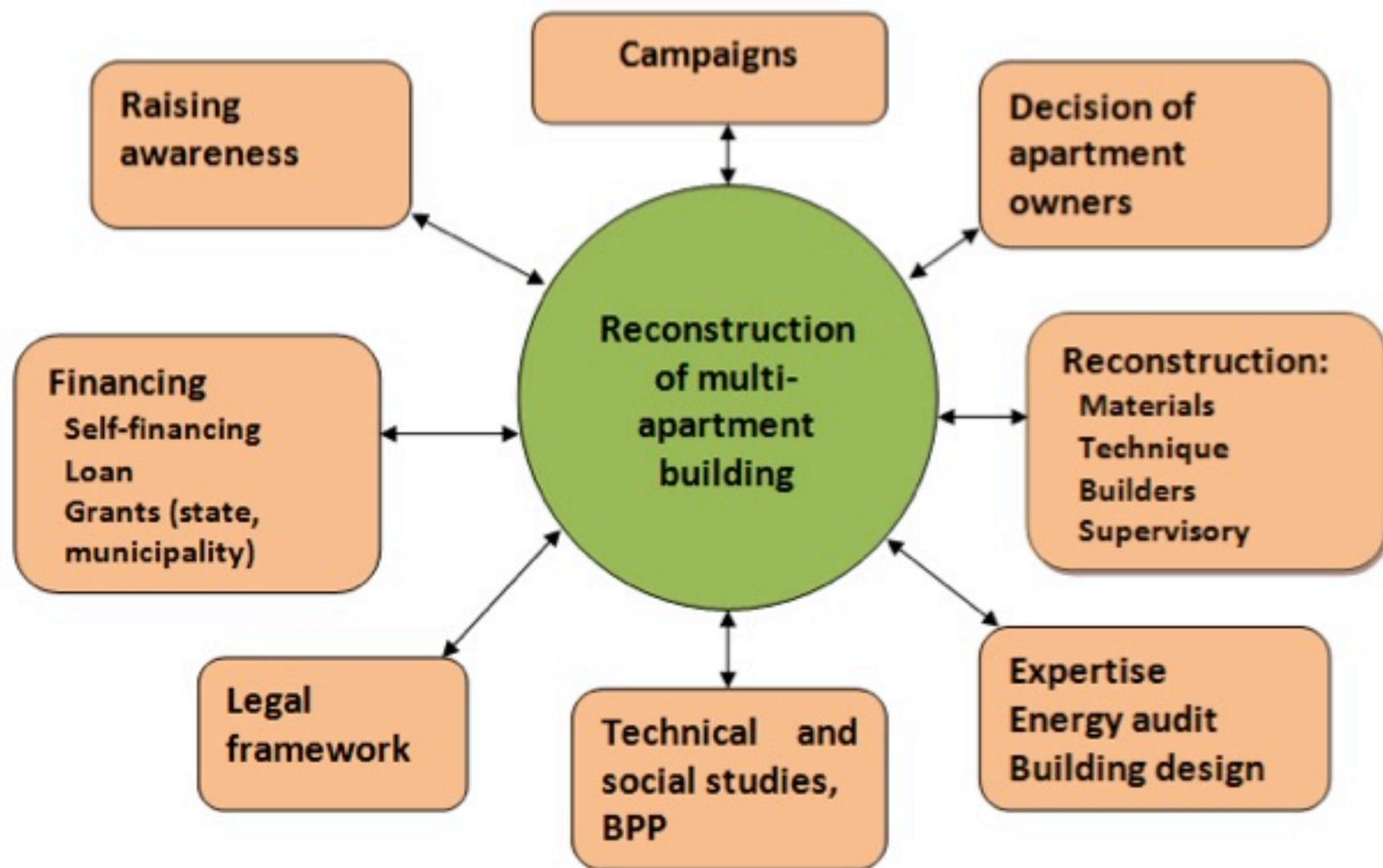
- Interest:
 - Fixed for 10 years
 - Between up to 4,4%
 - Interest on 64 000 € loan
4,2% 10 years **14 480 €**
- Contract fee:
 - 0,5% from loan amount
- Maturity:
 - Up to 20years

Usual commercial loan

- Interest
 - Fixed for 5 years or floating
 - Interest ~ 7-10%
 - Interest 64 000 € loan 7%
10 years **25 137 €**
- Contract fee :
 - Up to 1% from loan amount
- Maturity:
 - Average 2008: 11,8 years



Key for success: all-round approach



Combination of national and municipal funding schemes

- State grant from KredEx for:
 - energy audit – 50%, max 700 €
 - technical inspection – 50%, max 700 €
 - building design documents - 50%, max 4 000 €
- GIS Grant
- Tallinn city reconstruction grant 10% for apartment buildings using renovation loan
- Credit guarantee from KredEx – if needed, maximum 75% from the loan amount, state guarantee

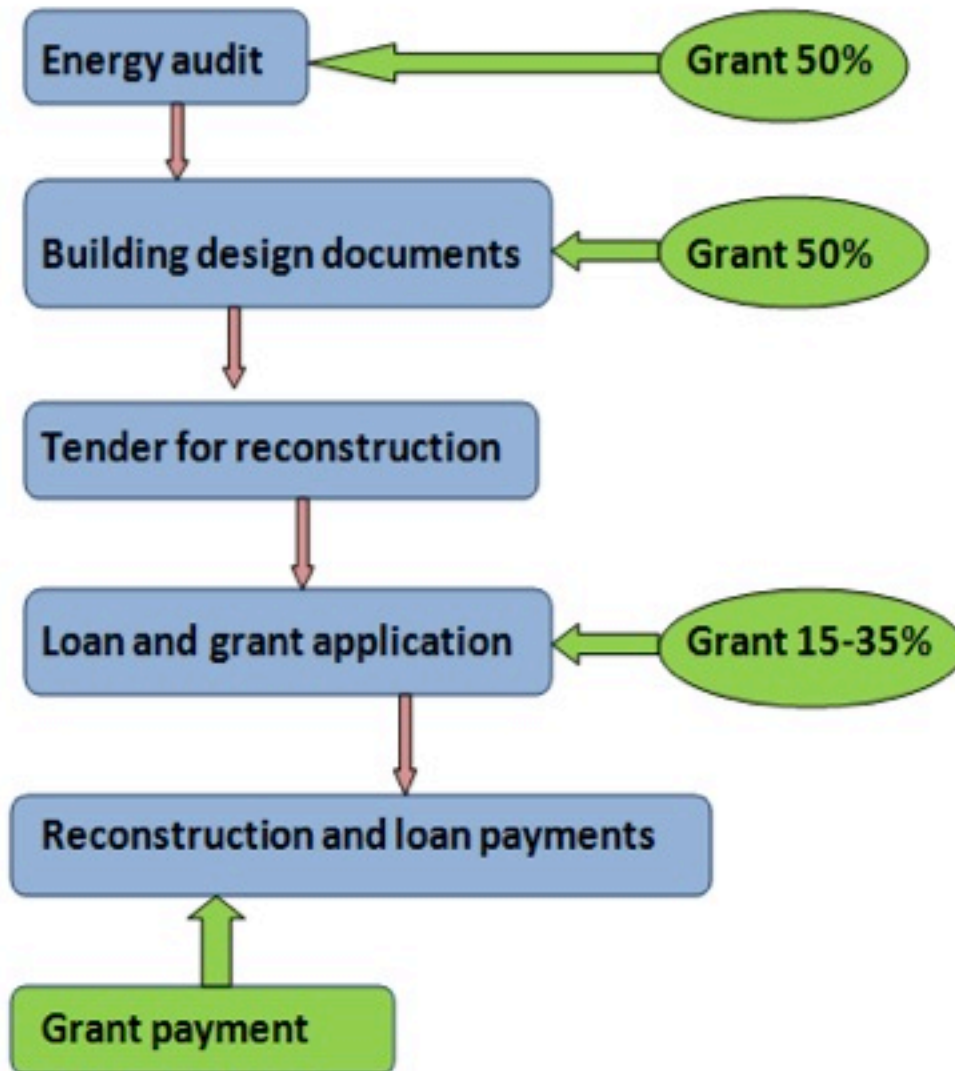


GIS grant - Luxembourg

- Grant rate:
 - Saving 20/30% - grant 15%
 - Saving 40% - grant 25%
 - Saving 50% - grant 35%
- Documents:
 - Decision in General Assembly
 - Energy audit for the building
 - Building design documents, building permit
 - Contracts with builders
 - Credit from banks (if necessary)
- Grant payment after works are submitted



Steps for end-beneficiary



Results so far

Loan

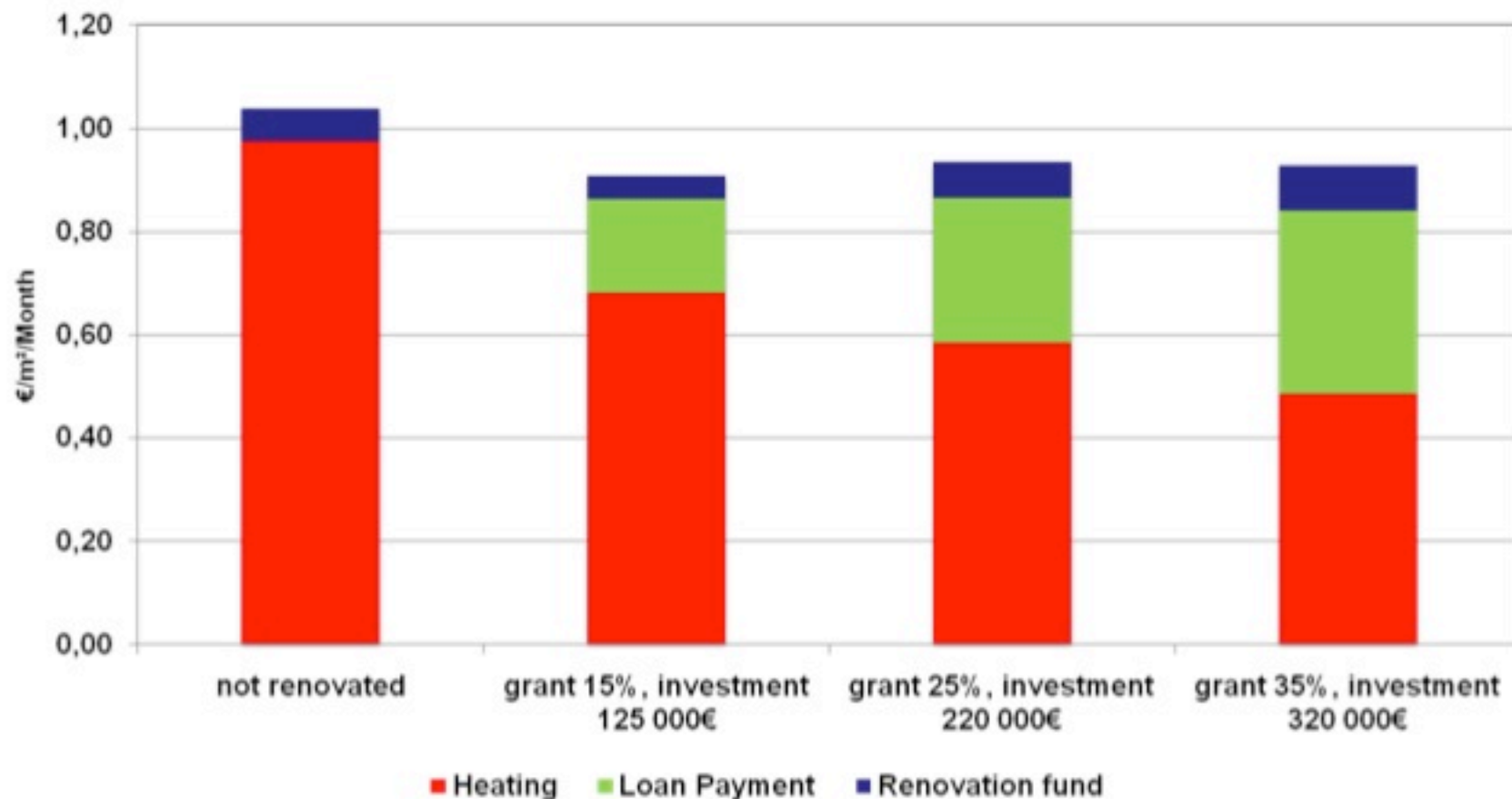
- Start 24.06.2009
- By 10.10.2011:
- 330 buildings
- Apartments 12 600
- Ca 823 300 m²
- Total 28,6 mln €
- Average 88 140 €
- Saving 35,4%

Refurbishment grant

- Start 30.09.2010
- By 01.11.2011:
- 265 applications/245 buildings
 - 6,8 mln €
- 224 pos decisions (6 neg)
 - 6 mln €
 - 15% 2 mln €
 - 25% 2,4 mln €
 - 35% 1,6 mln €
- Ca 520 000 m²
- Ca 8500 apartments
- Average 30 000 €



Burden of payments — building 2000 m², interest 3,8%, loan 20 years



10 campaigns since 2006

Kui Sinu kodu külmetab, siis...
Sina kaotad raha!



45% võid kütekuuldeid aastas kuni

Enne on Põhjalaadega sarvane õhku, aga energiat raiskime kuni 2 korda rohkem. See on raisamine, mille vältamiseks tasub ka Sinu sisse astuda ja muuda oma kodu energiasäästlikuks!

Kui tulu või teada Sinu maja korraldus eeldab investeeringut, võid kasutada KREDExi. Pileti väärtus on kuni 100000€ ja see on Sinu võimeliselt saada, kui Sinu valla omavalitsus on võtnud otsuse vastu, et toetada Sinu kodu energiasäästlikumaks. Kampaania kehtib kuni 29. novembrini.

Enne võtmeid jääb on välist Sinu teavitada!
Tel: 681 9954 info@kredex.ee www.kredex.ee



Uus renoveerimislaen korterelamutele



muudab kodu energiasäästlikumaks

Soodusintressiga pikaajaline renoveerimislaen korterelamutele. Kasuta võimalust ja tee oma maja kordal!

Lisainfo: www.kredex.ee, www.swedbank.ee/business, www.seb.ee/yhistu






KREDEx Usume, et renoveerimine on igale ühistule jõukohane!

Külm tuba. Liigne kütus, üpperind õhk.



Soe tuba. Hea soojuskindlus.



Remondifond



Küte

KREDExi toetus



Laenu makse



Remondifond



Küte

Ei viitsi vaadata aadressi: www.kredex.ee

Vaatasin aadressi: www.kredex.ee




Success guaranteed



From 10% Grant to present

- Building reconstruction is unavoidable
- 2 years for preparations (revolving fund) – long period
- Economical conditions changing constantly
- Scheme has great future (low interest, high energy efficiency) – combined with grants in Estonia now best financial terms over history
- All-round approach - awareness raising, promotion, state and local support, legal and financial framework – is the key for success



“Healthy and Sustainable home” – Sõpruse 244, Tallinn

Summary (Study of similar buildings - Tallinn
University of Technology)

- Main constructions in good shape
- Very bad indoor climate
- Thermal bridges
- Average heat consumption of similar buildings 190 kWh(m²/a)
- Renovation is necessary and complex approach is the best choice



Renovation goals

- Complex renovation – Optimal solution
 - 150 mm wall insulation (new balconies)
 - 300 mm roof insulation
 - Old windows replaced ($U \leq 1,10 \text{ W}/(\text{m}^2\text{K})$)
 - New heating system with allocators on every radiator
 - Ventilation system with heat recovery
 - Average heat consumption below **100 kWh/m²**
 - Better living environment and people pay less
- Preparation and building design documents
04.2010-05.2011
- Recontrucion period 06.2011-11.2011



Budget

	Renovation work	tööde maksumus, EUR
1	Roof reconstruction	119 200
2	Wall insulation with replacing old windows	126 000
3	Balconies	52 800
4	Heating system	34 400
5	Ventilation system	105 600
6	Heat cost allocators	12 000
		450 000
	All subsidies	220 000
	Loan with reserv	242 000



Without other subsidies

- 60 apartments, closed neto 2687 m²
- Complex renovation investment cost 450 000 €
- Kredex 35% subsidy 157 500 €
- Loan 292 500 €
- Loan monthly payment (intrest rate 4,07%, period 20 y.)
0,66 €/ m² per month
- Renovation fund for future investments 0,32 €/m² per month (at the moment)
- Heating cost 484 MWh per year (0,94 €/m² per month)
- Loan payment with 15% reserv (renovation fund for future investments) **0,77 €/m² per month – investmentcost growth 0,45 €/m² per month**



Without other subsidies

Payment cost - average apartment (45 m²)

- Loan payment with 15% reserv **34,65 €/per month** (0,77*45)
- Savings of heating cost 50% **0,47 €/m²** (0,94*0,5) – **21,15 €/per month**
- Renovation payment rise **0,45 €/m²** (0,77-0,32) – **20,25 €/per month,**
- Cost decrease **0,9 € per apartment per month**
- Energy price rise of 20% helps to save extra **4,2 €/per month** per apartment. Investment cost is fixed for 10 years and may rise only a bit after 10 years.





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KREDEx

Thank you!

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