

Long-Term Renovation Strategy and building renovation programs in the Czech Republic

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Outline

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- Long Term Renovation Strategy
 - Czech Republic – case study
 - Parameters of designed scenarios
 - Survey
 - Barriers
- Financial measures
 - Lessons learned



Introduction

- Influenced by EU membership
- EU energy and climate targets
 - Pressure to increase energy efficiency – tightening building performance rules



Long Term Renovation Strategy

- Supporting renovation of national building stock
- Contains:
 - overview of the national building stock
 - cost-effective approaches towards renovation
 - overview of policies and actions to target the worst performing segments
 - roadmap including indicative milestones for 2030, 2040 and 2050



Czech Republic – case study

- Number of apartment buildings – approximately 211 000
- Data shows **higher** renovation rate than EU yearly average of 1 %
 - Single family houses – 1,4 %
 - Multiapartment buildings – 0,79 %
 - Public and commercial buildings – 1,4 %
- Strategy defines 3 scenarios
 - Business as usual (BAU)
 - **Optimal**
 - Hypothetical

Parameters of scenarios -

Category		BAU	Optimal	Hypothetical
<u>New construction</u>				
<i>Multiapartment buildings</i>		0,46 %	0,46 %	0,46 %
<u>Annual rate of renovations</u>				
<i>Multiapartment buildings</i>		0,79 %	0,79 %	2,00 %
Depth of renovations (DR)	Depth of renovation	Maintaining existing DR	DR increased by 2025	DR increased by 2030
<i>Multiapartment buildings</i>	Shallow	31 %	20 %	5 %
	Moderate	50 %	40 %	10 %
	Deep	19 %	40 %	85 %

Chosen scenario - Optimal	2020	2030	2040	2050
final energy consumption in the given year [PJ]				
<i>Multiapartment buildings</i>	88	83	78	73
cumulative investment costs [CZK billion]				
<i>Multiapartment buildings</i>	13	45	76	105



Survey – motivations for renovation

Survey findings - multiapartment buildings

- Since 2010, **more than two thirds** of apartment buildings have undergone at least some renovation of the common parts of the apartment building
- Common motivations for renovation:
 - House maintenance or an acute solution of an issue, i.e. the technical condition of the building
 - Improvement of the internal environment
 - Energy saving costs
- **Availability of a subsidy was not a significant factor for renovation**



Survey – owners and barriers

Cooperative houses

- comprehensive approach, renovate often
 - More measures are implemented at once (complete building envelope – windows, cladding, roof)

Individual owners

- renovate sporadically
- significantly lower ratio of the use of commercial loans
 - low motivation

Other categories

- gradual renovations
- vast majority of buildings are renovated from their own resources
- subsidy was used only in 12–20% of cases, less than half use a commercial loan to co-finance



Overcoming barriers – policies and measures



Focus

- increasing the quality of renovations and their complexity
- finding a motivating factor for renovations

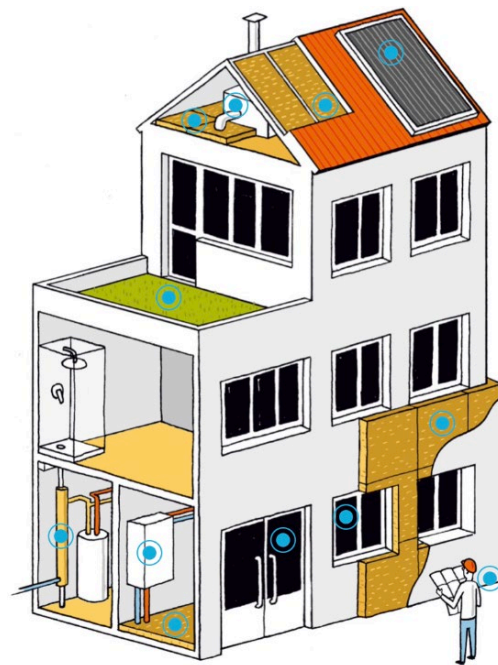


Introduce appropriate instruments

- Financing
- Legislation
- Awareness raising and education

Support schemes for multiapartment buildings

- **Integrated Regional Operational Program – financial grant**
 - 40 % subsidy – energy savings at least 40 % and classification B,
 - 30 % subsidy – energy savings at least 20 %
- **New Green Savings – financial grant**
 - multiple measures – 40 % of the total eligible costs
 - single measure – 30 % of the total eligible costs
- **Program Panel – soft loan**
 - up to 90% of eligible costs
 - interest rate – 0,50 % p.a.



Support schemes for multiapartment buildings

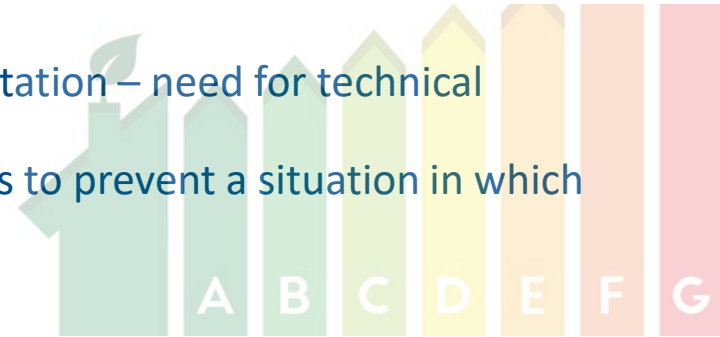
- Ensures deeper renovation
- Incentives for broad range of measures
- Support for technical assistance – preparation of technical documentation and energy assessment

Programme	Projects implemented, 2014-2020			
	Number	Energy savings (TJ)	Eligible costs (mil. CZK)	Amount of subsidy (mil. CZK)
IROP	1 917	1 217	12 424	4 056
NGS	542	363	2 388	462
Panel	555	158	2 632	2 112



Lessons learned

- Positive growth of number of projects within support schemes
 - Streamlining criteria and tackling administrative burdens
 - Bigger focus on awareness raising – benefits of energy efficient buildings and existing support schemes
 - Stable conditions and criteria
 - Gathering feedback from applicants (surveys etc.)
- Increase of project costs – influencing the yield because of financial allocations of respective programmes
- Project preparation takes 4-times longer than implementation – need for technical assistance
- Flexible legal framework for building owners associations to prevent a situation in which one apartment owner blocks the whole renovation



Thank you for your attention



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