

Housing in Latvia- problems and solutions

Ervins Straupe

Association of Management and Administration of Latvian Housing

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Research of the State Audit Office of the Republic of Latvia "Building safety: are we doing enough?".

The study was conducted from January 2017 to December 2018 OECD study and recommendations for the development of housing policy in Latvia

With the privatization of residential buildings from one owner (the state), which had to take care of the maintenance of an apartment building, 25 years ago, they became the joint property of several persons. Tenants who could previously count on the state or local government to take care of the maintenance of the building by privatizing the apartment also acquired the obligation to take care of the security of the building themselves. The findings of the audit show that the owners understanding of the need to meet the new responsibilities and financial opportunities has unfortunately not been sufficient then or now.



The state and local government away from house maintenance and responsibility

The UN General Assembly has adopted a resolution entitled "Transforming our world: A 2030 Agenda for Sustainable Development". The resolution sets out 17 sustainable development goals and 169 sub-goals to achieve global poverty reduction and sustainable development. One of the goals is to make cities sustainable. To achieve this goal, seven sub-targets have been set, including ensuring universal access to decent and secure housing and basic services by 2030 and tackling slums.

The State Audit Office of the Republic of Latvia establishes:

- 23.5% of Latvians live in housing with significant damage Insufficient visual and technical inspection of buildings
- High risk of fire
- The amounts of the necessary investments and the assessment of their economic justification have not been identified
- Not all necessary repairs have been determined
- Construction boards do not conduct enough surveys, dependence on the municipality does not punish
- Legislation solves certain problems, the solutions do not assess the common causes
- There is no long-term strategy and goal
- Municipalities evaluate the usefulness of existing repairs, construction of new rental houses



The service life of these buildings is 60 to 70 years.

#### Engineering Networks –

- sewerage risers 45 years;
- roof 40 to 50 years;
- heating system and water supply 15 to 40 years;
- electrical networks up to 40 years;
- wooden windows, exterior doors 20 to 30 years.

#### What can we afford in the long run?

- Renovate the old home for 15 years by paying ~ 250, up to 400, EUR per month
- Rent a similar home ~ 350, up to 600, EUR per month
- Buy a new home from 50000, EUR (loan for 15 years ~ 10, EUR / m2)



#### Support of house renovation:

- ERAF support in housing renovation programs, ESCO, PESKO
- State aid not only for complex renovation, but also for smaller programs to achieve certain objectives (fire safety, roofs, balconies),
- Municipal support (documents, works, improvement)



# Thank you!

### Ervins Straupe

Contacts: ervins.straupe@gmail.com