



Third Forum Meeting Report



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Co-Ownership Issues Affecting Energy Retrofit Programs in Multi-Occupancy Buildings

Third Event of the European Forum on Training and Skills For Re-“Building”

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- EVENT REPORT -

SESSION I (LEGISLATION AND FINANCE)

The Challenge of Energy Efficiency Renovation of Multi-Family Buildings

The Specific Problems of Co-Ownership and Its Players: Owners, Landlords, Tenants and Property Managers

Mr Raymond van Ermen, Executive Director – European Partners for the Environment

1. Presentation of the project TRAINREBUILD: EU partners & objectives.
2. Energy efficiency in already existing buildings has a tremendous potential. The EU should renovate 10 houses per minute until 2050 in order to achieve its objectives in terms of reducing greenhouse gas emissions. Despite the benefits in terms of finance as well as comfort, there are not enough initiatives. The renovation rate in the EU is too low; it should at least be tripled. How can we mobilize condominiums?

TRAINREBUILD aims at encouraging the renovation of dwellings and targets two different groups:

- Buildings owners, including buildings in co-ownership
- Local authorities, in particular those which signed the Covenant of Mayors

These two target groups have complementary roles. TRAINREBUILD has a double mandate:

- Facilitate training sessions within 11 Member States

- Use these sessions as starting point to an ambitious process to create a scale effect to increase the number of energy retrofitting in housing.

The "kit" which is made available to trainers by the TRAINREBUILD consortium includes two complementary tool boxes with recommendations and tools for:

- Associations of building owners
- Retrofitting an individual house
- Retrofitting co-owned buildings
- Local Authorities
- A Mobilization plan for Building owners

TRAINREBUILD aims at building a value chainable to generate changing behaviours and the specificities of profiles, interests, constraints of (in a condominium):

- Owner-occupiers
- Landlords
- Tenants
- Trustees

Which recommendations on the EU level?

- Legal constraints that may vary: towards a Community framework for condominiums?
- The ability to mobilize and co-create: towards a European label for 'energy renovation of condominiums' or 'eco-condominiums'? Which criteria? Which indicators?
- A socio-economic and financial context: some specific financial instruments linked to the European label?
- The partnership between co-owned buildings and local authorities. Which initiative under the Covenant of Mayors?

Marketing on energy renovation in co-owned buildings; how to convince a group of co-owners?

- Better Life
- Better health
- An investment towards energy bills = zero
- A reduced burden of energy on your income and pension
- More local jobs

PANEL DEBATE

Property Law and Energy Renovation in Multi-Family Buildings. Peculiarities of the Decision Making System. Towards Harmonization of Community Law?

The Western Europe System

Mr Olivier Brane, Lawyer (France)

In Western Europe, the reflections on Energy Efficiency in condominiums generally deal with:

1. The Energy Directive of 11 September 2012, that requires Member states to give the European Commission their energy strategy, in particular as far as condominiums are concerned, by 30th April, 2014.
2. In Western Europe, we have succeeded in getting great similarities in the rights for condominium, after the reforms set in England, which helped united "Freehold" and "leasehold." The majority for implementing energy efficiency works were lowered everywhere (51% of the vote, except in Belgium where they vote at 2/3)!
3. We all have difficulties in managing the decision process in the general assemblies. Spain is an interesting case to examine because the President of the condominium is a important figure, sometimes more than the professional property manager (syndic): he may take initiatives and is thus a facilitator for energy saving decision making; so is the Board of co-owners in England, who has more decision-making power than in some other countries.

Therefore, Brussels is considering these issues of governance: How do Western European countries encourage condominium? In my opinion, six devices (which don't exist in all of the Western European countries) are the most effective:

1. Contingency funds: they are compulsory in Austria, Germany, the Netherlands and in Spain. We are aware that they can finance energy efficiency works if those are well combined with the multiannual work plan.
2. The EEC (Energy Saving Certificates): the champions are the British, who do at least 3 times more savings than the French thanks to these certificates. They are followed by Italians. The process is easier and more reachable for co-owned buildings. In Great Britain, they chose to delegate the management to energy providers and to the State via its agencies (ANAH and such) but we see more private brokers emerge, especially in England.
3. Energy audits and the Energy Performance Certificates (EPCs) are now systematic in occidental Europe. They are very important because they are the base of the general awareness that such energy works are needed. In France, PLANET CONDOMINIUM are developing specifications on audit shared by both an architect and a thermal study unit (like it is often done in Germany and in the Nordic countries) and currently working on funding energy works by selling new flats and/or levels , thanks to the sustainable COS bonus. Everywhere in Europe, the question arises about the elevation of buildings in order to raise the density within the buildings and avoid CO2 emissions linked to the transport of workers.
4. Financial State aids: We shall look at what Germany does with its remarkable system of single contact bank (KfW) who knows better simulations and studies return on investment work. ERDF should be more appropriately used for this purpose.
5. The smart grid: These smart management systems that communicate the energy fluids (water, gas, electricity) are the subject of reflections. Energy meter are too expensive as the European Directive points out. England is the most advanced because it benefits from the American experience. It would be more appropriate to speak of "smart cities" and "smartbuildings": before meshing territories, we shall start from condominiums and shared buildings in general. Condominium

buildings must be "smartready" because they will be integrated with tertiary buildings within Smartcities. These smartbuildings shall be connected to their energy provider, the pilot-to-be for its consumption uses. The condominiums are at the heart of this device because tomorrow smart grid can only exist if there is a multiplication of points of counting fluids in buildings.

To finish and look what may be problems in governance, acting out, information of citizens and professionals on financial aid and tax returns on investment, we can see that in England, Germany and in the Nordic countries, they have acquired a greater environmental awareness, which leads to a better organization among inhabitants. Their coordination is seen at the scale of the whole building, the neighbourhood, the eco-city or eco-territory: BedZED eco-district in London, FRIBOURG écoquartier Vauban in Germany, Sweden VAXJO: The condominiums are not intimidating anymore, they are places for innovation. The Web.2 is the key: it allows us to exchange information, support, talk about energy efficiency experiments. We are facing a collaborative management: it is friendly, sometimes with the property manager, mostly with local authorities that have understood it. If he understood, often with the support of local locales. Information on energy efficiency can thus be shared: a new value for a "Green Real Estate" tendency. Such a coordination shall be possible at a European wide...

The Anglo-Saxon System

Mr Nicholas Kissen, Senior Legal Adviser - Leasehold Advisory Service (UK)

The UK law governing blocks of flats revolves around the nature of a lease and the contract for term of years. In most of the cases, the system in the UK is a tripartite lease where a management company party offers the lease.

The regime of consents and consultation regulates the retrofit of a building (Section 20 Landlord and Tenant Act 1985) and works to individual flat where the consent of landlord may be needed (Landlord and Tenant Act 1927 Section 19). The landlord and tenant act requires all landlords of long leasehold flats to consult with all lessees for certain items of expenditure. One category of expenditure is on major works if the cost to any one lessee is more than £250. If the cost of the works will not be chargeable as an expense to service charges paid by lessees, then it can be argued that this particular form of consultation does not apply. The difficulty with this argument is that it is based on average costs i.e. what a typical household uses so it ignores actual energy consumption by a particular leaseholder.

The other category where consultation would be required is for a long term (more than 12 months) agreement for services which would cost any one lessee more than £100 per annum. It is assumed that some form of contract has to be signed with a utility for a charge to be put on that meter; but if the golden rule of the Green deal applies and savings are equal to or more than the additional meter charges, then it can be argued that S20 consultation does not apply.

The requirement to consult with lessees in law does not of course stop Green Deal Finance going ahead. Obviously a sensible landlord would wish to consult all lessees about the Green Deal whether statutory consultation procedures apply or not. What

landlords cannot afford is the uncertainty that the figures turn out to be wrong and lessees refuse to pay the additional charges for the Green Deal Finance because no formal consultation took place. If it later transpires that there should have been consultation then the landlord can be penalized because part of the charges would become irrecoverable as service charges.

The UK Energy Act 2011 includes provisions for the new 'Green Deal', which intends to reduce carbon emissions cost effectively by revolutionising the energy efficiency of British properties. The new innovative Green Deal financial mechanism eliminates the need to pay upfront for energy efficiency measures and instead provides reassurances that the cost of the measures should be covered by savings on the electricity bill. The UK Green Deal scheme will commence on 1st October 2012 and the finance available will be for domestic and non-domestic premises from April 2013.

The key focus of the new energy company obligation or "ECO" will be on those householders who cannot achieve significant energy savings without an additional or different measure of support. For example, this includes vulnerable and low-income households and those living in harder to treat properties, such as solid walled properties.

At the heart of the Government's proposals is the "Green Deal plan", an innovative financing mechanism which allows consumers to pay back through their energy bills. This means consumers can see the Green Deal charge alongside the reductions in energy use which generate savings on their bill. It also means that if they move out and cease to be the bill-payer at that property, the financial obligation doesn't move with them but moves to the next bill payer: the charge is only paid whilst the benefits are enjoyed. In this way, the Green Deal differs from existing lending – it is not a conventional loan since the bill-payer is not liable for the full capital cost of the measures, only the charges due whilst they are the bill-payer.

The role of the Green Deal provider is to offer a Green Deal plan to home owners, which enables them to finance the renovation recommended by an accredited adviser and undertaken by an accredited installer. These functions might be done in-house by the provider, or shared amongst other organizations, but the customer's contractual relationship is with provider.

To qualify for the Green Deal, expected savings in typical properties consuming a normal amount of energy must be equal to or greater than the cost of the measure.

The Central and Eastern Europe System

Mr Adrian Balaci, Creative Director - Global Environmental Social Business (Hungary)

In Hungary the law was created in 2003 and became effective in 2004 with further modifications in 2011. The law allows for a condominium or several buildings joined together to function as a legal person, managing the common area of the building/s. Above 25 apartments, it requires the creation of a supervisory board to control the expenses of the building and the work of the building manager. Above 20 million Forint cash flow, it requires an auditor. The decision regarding the building retrofit or energy saving improvements are taken at the meetings of owners. Once the decisions are taken by 50% + 1 vote, the condominium as a legal person acts on its own through the building manager or company. The building manager/company can thus access loans, apply for subsidy and contract construction companies.

In Romania a 2007 law updated in 2010 allows for the creation of an Association of Owners in case of 50% + 1 positive vote and therefore it acts as a legal entity. The highest decisions are taken at the General Meeting of the owners, decisions taken with a 50% + 1 vote (regarding refurbishment the vote is related to the size of the property of each owner). The general meeting appoints an Executive Comity of at least 3 and a Chair whose signature is representative. The general meeting also appoints a Supervisor/Supervisory Board, that controls the legal and financial situation of the condominium. The Administrator is a physical or legal person that manages the affairs of the building, hired by the Executive Committee.

In Bulgaria, the Bulgarian Condominium Ownership Management Act came in to force in 2009 and was amended in 2011. An Association of Owners can be created only with the participation of all owners. All decisions are taken by the General Meeting and within the association the vote is parallel to the size of the property owned. The Manager has to be one of the owners as well and in the case of refurbishment, at least 67% of owners have to vote favourably and before 2011 this figure used to be 100%.

In all the three cases indicated above, the decision to engage in the refurbishment of the building has to be taken by the General Assembly of Owners. The concrete work afterwards is delegated to the representative of the association.

In comparison, the Hungarian law and its predecessor seems to be the most effective when it comes to leading to a favourable decision and an efficient process. Currently Hungary is leading when it comes to refurbishment numbers with Romania and Bulgaria way behind. For instance, the Bulgarian law does not favour the creation of an Association in the first place and further hinders the refurbishment by requiring the vote of at least 67% of owners.

It is often the case that SMEs or environmental NGOs are the ones who approach the condominium manager with the idea of a refurbishment. The Manager then makes the proposal at the General Meeting, providing alternatives. The General Meeting has to decide on the funds they can allocate to the work, the question of applying for loans or subsidies and based on offers to contract a refurbishment manager/company, energy auditor, technology provider, construction company and so on. The decisions are made effective by the signature of those who represent the association and are executed by the condominium manager.

Sources of Finance for Energy Efficiency Renovation of Multi-Family Buildings. Proactive Management. The Reserve Funds. The Use of EPC. What EU Initiatives?

SEM Energies POSIT'IF by Mr José Lopez, Project Manager

SEM Energies POSIT'IF is a semi-public company created by the Region Ile de France in order o promote (1) energy efficiency and (2) renewables on its territory by supporting renovation projects seeking these two elements.

Local authorities in Ile de France bring 85% of the financing necessary to such energy renovation projects, the remaining funds to being provided by state aids (Caisse des dépôts) and a private bank via SEM which, gathers the funds and takes the role of the contractor (delegated).

SEM will start to invest February 2013, trying to develop the following principles:

- 1/3 financing for co-owned buildings: social housing and co-owned buildings
- Identification of "mature" projects. SEM positions itself as an investor (expectations in terms of benefit) more than as a mere provider of funds.

24 millions of accommodation shall be renovated in France by 2050, in order to reach the "Facteur 4" (realizing cuts of 75% in the greenhouse gases emissions within 40%), which represents an average of 15 billions of euro per year, for 40 years (.ie. 600 billions to be raised to reach this target).

But there are limits to the public intervention (grants, state aids, interest rate subsidies...):

- They are limited and insecure through time
- They allow a limited gearing effect for large scale intervention
- They too often offer a partial answer to projects developers (they need technical assistance, solvability). SEM represents an answer to this limit

Therefore, SEM will take the role the general contractor for all or part of the financing of the operation.

Objectives of SEM:

- SEM is a tool for reaching facteur 4
- SEM will help the the sector of community housing to take action with this regards

Energy renovation can be approached on various time frameworks:

- Medium/long term: Insulation (walls and roof), replacement of windows and air conditioning, behaviour, lighting, local production of renewable energy.
- Long term: Insulation (walls and roof), replacement of windows and air conditioning, local production of renewable energy.
- Very long term: Insulation (walls and roof), local production of renewable energy

Several types of energy improvements have been identified :

- Category A: Energy optimization, which lowers energy by 5 to 15% in average
- Category B: Energy improvement, which lowers energy by 15 to 25% in average
- Category C: Energy retrofitting, which lowers energy by 30 to 80% in average. This is a structuring solution which is yet rarely implemented, with regards to the other categories.

The different phases of a project involve several actors: architects, enterprises, operator, user which let us think that the energy performance is not guaranteed: a

society providing an energy service shall be involved in order to guarantee the energy performance of the project.

The source of financing for "facteur 4" are multiple:

- SEM
- Financial input from the contractor
- Market tools (CO2 market)
- Direct public grants
- Fiscal aids
- Low interest loans
- Possible fiscal taxes also

Besides, the cost of energy is expected to rise through time. Investing in energy retrofiting would considerably lower energy costs, to the extent that the costs due to the renovation can be covered and the improvement of the value of the building achieved.

In order to get a grant under the SEM programme, one's project should target the following objective: 104kWh/m²/year in Ile de France.

To sum up, the qualities of the mechanism set up in France are:

- **The achievement of energy savings** : the combination of expertise, actual works and financing offered allows the operator to take the decision to invest.
- **Transformation of energy savings in investment charges**: the energy savings generated can be used to reimburse the investment financed by SEM
- **Aggregation** of small and medium sole operations in the building paying off transaction costs (raising awareness among landlords, feasibility study, quality audit, performance follow up)
- **Introduction of manager new and trusted** whose mission is to act on the behalf of the community involved in the project

SESSION II (BEST PRACTICES & TOOLS)

Tools for Dynamic Renovation. Towards Eco Co-Ownership. The Golden Rules and a Participatory Process

Example of Energy Performance Contract

Mr Maxime Hugonnet, Bouygues

Co-owned buildings represent 8 million of dwellings, which need energy renovation works.

→ 80 % of them were built before 1974; co-owned buildings consume a lot of energy

→ Energy bills keep increasing (the cost for final users has increased by 12.2 % en 2011),

→ Discount in energy-intensive building should be of 10 to 15%,

2 methods to act in favour of energy performance:

- Limit losses: envelope and ventilation
- Optimize production: Systems as well as Energy

3 modes of action:

- Specific intervention (embellishment renovation)
- multi-year works plan
- Global renovation

The only one approach that can help meeting the objectives of the Grenelle Environment is the Global mode of action for Renovation:

- Provides tangible visibility on future energy consumption
- Fits Energy savings into the Heritage good

An energy renovation (the global type) should enable clients to get a guarantee and the maintenance for its energy systems as well as the guarantee of the reduction of its energy cost, from the company carry out the renovation works.

A global approach, going from Conception / Realisation / Maintenance, in which all thermal optimizations are considered. Such an approach is led by a group of professionals.

General company (representative), Thermal Design office, heating engineer and architect. The innovation is that we go from a service obligation of best efforts to an obligation to achieve results in terms of energy performance of buildings.

Co-owners can think about such a project like an investment with guarantee.

Co-owned buildings:

- Built between 1945 and 1974 (50 dwellings minimum),
- Equipped with central heating,
- With a project of renovation works (cleaning, boiler, roof).

For such co-owned buildings, a global renovation action plan can be considered without anymore investment.

ECP: Preparatory phase

1. Discussion between owners and trustee about the interest of achieving energy saving works
2. Completion of the audit and presentation of results
3. On the basis of the energy audit, launch of the tender for a EPC. 4 essential elements asked to companies:
 - Projected architectural image;
 - Detailed work program;
 - Cost of the operation;
 - % Reduction in real energy consumption (guarantee) + warranty period;

4. Companies consulted preparing their bids.

Inventory of fixtures:

1. Modelling of building parameters:
 - Envelope
 - System
2. Analysis of the factors:
 - Weather
 - Use of the building
3. Dynamic thermal insulation of the existing building
4. Evaluation of the current energy consumption

The offer shall include:

- Projected architectural image;
- Detailed work program;
- Cost of the operation;
- % Reduction in real energy consumption (guarantee) + warranty period

Decisions shall be taken in a process of several general assemblies:

Assembly n°1: Vote Required for the Energy Audit (French "Décret" N° 2012-111 du 27 January 2012)

Assembly n°2: Vote for the Energy Performance Contract

Assembly n°3: Guarantee deadline for year 1

Assembly n°4: Guarantee deadline for year N (...)

The main financial levers:

- Eco Zero Rate Loan
- Tax credit
- Energy Saving Certificates
- Local grants

For a co-owned building of 60 apartments initially built in 1964, the average global cost per dwelling would be about €13,600, a project amortized in less than 15 years for co-owners that occupy their dwelling.

PANEL DEBATE

Energy Management Tools to Achieve a Zero Energy Bill for Multi-Family Buildings. Towards the Creation of a European Label?

The French Experience

Mr Jean-Loup TAIEB, Planete Copropriete

The objective of Planete Copropriete is to improve the governance of condominiums after studying the issues they face (in France and abroad).

Several meetings with different actors of the sector helped moving the debate forward and generating proposals for methodology which were accepted by the condominium that were represented.

The mediatisation of the debate arouse several requests from condominiums and/or owners that were interested in further studies and some support for elevating their property by the trustees. Thus, the association can see what are the problems in terms of governance, in particular with regards to the relationships between co-owners, the condominiums' councils and the trustees, in order to draw conclusions on how to solve these issues.

We have studied the process the collaboration between stakeholders - all sectors included - (owners, condominiums' councils, trustees, architects, technical and thermal consultants, surveyors, solicitors, lawyers, State agencies, developers, state agencies, local authorities, trade unions real estate professionals) in order to develop operational scenarios and establish methods of repetitive actions.

We are in contact with the European Commission and we provide it with the information on condominiums they need to draw lessons in the frame of EU regulations.

10 suggested modifications on the (French) law of 1965 on condominiums: In order to enable better energy renovation works that are now essential to 600,000 condominiums (i.e. 26 million people concerned), we have formulated "10 propositions for amendments on the French law of July 10, 1965 on co-ownership."

They deal with:

- Definition and organisation of condominiums
 - Improvements, addition of private premises and the possibility to elevate a building
 - General dispositions
1. The obligation to constitute establish a reserve fund for future works and to develop a multi-year plan of the works, in particular in terms of energy efficiency. This reserve fund will be owned by the condominium (i.e. elusive and non-transferable if the lot is sold) and shall be placed in a separate and tax-free bank account. and paid tax-free (as is currently the Investment Booklet A). This reserve belong to the condominium will in the event of sale of the lot.
 2. The obligation to establish a building inspection every 5 years to prevent its degradation and smooth its maintenance costs.
 3. The obligation to train trustees (professional and volunteer) as well as the presidents of the condominium presidents, the councillors and the associations of inhabitants, on energy retrofits in particular.

4. Establish a code of ethics and professional Deontology Commission composed of a Magistrate with disciplinary powers, of professionals and of representatives of the co-owners.
5. Establish the registration of buildings, introduce the concept of volumes regulate it and establish a vertical inventory of condominium like it already exists in Luxembourg and Quebec.
6. Strengthen the powers of the condominium's council in terms of energy savings by making Initial Assessment of Condominiums compulsory.
7. Establish voting if all or part of the revenues made from selling apartments built in the process of elevating the building is reallocated to thermal insulation of the building, to renewal of the air, to the heating system and hot water production. Remove the required unanimity when it comes to the elevation of buildings and replace it with the application of article 9, which provides a process maintained and an adequate indemnity.
8. The obligation – under a penalty of nullity of the trustee's mandate - to reunite the General Assembly of the condominium in 3 to 6 months when a deficit of more than 25% of the budget occurs, in order to establish a recovery plan in and to avoid the status of "condominium encountering difficulties" and the obligation to warn the Prefect of the Republic if such a situation shall occur.
9. The obligation to audit the contract of regular supplies every 3 years.
10. Enable all of the co-owners to be able to consult by any means all the administrative and legal information of the co-condominium (including digital storage of information of the condominium), in order to facilitate online collaboration between co-owners, the condominium's council and the trustee and ensure a better management.

The Italian Experience

Mr Leonardo Caruso, Responsabile Relazioni con l'Estero - Associazione Italiana Amministratori Condominiali e Immobiliari

Italy is in the process of developping various tax measures such as deductions granted on certain expenses related to the modernization of multi-family buildings and energy savings.

The Italian situation is fragile and uneven, because support measures for retrofit are sometimes inadequate ie: poor policy on the industrial level, in terms of research, training of personel and regulations.

It is recommended to develop measures that enhance the skills and productive capacity of the national as well as local economic actors and all those involved in research and development.

Interventions related to modernization of existing buildings, the transition from traditional to renewable resources, energy efficiency in the built environment for both private and public buildings, often require a long time to implement. However, all of this should in no way be an impediment in taking immediate decisions for condominium managers, but rather should be seen as a motivator to encourage the implementation of all the needed renovations in a block of flats.

Regarding condominiums, the depressed real estate sector, which represents a resource wealth for the Italian economy (in Italy 80% of people own their own apartments), in recent years has contributed to the loss of thousands of jobs and the closure of thousands of institutions related to this sector.

The government increased the rate of the tax deduction for home improvement interventions related to buildings and reducing the VAT rate applicable to these same interventions. These tax measures helped to combat tax evasion and renovation works developed by low-skilled constructors.

In order to achieve the national goals related to energy saving, the issue of retrofitting buildings and particularly multi-family houses is fundamental. The condominium manager is usually in charge to inform the co-owners about all essential energy saving information to enable them to understand the measures required to reduce energy consumption.

The establishment of the energy performance certificate for existing buildings is still today perceived as a constraint in the smooth renovation of a building. It is therefore necessary to educate property owners explaining its usefulness and the information it contains, as this will allow to improve the value of a building.

The application and implementation of policies to improve the energy efficiency of existing buildings faces two problems:

- a cultural problem related to a lack of knowledge from co-owners on the new measures available for retrofit and their economic and quality of life benefits,
- the economic crisis which is facing the country today and that results in co-owners not affording certain expenses related to building retrofit.

The condominium manager is in charge of dealing with the implementation of the necessary means to realise the retrofit. The manager is also responsible for condominiums formalities necessary to allow property owners to benefit from the tax deduction possible on certain expenditure incurred by retrofit buildings.

Some of the measures that aim to reduce energy in private dwellings which are for the condominium manager to propose to co-owners often include:

- a) Interventions related to upgrades of common areas and particularly those related to insulation of the facade and roof.
- b) The energy performance certificate and the energy audit.
- c) The establishment of systems to monitor heat dispersion and thermoregulation, approved with a majority quorum of all co-owners.
- d) The establishment of new criteria for allocation of expenses related to heating due to the introduction of new accounting systems.
- e) The establishment of photovoltaic panels on roofs.

SESSION III (TRAINING)

How to Train Multi-Family Building Managers and Local Authorities for the

Purpose of Renovation in Co-Ownership Buildings

Moderator: Mr Robert Earhart, ESGIC

Group 1. Training of Local Authorities for the Specific Renovation of Multi-Family Buildings

Introduction: Ms Marie-Laure Falque Masset, ARENE

Rapporteur: Ms Anniko Nemeth, REC

This group session intended to provide a forum for discussion on the Training of Local Authorities for the Specific Renovation of Multi-Family Buildings, with a view to discover the potential for replication of best practices and pilot projects in the EU.

The main points of discussion were:

ARC (association of property owners in France) is providing trainings and advice to owners and trainings to municipalities. It has developed a toolbox, targeting Local Authorities, containing 3 levels of intervention regarding energy efficient refurbishments:

1. Prevention
2. Interventions in Condominiums in case of troublesome situation
3. Energy Efficient renovations

ARC also provides trainings for condominium managers and local authorities on audits and management issues, with a purpose to help condominium members make decisions related to retrofit.

The good example of the city of Cergy was illustrated by the city representative on trainings organized around energy efficient refurbishments. These trainings did not target municipality officials, as they are already trained, but individual co-owners. The following services are offered by the municipality:

1. Thematic evening trainings for co-owners free of charge, paid by the municipality;
2. Review of legal regulations on condominiums for new buildings and older public housing;
3. Diagnose and remedy problems for special neighbourhoods.

Energy info points (that represents 400 energy advisors in France, co-financed by ADEME and by local authorities) also provide advice and trainings and they are partners in various energy efficient EU funded projects. They provide the following service:

1. Information on technical and financial measures for retrofit;
2. Act as an intermediary between the condominiums and engineering firms;
3. Raising awareness of condominium members.

These services are provided for free, and are supported by the municipalities.

The New EU Member States present a different pattern, as trainings are targeting directly local authority officials, and there are few associations of property owners on a country level.

A toolkit was developed under the Trainrebuild project for the local authorities, providing information on policy and regulatory framework, on the financing possibilities, technological solutions and citizens awareness raising. National trainings were conducted following the toolkit modules, and providing best practice examples for replication and scale up in 3 CEE countries (Hungary, Romania, Bulgaria).

In Belgium, the Regional Authorities are responsible for energy efficient refurbishments. The IBGE in Brussels provides subsidies in the region on energy efficient renovations. IBGE also act as a facilitator, as they:

1. Visit multi-family buildings and suggest their managers appropriate retrofit measures;
2. Provides advice to the syndicat, responsible for the condominium management;
3. Sets up energy monitoring systems for block of flats.

Group 2. Training of Building Managers for the Specific Renovation of Multi-Family Buildings

Introduction: Ms Isabelle FOURNIER, FNAIM

Rapporteur: Mr Serge Robert, ABSA

Training trustees on energy renovation of condominiums.

1. Training highly recommended or mandatory for trustees:
 - Information, advice and proposal from specialized firms
 - Close collaboration with councils to achieve a eco-behavior in the condominium
 - Motivation and remuneration of trustees according to the qualifications gained in this area
2. Funding problems
 - Specific calls for funds for energy renovation works
 - Extension of the loan terms
3. In case of defaulting co-owners?
 - Simplified and therefore faster recovery procedure for specific funds

SESSION IV (COMMUNICATION & DIALOGUE)

How to Outreach and Motivate Co-Owners, Multi-Family Building Managers and Their Associations

Moderator: Ms Emmanuelle Causse, International Union of Property Owners

PANEL DEBATE

How to Communicate Effectively and Emphasize the Participatory Decision Making Process Between Multi-Family Building Managers, Co-Owners and Building Suppliers

GERCOP

Property managers, the so-called syndic, have to deal with all kinds of issues on a daily basis: running building(s) (maintenance, follow-up of the works engaged, negotiations with stakeholders); they need to deal with economical, legal and environmental restrictions, while trying to always be transparent (information to the landlords, co-ownership manage board, suppliers).

Whereas landlords and their co-ownership management committee mainly focus on the properties being well-maintained and the works followed, with the same restrictions and a strong need to be well-informed.

In order to comply to these needs and duties, we think there are a few key answers:

1. Dematerialization through the use of shared electronic management of documents, electronic invoices, online payments, technologies such as E-rar (registered mail for free).
2. Communication: make good use of the technologies available and their wide use: sending and following up emails and texts from one platform only in order to keep in touch with the different stakeholders. The use of an extranet device may also be a good solution as it leads all the persons involved to be able to reach all the documents that are shared on the extranet platform. Moreover, in order to stay informed, some platforms are dedicated to co-ownership issues: they are precisely what syndic, co-owners as well as their board need.

Mon immeuble.fr

Ms Isabelle Dahan

1. Mon immeuble.fr, an independent and federative website
 - A private website, free and independent
 - Dedicated to a wide audience: private individuals (co-owners, members and presidents of the condominiums' councils, lessors, tenants, volunteering trustees) as well as professionals (trustees, enterprises, services providers working in condominiums)
 - A wide network with different skills to ensure quality of the information
 - A partners club
 - Attendance at events and trade shows: the real estate shows, condominiums shows
2. An online magazine to provide continuous information
 - Daily news (14 topics): condominiums, construction-works, diagnosis, energy, taxation, real estate, social housing, loans, workers, health, security-insurance, urbanism, neighbourhood.
 - 7 formats of content: articles, dossiers, studies, technical advice, interviews, reports, videos
 - Information accessible and shareable by the provision of many RSS feeds, free subscription to the weekly newsletter, share on social networks (Viadeo, Twitter, Facebook)

- Access to a solid documentary database is based on 10 years of records (subscribers)
3. A handy website useful on an everyday basis
 - A inventory of enterprises, service providers, agencies, associations (subscribers)
 - Legal monitoring: laws, ministerial responses, case law, opinions and recommendations
 - Practical guidelines by topics (over 100)
 - Indices, key figures and indicators of real estate market
 - A glossary
 - A hotline and a user manual for all questions concerning the features and services offered by the website
 4. A community-based and participatory website where one can:
 - Comment on news (subscribers)
 - Give their thoughts (studies, blogs)
 - Suggest articles, experts' opinions, interviews, reports (professional subscribers)
 - Suggest an event on the agenda
 - Ask question to our legal expert
 - Exchange and share experiences on the forum, the blog or other networks

Some figures:

- No 1 website in information for condominiums
- 10 years experience
- >5000 pages of content (23500 references on Google)
- >50 templates to download
- 24 000 subscribers to the weekly newsletter
- >20 partners: shows, unions, associations, enterprises
- 100 000 visits/month

KOOM

Mr Jérôme Lhote

Koom is a website that attempts to show to people they can act on concrete subjects... they are not alone. Thus, the idea is to try to create collective emulation encouraging users to engage in citizen actions. The overall objective of Koom is to bring citizens and local authorities together by communicating on their respective initiatives in terms of sustainable development.

Such a concept being applied to condominiums could lead to an easier engagement from co-owners and a greater move towards taking action on several questions (energy, for example). Indeed, by acting together, owners shall find a reassuring sense of belonging; such actions led by several co-owners shall make more sense for every one of them.

The emulation of such collective actions, supported by local authorities can be a key element for their environmental performance and the cohesion of their territories.

CONCLUSIONS SESSION

Forum Work Program, Recommendations and Expected Results for 2012

Moderator: Mr Raymond Van Ermen, Executive Director – European Partners for the Environment

Following upon this forum, which was quite a success, we suggest to prepare an action plan - the so-called 'pilot' – on how to 'Mobilize co-owners', on the basis of the work carried out by all the members of the consortium.

The pilot could be:

- a) Adapted to the specific needs of the condominiums in the 11 Member states involved in Trainrebuild
- b) Adapted to a wider audience and disseminated in the 11 Member states: the owners, more generally.

At first, the pilot could be based on a partnership between ARENE, ABSA and BMC Tools, UIPI, Energy Cities (www.citiesengage.eu), www.copro-verte.eu, Koom, monimmeuble.com, the cities networks and ITC (BUILD UP), the secretariat of the Covenant of Mayors, etc.

This is about presenting a follow-up initiative for Trainrebuild, with focus on the implementation of EU directives in the area of specific area of condominiums. The pilot, based on the Franco-Belgian experience, would be able to provide a synergy for France and Belgium and stimulation based on best practices.

The website, following a viral marketing approach, would be built on messages co-owner oriented:

- Simplified and therefore faster recovery procedure for specific funds
- We will help you to be effective throughout the process: preparation-audit-decisions-financing-works- maintenance-guarantee
- You are not alone, you can have your own impact
- You will be able to manage your money and get a better quality of life
- We will make a snowball effect, together with UIPI, my immeuble.com and Koom

RECOMMENDATIONS AND PROPOSED ACTIONS FOR LOCAL AUTHORITIES AND NATIONAL ASSOCIATIONS OF PROPERTY OWNERS

Recommendations to co-owners

Renovation projects are complex and co-owned properties need sufficient human resources as well as adapted technical, legal and financial tools, in order to seize any opportunity for energy savings.

1. Look for information. Before investing individually or collectively, it is crucial to be well informed in organizations or communities that are able to provide you unbiased information on energy renovation of buildings, the different types of expertise that you may need, which experts are approved and reputed in your area or on the financing available. You will then be more prepared to make sound decisions at general meetings and to monitor and evaluate the progress of the work.
2. Choose the most appropriate measure to improve the energy efficiency of your property: all measures are not suitable and many of them will not be profitable. In fact, it may be necessary to seek advice from experts that are able to identify, for each specific case, which operation is more profitable in terms of energy savings and costs for the whole condominium. Local authorities, local agencies for energy and/or the environment, associations of landlords or property managers may be able to provide you with such lists of experts. Do not hesitate to inquire about these experts and their reputation and to ask for guarantees. Good expertise is the basis of good energy renovation! Not only it is important for you to seek the good experts, but also to avoid seeking too much expertise.
3. Some associations of co-owners and trustees may also need advice on how to manage effectively such projects; in particular, they may want to know how to gather as an association of owners, to manage it effectively, to make decisions, to engage their co-owners, to raise funds and to manage their resources. They can call on support to structures already in place that are supported by national and local authorities (in France: ADEME, regional councils, departments, cities) such as regional and local energy agencies.
4. Make sure that you have the consent of every single stakeholder before starting any work, in particular: the official authorization for refurbishment, the authorization of the owners, of the occupants as well as the authorisation of the person in charge of paying the energy bills, etc.

5. In the case of co-owned buildings, make sure you have followed all the necessary steps before starting any work, including: administrative authorizations, general assembly vote.
6. Learn more about financial support mechanisms, subsidies or other incentives available for such works. Many Member states make funds available to encourage energy efficiency, according to the new version of the Energy Performance of Buildings Directive (EPBD), which came into force throughout the European Union in 2013. Local authorities are often able to provide accurate information on existing funding at national and local levels. Every region or city can have aid programs and specific funding.
7. Call on companies or skilled craftsmen to carry out your renovation works and make sure that the energy performance guarantee is respected. The cheapest service may not necessarily be the most profitable: keep in mind that allowing a bad job will probably cost you more in the long term, when other work will be needed to correct the detected problems (which can lead to the dissatisfaction of tenants or even to the depreciation of the property). Again, it is essential to ensure the professionalism and skills of the chosen experts. It may be useful to call on several experts who have been identified by various sources (local authorities, energy agencies, building managers or owners associations) in order to ensure their impartiality and to get several quotes.
8. Getting interested in the common object of the condominium. It is necessary to understand the importance of having an energy efficient condominium, not only to improve the value of the individual property, but also to ensure that the efforts made by each co-owner to improve the energy performance of his apartment is not reduced by the "energy decay" of the entire condominium. It is necessary to coordinate the isolated renovation works with collective works. Thus, one must understand the operation of the condominium, the role of stakeholders (trustees, condominiums and its board) in order to enhance the participatory aspect of condominiums and to seek innovative ideas. While doing so, the owners shall listen to the various existing initiatives to get subsidies for the renovation work; they will also listen to the new techniques that generate savings and which have positive impacts for the association.

Recommendations to (co-)owners and property managers associations

1. Identify and then show what types of investments may be more profitable for condominiums while taking into account the fact that each condominium has unique needs.
2. Identify resources and specific tools available to fund such works in condominiums.
3. If appropriate, demonstrate the utility of constituting a reserve or provident fund and thus organize actual financing for upgrading the building. Thus, one is able

to realize not only collective renovation work (eg boiler + façade or roof or cladding) but also seek entrepreneurs with high quality/price ratio (one shall avoid making choices only based on prices).

4. Promote a participatory approach to involve the co-owners, in particular by convening several general meetings during the preparation process of the decision for renovation. This will constitute a policy of conflict prevention in condominiums and will prevent energy projects or other works to be blocked by internal and/or external problems. Promoting a participatory approach also means to provide owners with relevant information with professionals (architect, office, businesses), outside the framework of the condominium's general meetings.
5. Encourage associations to: recommend the holding of an initial assessment of the co-owned property with real socio-economic historical of the property, suggest tools to upgrade and mobilize the condominium and to prepare audits.
6. Implement means of communication adapted to the needs of the owners – within the association, which would be the owner of such tools (and not the trustees) – in order to inform (for instance, on how to manage an energy book or a maintenance "notebook") and to enhance the efforts of initiatives.
7. Support local communities and collaborative management. In England, Germany or in other Nordic countries, there is a greater environmental awareness, which leads to inhabitants getting organized by themselves. Such an organisation goes beyond the usual boundaries of the condominium. People get organized on the scale of their building, their neighbourhood, eco-district and eco-territory (BedZED, an eco-district in London; Vaubanche eco-district of Fribourg, Germany; VAXJO, in Sweden). Condominiums are no longer intimidating places, but places for innovation. Thanks to the web.2, people exchange, get support or talk about efficiency experiments. We are facing a new "collaborative management": people get organized in a friendly way, sometimes even together with the trustees, and often with the support of local authorities. People exchange information on energy efficiency, on the new green value of properties: the latter are classified and then compared, and it must be very possible to do this at European level!
8. The trustees may also need advice on how to effectively manage such projects: how to get financial aid, how to manage project resources, how to enrol in a multi-stakeholder approach. In order to do this, they can make use of the existing support structures too.

Recommendations to local authorities

Local authorities should implement an **action plan for condominiums**:

1. Establishing a list of recommendations for energy renovation in condominiums; developing training sessions on the subject in order to better inform property co-owners; establishing lists of experts and available funding.

In order to do this, it is essential to identify the stakeholders of the territory: public institutions, associations, companies, banks, insurance companies, facilitators or support structures. Local authorities shall also develop, together with professionals, global offers that meet the expectations and needs of condominiums.

2. Identify "**condo pilots**"
3. Establish a system of **coaching (or strengthen an existing one)** with the implementation of training sessions on the subject in order to better inform owners; establish lists of experts and the available funding.
4. Develop **cooperation at the level of district**, street, neighbourhood, while optimizing the use of public funds to renovate a neighbourhood or a street.
5. Establish a **land register of condominiums** - describe the type of habitat and thus promote an inventory of condominiums on the local level, in order to better distribute and define its needs. Know the identity of the trustees (volunteers or professionals) and members of the condominium council in order to promote coaching actions and implement a communication and trade network.
6. Define **fuel poverty** in co-owned buildings in a local context.
7. Drafting templates - adapted to condominiums - such as study contracts, taking up any specific legislation in order to increase the confidence of owners.

Recommendations to national authorities

The Energy efficiency Directive (11 September 2012) encourages Member states to assess and, if necessary, to take appropriate measures to remove regulatory and non-regulatory barriers to energy efficiency, without prejudice to the basic principles of national law of the different Member states in terms of ownership or rental, including with respect to national rules and measures regulating the decision-making processes within the framework of the condominiums.

'Condo-Plan' - Under the recommendations of the Directive in terms of condominiums, we recommend the adoption by each Member State of a 'condo-plan' dealing with the legal and financial arrangements leading to reasonable solutions which, while respecting the right of property, allows the promotion of energy efficiency in condominiums.

This plan could:

1. Find solutions to the problems faced in terms of **financing energy efficiency works in condominium.**

- Facilitate access to loans for condominiums: in some countries, condominiums lack of legal personality for condominiums, preventing them from borrowing money.
 - Strengthen or develop financing instruments, which would be specifically dedicated to the needs of condominiums and which could complete the financing granted to owners individually.
 - Reinforce such financing instruments when they already exist. The lack of stability of funding opportunities prevents from planning on the long-term.
2. **Assess the need to promote a reserve or provident fund:** This is compulsory in Austria, Germany, Netherlands and in Spain. We reckon this is a means of financing energy efficiency works when combined with the existing multi-annual plans for renovation works. Their implementation, which is largely beneficial, is not always desirable according to the context. In addition, we must take into account the problem of guarantee and authorizations when signing for such provident funds.
 3. **As for Energy Efficiency Certificates: The harmonization of the certification methods** for co-owned properties, especially with regard to the certification of common parts of buildings, according to the EPBD (2012).
 4. **Promoting Energy performance contracting (EPC) as well as Energy Performance Guarantees**¹
 5. **Improving governance**, in particular simplify decision making during general meetings. **As for the required qualified majorities**, we have achieved great similarities in Western Europe, after England set up reforms to help unifying "freehold" and "leasehold". Majorities in general meetings went down everywhere as far as energy works are concerned (51% of votes, except in Belgium and Italy where votes are required to be respectively of 2/3 and 1/3). We recommend an alignment of 51 or 33% of votes of all national legislations.
 6. **Mandatory information** is essential in order to take action: information for citizens and professionals about the existing financial aids and taxes, returns on investment, Energy Efficiency Certificates, the articulation between all the stakeholders involved in the new value of green real estate economy, about available trainings for property owners, etc. This could be done at a European level.
 7. **Eco-Condo.** Give a definition for an Eco-Condo: its environmental performance indicators and the potential conditions for the granting of a European label. An eco-condominium must have a definition going beyond efficiency; the criteria should induce behavioural changes and enhance the

¹ We shall take inspiration from the English model, which is itself based on by the American law. We just discover them now but they have been in place in the US since the 80's. Regulations have not yet passed, in particular in France. We shall get manufacturers that offer such contracts to take an interest in condominiums while they currently work with tertiary buildings.

common use as opposed to the private use. Establishing of a repository is essential; it shall cover not only the technical aspects, but also the economic and legal aspects.

8. Establishing of a standard management system (norms) and generalizing **joint ownership permits** (*some buildings were not designed to be split*). Such permits may include a series of energy constraints etc.
9. Establish unique communication tools for the attention of buyers - template only for further reference.

Trialogue. We suggest to organization a 'trialogue' on financial and fiscal aids between public authorities, condominium and banks at the level of the EU as well as Member states and regions: we must learn from Germany's case, with its remarkable system of "one-stop" financing with the KFW bank, which knows better how to simulate and study returns on investment for renovation works. The European Regional Development Fund (ERDF) must be used judiciously in this regard.

'Smart ready' condominiums: The smart and communicative management systems (smart grids) for fluid power (water, gas, electricity) are subject to reflections that need to be catalyzed. Energy meters are too expensive, as the European Directive highlights. England's approach is the most advanced since it benefits from the American experience. We should speak more in terms of "smart cities" and "smartbuildings": before knitting territories, we shall start by condominiums and blocks of flats in general. Condominiums must be "smartready" as they are going to get inserted with other tertiary buildings, which will themselves be connected through SmartCity; and SmartCity is only possible if we connect smartbuldings together, in order to play on the so-called erasure. The latter implies the calculation of optimized consumption for further transmission to the energy provider, which will pilot energy consumption based on the use/needs. Condominiums are at the heart of this device, as the smart grid can only exist if there is a multiplication of remote meter-reading points for fluids in all buildings.

Recommendations to the Union's authorities

1. Encourage Member States, while respecting property laws and rental regulations, to find solutions to the very specific problem of condominiums, including by establishing "condo plans" as suggested by the Energy Efficiency Directive.
2. Exchange good practices in terms of energy efficiency retrofits that are specific to condominiums.
3. Take into account the specific needs and the decision-making constraints while developing EU policies on energy efficiency.
4. Intensify reflections on the needs and constraints of condominiums at European level.
5. Allow condominiums in the need to access to EU funds, in particular to the ERDF, when they meet the criteria laid down by the Commission for the allocation of these funds.

6. Creation of a European observatory for condominiums and collective housing in order to generate valuation tools (index for energy efficiency), suitable products, an inventory of best practices and establish a network between the 27 countries, with the aim to share experience on how to raise awareness among European citizens about living in condominiums

The Forum's participants believed that the following points should still be discussed in a near future:

1. Should mandatory provident funds be generalized?
2. Should lower majorities in general meetings be generalized at European level?
3. The interest of a EU Directive aiming at harmonizing national laws in terms of energy efficiency retrofits and eco-condominium creation.