

Slovakia Building Renovation Task Force

RRP Consultation Outcome Report

December 2020

In support of the Slovak Ministry of Finance, the lead coordinator of the national RRP, GLOBSEC has initiated a series of stakeholder dialogues to facilitate input from non-government sectors contributing to the final design of the RRP for building renovation investments and projects.

The discussions were led by GLOBSEC Deputy Chair Vazil Hudak and Co-chaired by:

- Livia Vasakova, Advisor to the Prime Minister, Office of the Prime Minister
- Norbert Kurilla, Advisor to the President, Office of the President
- Katarina Brunckova, State Secretary, Ministry of Transport and Construction
- Ladislava Cengelova, Director General, DG Housing and Urban Policy, Ministry of Transport and Construction

Public Sector Summary

The Ministry of Finance is lead coordinator of the RRF with the Ministry of Transportation and Construction responsible for the building renovation strategy.

The Slovak Ministry of Transport and Construction highlighted four key areas for the RRP falling under Slovakia's proposed long-term building renovation strategy to be further developed in close cooperation with the private sector.

- Family households – with budget of EUR 300 million for 30,000 renovations
- Historic buildings – with budget of EUR 130 million to create a detailed registry and methodology for the Monuments Board of Slovakia and investing in 100 of the worst performing buildings
- Brownfield – with budget of EUR 250 million targeting 50 unused and neglected urban areas showing a cost gap in commercial development
- Public buildings – with budget of EUR 200 million prioritizing Bratislava region (not eligible for EU Funds) to invest in 1,000 renovations

The RRP is a starting point to organize concrete short-term actions that feed into long term priorities, especially considering a more ambitious 2030 emissions reductions target that will require higher investment.

Private Sector Recommendations

Keeping in mind the highest value added occurs during the strategic planning phase and the lowest during construction.

Data informing long-term building renovation strategy and revised building law

- Establishing a single national database for all building categories to enhance portfolio management
 - Technical audit per building beyond energy efficiency considering indoor air quality, green roofs, cooling & ventilation, smart systems, acoustics, etc.
- Repurposing according to community needs
 - Optimize network of buildings and avoid renovation for renovation's sake
 - In Bratislava region employee / square meter rate is 5X higher than private sector
- Defining standards for design and execution using a digital framework
 - Design manual for each building category setting expectations for project length and cost
 - Creating incentives and clear path for building industry

Public funding for know-how and leveraging

- Ameliorate up-front costs for family houses to capture long term energy efficiency savings

- Estimated average price of a family house is EUR 100-200,000 with EUR 50-80,000 renovation cost meet 2050 climate target
 - RRF EUR 300 million for 30k houses (EUR 10,000 / house) will need to be leveraged to accomplish deep renovation
- Public funds should be adapted to consumer preferences to ensure subsidies unlock savings and private loans
 - Survey results indicate owners prefer to use savings to loans in a phased, step-by-step approach
 - Government can work with commercial banks and EPC companies to extend subsidy offers for those ready to renovate and advisory services for those that need help starting
- Both short and long-term opportunities for public buildings, industry and services
 - Straight forward low hanging fruits are ready now
 - Long term financing underpinned by guaranteed energy service contracts
- Earmarking grants/subsidies to expand and strengthen from existing regional sustainability centres currently supported by Cohesion Funds
 - Capacity building for municipalities on holistic and systematic energy planning
 - Pathway to decentralization with renewable energy sources and storage under local management systems
 - Assist with auditing and preparation of projects accordingly
 - Database of energy sources and consumption patterns to inform energy efficiency decisions