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REELIH
RESIDENTIAL ENERGY EFFICIENCY FOR
LOW-INCOME HOUSEHOLDS

RESIDENTIAL ENERGY EFFICIENCY FOR LOW INCOME HOUSEHOLDS PROJECT

Yerevan
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Introduction

Habitat for Humanity Armenia is the national office of Habitat for Humanity International in Armenia.

Taking steps to improve housing conditions through joint collaborative efforts has been the cornerstone of the concept of Habitat for Humanity Armenia's activities since 2000.



Introduction

Key Projects of Habitat for Humanity Armenia:

➤ **Housing Microfinance**

- ✓ **Apartment renovation and reconstruction projects;**

➤ **Meta Finance**

- ✓ **Renovation of Common Spaces of Apartment Buildings Project;**
- ✓ **Residential Energy Efficiency Project;**

➤ **Housing Support Services**

- ✓ **Thaining on Managing Financial Instruments and Technical Assistance for Construction;**
- ✓ **Training on Energy Efficiency;**
- ✓ **Consulting in Construction;**
- ✓ **Elaboration and Dissemination of Guidelines for Renovating Houses/ Apartments.**

Introduction



➤ **Disaster Risk Reduction and Response (DRRR)**

- ✓ **HFH Armenia is a member of the Disaster Management Team (UNDP Armenia) and will be involved in joint actions for supporting the RA Government in saving lives and reducing losses in emergency situations;**

➤ **Global Village**

- ✓ **Volunteers from all over the world join Habitat's mission to improve housing conditions of low-income families;**

➤ **One-Day Build**

- ✓ **The one-day voluntary construction project calls on private, international and domestic organizations and groups to join voluntary house-building works and to improve the living conditions of low-income families.**

Main Objectives of REELIH Project



- 1. Develop and test replicable financing models,**
- 2. Improve the investment environment in Armenia for residential energy efficiency,**
- 3. Mitigate the impacts of energy price increase on low-income families,**
- 4. Promote condominiums formation.**

Project challenges

The main constraints to implementing replicable models of complete apartment buildings insulation models are as follows:

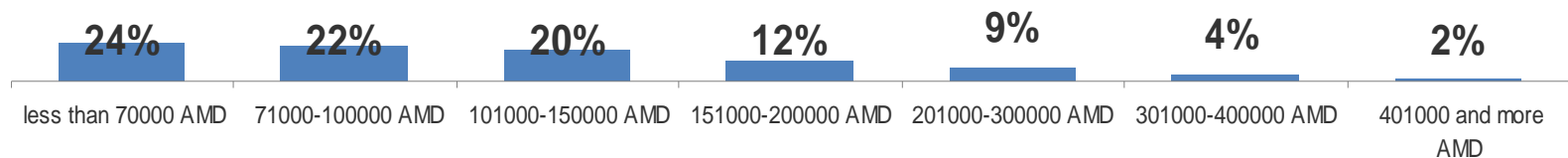
Main Constraints:

- The socio-economic situation in Armenia – low family income,**
- Poor level of awareness of energy efficiency,**
- Population’s unwillingness to making payments,**
- Financial institutions’ unwillingness to financing similar projects,**
- Weak institutional capacities of condominiums.**

Average Monthly Incomes of Families

The average monthly income of the majority of respondents' families (66%) makes less than 150 000 AMD, and, during heating season, in 51% of cases 25-50% of family income is spent on utilities.

Average Monthly Income of Families

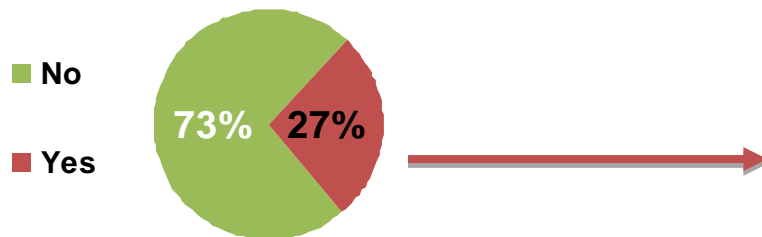


- Low family income is a major constraint to implementing the project,
- Loan repayment for energy efficiency activities makes approximately 20 000 AMD per month,
- The majority of the families will have to spend about 19% of their earnings on the repayment of the principal amount and the interests.

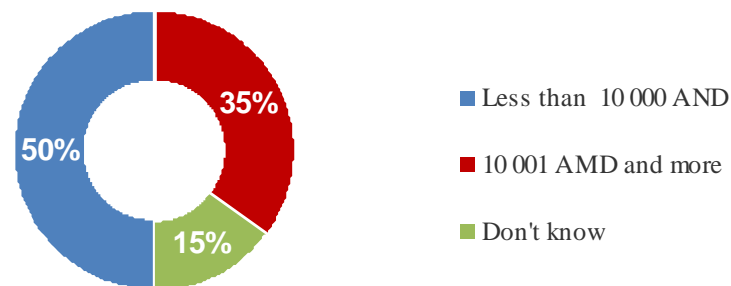
Awareness of Energy Efficiency

Public Awareness of energy efficiency renovations is poor enough. Only 36% of all respondents are aware of energy efficiency.

Awareness of external walls insulation



Savings expectations



- Only 16% of families which are aware of wall insulation, intend to carry out such works,
- Savings can make up 15 000 AMD in the result of the implemented activities. This means even well-aware people underestimate the potential of energy efficiency,
- 86% of respondents agreed to pay totally 5000 AMD per month, which is about three-fold less than average savings.

Condominium Survey

Institutional Capacities of Condominiums:

- **32 condominiums surveyed,**
- **About 72% collection of monthly fees on average,**
- **Absence of condominiums' real estate, i.e. only 3 condominiums own maximum 4 transport means,**
- **Closed doors make approximately 10% of housing stock,**
- **69% of condominiums do not have experience in loan management,**
- **Lack of insulation activities; mainly roof and entrance renovation is carried out,**
- **Support from the municipality.**

Banks Financing Condominiums:

- Lending for energy efficiency improvement in apartment buildings' common spaces is a complicated and resource-intensive process,
- Lack of mortgage offered by condominiums,
- Financial institutions consider lending on condominiums as an unfamiliar and risky area,
- Huge number of inhabitants taking out loans - about 35% of inhabitants have operating credits,
- High interest rates.

THANK YOU