

Tallinn University of Technology

Nordic Council of Ministers

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**Developing Professionalism
for Housing Maintenance Management
in the Baltic States**

Final report

Compiled and edited

by **Prof. Roode Liias**

Department of Building Production

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Introduction

In spring, April 17, 2002 there was the Nordic-Baltic Dialogue Seminar on Housing and Building Policy in Tallinn, Estonia, and as a follow-up of this seminar the Nordic Council of Ministers proposed the possibility to prepare the application for funds for joint Nordic-Baltic projects within the following three main themes:

- household affordability problems in a liberated housing market
- maintenance
- the role of the local authorities in social context

Based on 'Theme Paper' by the Nordic Council of Ministers from May 30, 2002, the major ideas for the 'maintenance' theme were the following ones:

For buildings the amount of money spent on maintenance are normally well above the initial construction costs and in total the cost is immense. An efficient maintenance of the housing stock is a condition for an optimally use of the building for housing purposes, including an optimal use of the invested (fixed) capital in the building from a society point of view. The maintenance shall ensure the safety of the building and it shall ensure that no unintended attrition takes place with the consequence of depreciated of the value of the building.

It is the purpose of this project to identify the best practices in the Nordic and the Baltic countries in order to produce documentation for the consideration whether or not it would be convenient to elaborate standards for maintenance as well as background materials for the production of one or more guidelines for the maintenance.

Responding to this document in the first days of August on the workshop in Jurmala, Latvia, the professional associations of the three Baltic countries decided to formulate a project aiming to meet the emerging issues in managing the housing stock in the region.

In the application for the project the following major objective was described:

to study the most effective methods for housing maintenance and implement the most transferable of these for the national housing markets preparing the basic principles for the Baltic housing maintenance standard and starting introducing these principles in everyday practice.

The project was scheduled for the years 2003-2004. With the activities described and scheduled in the application of the project it was first and foremost to rise awareness about the issues related to poor management of maintenance and through delivering

the 'best practice' to assist the very different national decision-makers when developing national strategies and action-plans for improving the situation in the field.

Experience of the Nordic community in solving the maintenance problems has been drawn in through the experts from Denmark and Finland.

It has to be noted that based on the work done, but especially when contacting the officials in different countries it has become clear that the housing maintenance issues are scientifically and politically on matters of a special Nordic interest.

The envisaged output of the project is seen in three different publications issued in the national languages of the Baltic States proposing for the housing issues related stakeholders the new institutional approaches for organising systematic approach to reliable maintenance management.

The participating institutions involved in the project were:

Project Leader

Roode Liias	Tallinn University of Technology; Estonia
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Participating institutions and the responsible representatives

Jüri Kröönström	Eesti Kinnisvara Haldajate ja Hooldajate Liit (EKHHL); Estonia
Raimonds Munkevics Zigurds Bluzmanis Andris Ozolins	Latvijas Namu Parvalditāju un Apsaimniekotāju Asociācija (LNPA); Latvia
Vladze Prunskiene Arvydas Mikalajunas Algimantas Raicevicius	Lietuvos Butų Ūkis (LBU); Lithuania
Laila Hosia Risto Hakala	Ympäristöministeriö; Finland
Keijo Kaivanto Liisa Kallio	Kiinteistöalan koulutussäätiö; Finland
Erik Brandt	Statens Byggeforskningsinstitut; Denmark

1 Executive summary

1.1 Background to the project

Designers of buildings and consultants for the property owners have focused their main attention on capital costs, paying little heed to the need to forecast and to reduce the costs on use, incl. maintenance costs; over the life span of a building, maintenance and repair costs may be 2 or 3 times the initial costs. Moreover, the costs for maintenance are growing for many building owners, but especially for the local authorities and the owner-occupiers in the privatised large-scale housing stock.

The majority of households in the Baltic States who have privatised their dwellings in the large-scale blocks of flats face the problems of affordability. Rather often reports and presentations declare that massive home-ownership in large-scale housing is not affordable. Anyhow, several commercial banks have started to propose loans for the condominium type home-owners' associations (HOA-s) and for the households to refurbish common spaces in the blocks, but also for single flats. Though most of these projects have been successful for the initiators and for the households in the blocks as well, still rather often there are no proper follow-up schemes for these projects. The newly refurbished buildings are not maintained the way as it is normally required following the relevant technical descriptions. This means that the investments done to reconstruct and refurbish the property are not secured.

'Maintenance' as the term has been missing from the professional terminology in the Baltic states during the soviet period, but even today maintenance is quite often considered as a part of restructuring or refurbishing; maintenance activities are rather often equalled to cleaning the floors and streets.

Any building or a system of utilities requires relevant maintenance activities to be planned and carried out on the properties. Correspondingly not only the originally installed and currently ageing structures, but also the newly refurbished or restructured finishing, structures, and systems for engineering services would require regularly scheduled further care. Several surveys give clear evidence that the HOA-s often reduce their expenditures to housing through cancelling the existing maintenance contracts. Only emergency maintenance is considered as inevitable, but this is always relatively more expensive to pay for emergency works rather to run the regularly carried out preventive and routine maintenance works.

Avoiding regular maintenance works gives only short-term profit – affordability level of the households may be improved in rather tangible way giving also excellent political arguments for the politicians when highlighting the benefits of 'cheap' self-maintenance. At the same time avoiding maintenance reduces sustainability for the households in long-run and for the society in general – dwellings lacking normal maintenance will burden the next generations with much higher costs when running the housing stock, both on the society level, but also on the level of every single household.

1.2 Objectives

Housing sector requires professional and cost effective maintenance management to be organised and provided by the professional maintenance companies. The methods of planning maintenance works should not depend on legal and political framework, rather we have to speak about professional field of activities and expertise where skilled managers and operatives are required; also relevant and adequate information systems are required to be implemented to support reliability of the whole maintenance system.

Based on the major aim of the current project 'Developing professionalism for housing maintenance management in the Baltic States' had the specific objectives to:

- study, analyse, understand and benchmark the current practice of maintenance for housing
- produce the state of the art reports and recommendations for the future
- carry out national studies analysing the need for maintenance and assessing the critical aspects there
- review the alternative scenarios as for institutional framework for the maintenance organisations role on the national markets and to propose the appropriate legal requirements for these
- promote actions for development the international and national regulations and standards on maintenance planning, but also on facilities management issues
- rise the awareness of all the stakeholders of the construction and property sector as for the maintenance issues and their role there through promoting the concept for life-cycle costing
- prepare suitable maintenance based managerial tools (standards, procedures, contracts) to guarantee reliability centred maintenance methods to be used for different types of buildings
- generate and experiment the teaching and training programmes for professional maintenance managers and skilled on-site operatives with the relevant criteria for professional qualifications
- promote the implementation of systematic maintenance principles and their methodology into investment planning and decision making of the housing sector and built infrastructure
- promote internationally the (Baltic) national cases of best practices analysing the positive and possible negative consequences of these

Therefore the aim of the project was to discuss, generate and promote housing maintenance management development processes on the Baltic scene. The project was not targeted to promote any political priorities looking for improvement of the affordability level through cheaper maintenance, rather trying to look for the most effective management schemes for housing maintenance in the Baltic States, studying the major factors influencing the performance levels, and doing the first steps when implementing these schemes in practice through raising stakeholders' awareness.

1.3 Major results

The summary describes a vision and proposes the guidelines for the work with a possible action plan which will contribute towards an increased concern in housing maintenance. It is assumed that an increased exchange of best practice related knowledge between the Baltic Sea region (BSR) countries when improving the housing stock would promote also competition in the construction and property maintenance markets. The markets in Estonia, Latvia and Lithuania are very small in relation to the equivalent markets in the other BSR countries. It is therefore suggested that an increased exchange of professional knowledge and information may affect the competition situation in the regional markets.

The situation in the Baltic region today shows that there is still a need to transfer professional housing maintenance related knowledge. The Baltic States have had a less developed innovation culture, which is characterised by a generally low level of investment in research and development. Anyhow, it has become clear that Baltic professional housing management and maintenance related knowledge should also be used to initiate also co-operation with Russia and Belarus.

There is still a considerable potential for increasing competition in housing sector by viewing the experience of the Nordic countries and the existing technical situation of housing stock in the new EU member states amongst BSR countries.

The professionals involved in the project emphasize the need for a better co-operation and this partnership presents an opportunity of creating the right response for enhancing the regional cooperation in the field of housing management and maintenance. It is important that common activities and actions are rooted in and meet the needs and requirements as they are defined by the involved country's central authorities responsible for developing housing policy. Furthermore, there is the further need for an exchange of experience and competence between the countries in the region with regard to legislation, information systems and training programmes for all the housing sector related stakeholders – politicians, practitioners and professionals.

The final document 'VISION 10' has been compiled by the whole team of the project – by the Baltic national partners and by the Danish and Finnish experts – and describes the major ten pillars to be considered when maintenance issues are to be tackled in the national markets. The project has been successful and highly appreciated by all the national partners, but especially by the Baltic national and local authorities.

2 Summary in Danish

2.1 Baggrund

Bygningsdesignere og rådgivere har fokuseret deres interesse på anskaffelsesudgifter, og har ikke meget opmærksomhed på at kunne forudsige og reducere vedligeholdsomkostningerne; på trods af at vedligeholds- og reparationsudgifterne set over bygningens levetid kan være 2-3 gange højere end anskaffelsesudgiften. Endvidere er vedligeholdsomkostningerne stigende for mange bygningsejere, især for lokale myndigheder og beboerne i ejerboliger i de privatiserede, større boligblokke.

Hovedparten af husholdningerne i de Baltiske Lande som bor i privatiserede lejligheder i større beboelsesejendomme, står over for problemer med at betale. Forholdsvis ofte fremkommer der rapporter eller det fastslås ved præsentationer, at ejerne i det massive antal ejerboliger i større beboelsesejendomme ikke har råd til huslejen. Uanset hvad, er bankerne begyndt at foreslå Boligejernes Forening (HOA's) og ejerne, at de kan tage lån til renovering ikke alene af ejendommene, men også af de enkelte lejligheder.

Vedligehold er et udtryk som har manglet i den professionelle terminologi i de Baltiske lande under Sovjet perioden, men selv i dag betragtes vedligehold ofte som modernisering eller fornyelse. Vedligeholdsaktiviteter forveksles også ofte med rengøring alene.

Enhver bygning eller brugsgenstand har behov for at der planlægges og udføres relevant vedligehold. Som følge heraf er det ikke blot gamle – ældede – bygningsdele der har behov for vedligehold, men også netop istandsatte eller moderniserede overflader, konstruktioner eller installationer har behov for jævnlig, planlagt vedligehold. Flere undersøgelser har vist at HOA's ofte reducerer deres udgifter ved at undgå at udføre vedligehold. Kun nødreparationer betragtes som uundgåelige, men disse er altid mere kostbare end udførelse af forebyggende og rutinemæssigt udført vedligeholdsarbejde.

At undgå vedligehold giver profit på kort sigt – det niveau husholdningerne kan betale bliver måske mærkbart forbedret, og hermed får politikerne argumenter til at fremhæve fordelene ved "billig" egen-vedligehold. Samtidig medfører den manglende vedligehold dog nedsat bæredygtighed for beboerne og samfundet som helhed – boliger som mangler normal vedligehold vil medføre store byrder for de kommende generationer med meget højere driftsomkostninger til følge – både for samfundet og for de enkelte familier.

2.2 Formål

Bygninger har behov for vedligehold og dette bør udføres professionelt og økonomisk, herunder organiseres og udføres af professionelle aktører. De metoder der anvendes til at planlægge og udføre vedligehold, skal ikke afhænge af juridiske eller politiske forhold. I stedet bør vi tale om et professionelt område af aktiviteter og ekspertise hvor kompetente ledere og organisationer er nødvendige; også relevante og fyldestgørende informationssystemer er nødvendige og må implementeres.

Det nuværende projekt "Udvikling af professionel vedligehold af beboelsesbygninger i de Baltiske lande" havde som hovedformål at:

- Undersøge og analysere de nuværende rutiner for udførelse af vedligehold for at forstå baggrund og formål hermed.
- Udarbejde en State of the Art Report og komme med rekommendationer for fremtiden.
- Gennemføre nationale studier hvor behovet for vedligehold blev analyseret og de kritiske aspekter vurderet.
- Gennemgå de foreliggende muligheder for at udvikle et netværk og undersøge vedligeholdsorganisationernes rolle på det nationale marked, samt at foreslå passende lovgivningsmæssige tiltag for at igangsætte dette.
- Promovere tiltag vedrørende udvikling af internationale og nationale regler og standarder om vedligeholdsplanlægning – også baseret på facilities management forhold.
- Øge opmærksomheden på vedligeholdsspørgsmål og deres rolle for alle deltagere i bygge- og ejendomssektoren ved at promovere totaløkonomi konceptet.
- Udarbejde velegnede vedligeholdsbaserede styringsredskaber (standarder, procedurer, kontrakter mv.) til at sikre at pålidelige vedligeholdsmetoder anvendes for alle forskellige bygningstyper.
- Udarbejde og gennemprøve lærings- og træningsprogrammer – som indeholder relevante kriterier for professionelle kvalifikationer - for professionelle vedligeholdsledere og uddannede medarbejdere.
- Promovere implementeringen af systematisk vedligeholdsplanlægning og – metodikker i investeringsplanlægning og beslutningstagning indenfor bygnings- og ejendomssektorerne.
- Promovere de (Baltiske) nationale eksempler på god praksis sammen med en analyse af positive og negative konsekvenser heraf.

Derfor har formålet med projektet været at diskutere, generere og promovere udviklingen i de administrative og ledelsesmæssige processer vedrørende vedligehold i de Baltiske lande. Dette vil forhåbentligt fortsætte på længere sigt - også efter at projektet er afsluttet. Projektet havde ikke til hensigt at promovere nogen politisk prioritering i retning af at forbedre betalingsevnen for ejerne ved at finde de billigste vedligeholdssystemer, men snarere at finde de mest effektive systemer for vedligehold i de Baltiske lande, og at tage de første skridt ved at øge interessenternes opmærksomhed på disse systemers muligheder i praksis.

2.3 Resultater

Sammenfatningen beskriver en vision og giver forslag til hvordan det fremtidige arbejde kan gribes an, herunder forslag til en mulig arbejdsplan som kan bidrage med en øget opmærksomhed på bygningsvedligehold. Det vurderes at en forbedret udveksling af oplysninger om anvendt praksis vedrørende bygningsvedligehold mv. mellem landene omkring Østersøen og den Baltiske Bugt (Baltic Sea Region = BSR) vil kunne bidrage til at skabe konkurrence på markedet for bygnings- og ejendomsvedligehold. Markederne i Estland, Letland og Litauen er meget små i forhold til de tilsvarende markeder i de øvrige BSR lande. Det antages at en forøget udveksling af professionel viden vil være i stand til at øge konkurrencen på de regionale markeder.

Situationen i den Baltiske region i dag viser at der stadig er behov for overførsel af viden vedrørende professionel ejendomsvedligehold. De Baltiske lande har ikke haft så kraftig en tradition for nyudvikling hvilket bl.a. har vist sig ved en meget ringe investering i forskning og udvikling. Under alle omstændigheder er det klart at Baltisk viden på området ejendomsvedligehold også skal anvendes til at initiere samarbejde med Rusland og andre lande i regionen.

Der er stadig et betydeligt potentiale for øget konkurrence i ejendomssektoren som det kan ses ved at sammenligne erfaringerne i de Nordiske lande, med det tekniske stade for ejendommene i de nye EU lande blandt BSR landene.

De professionelle som er medvirkende i projektet, understreger behovet for bedre samarbejde, og denne gruppe udgør en velegnet platform for at videreføre og forstærke det regionale samarbejde om bygnings- og ejendomsvedligehold.

Det er vigtigt at almindelige aktiviteter og arbejder inddrages og forankres i de behov og krav der stilles af de enkelte landes centrale myndigheder. Desuden er der behov for en fortsat udveksling af erfaringer og viden mellem landene i regionen mht. lovgivning, informationssystemer og trænings programmer for alle involverede i ejendomssektoren – politikere, praktikere and professionelle.

Det endelige dokument "VISION 10" er blevet udarbejdet i fællesskab af arbejdsgruppen – af de nationale Baltiske partnere og af de Danske og Finske eksperter – og beskriver de 10 væsentligste "søjler" der bør indgå, når vedligeholdsspørgsmål skal bearbejdes på de nationale markeder. Projektet har været succesfuldt og højt værdsat af alle nationale partnere, men især af de Baltiske nationale og lokale myndigheder.

3 Work plan and the activities

The events of the project were classified into the following four major stages. Below is the comparative description given – the four stages as in the application and the list of actual events related to the project.

3.1 Descriptive stage where the partners have to study the existing housing management framework on their national markets and to identify the major needs for the forthcoming periods to assure environmental and social sustainability in the housing sectors of the Baltic countries. This general monitoring refers to the assessment of housing situation and the maintenance management needs. In parallel to the description of the technical conditions of the housing stock, the reports will describe the existing institutional framework for housing maintenance. This stage concludes with a technical workshop for the steering-teams, preferably in Lithuania.

No	activities	timing (2003)	major results
1	Kick-off meeting	Riga March 21	Baltic partners discussed the scope of the activities and scheduled the activities for 2003
2	Baltic Housing Forum	Tallinn April 4	Promoting the idea of the project and meetings with the national partners and politicians in the region, but also the different key-persons participating on the forums and related events
3	Regional Forum on Housing Sector Reform in the Baltic States: Partnerships for Affordable Housing	Riga April 8-10	
4	Defence of doctoral theses in VGTU on facilities management and maintenance	Vilnius April 10-12	
5	Business meeting and negotiations	Helsinki April 15	Meeting the possible interested partners from Finland and building up the Finnish framework for the project
6	Business meeting	Copenhagen April 22-24	Meeting representative of the Danish Building and Urban Research Institute and the administrative officer in the Nordic Council of Ministers for refining the unclear issues
7	Workshop for discussing the issues highlighted in the inception report	Vilnius Druskininkai June 26-29	Presenting and discussing the inception reports about the current state of art in housing maintenance

3.2 Comparative stage will include possible comparative cross-national assessments of different tools for housing maintenance on the national markets. There should be a study tour for the partners' experts to any or different Nordic Countries to study the best maintenance management related practice there. This stage should come up with a set of proposals that should be classified for both - short and long term aims to be gained. These aims should address the institutional, professional and technical issues of housing maintenance.

This stage has to be concluded in Estonia with a two days seminar (August-September 2003) providing a forum, where professionals from the partners and the invited international observers can discuss together and draw possible new perspectives when preparing and implementing the standard for housing maintenance for the Baltic region.

The final document of the seminar would be considered as the guidelines for the next stages.

No	activities	timing (2003)	major results
1	Study-tour for the Latvian and Lithuanian partners to Finland	Helsinki August 27-29	Latvian and Lithuanian partners had the possibility to visit the maintenance companies in Helsinki and listen to lectures in the training centre
2	Business meeting	Helsinki August 29	Partners gathered to refine the activities for 2003 and the application for 2004; scheduling the conference in Tallinn
3	Conference and workshop	Tallinn November 13-15	Exchange of experience (best practice) in Estonian housing maintenance companies; conference about housing maintenance for the representatives of flat-owners

3.3 Analytical stage should include detailed survey of the most favourable activities for the national markets and a set of first priority scenarios to develop the housing maintenance national markets and the relevant management structures. On this stage the partners should not only depict their most favourable strategies, but also the schedule for the major follow-up activities for the implementation stage will be required. This stage will conclude with a technical workshop (in Latvia) where all the partners have to comment on their schedules for the major follow-up activities during the forthcoming implementation stage.

No	activities	timing (2004)	major results
1	Compiling midterm report	February	Printed report delivered
2	Jurmala workshop	Jurmala February 5-7	The Baltic partners discussed the possibilities of implementing the Estonian Maintenance Standard as a common solution for the region
3	Workshop on the construction fair	Riga March 17-19	Workshop for the representatives of Latvian housing maintenance companies
4	Jurmala workshop	Jurmala March 30 – April 3	All the partners of the project gathering and discussing midterm report and reporting about their activities during the one-year period; presenting the project on the international conference 'Baltic Real Estate 2004'
5	Workshop in Vilnius	Vilnius May 17-22	Workshop for the representatives of Lithuanian housing maintenance companies; presenting the project on the international conference 'Modern construction materials and technologies'
6	Workshop in Saaremaa, Estonia	Kuressaare June 7-9	Seminar for the Lithuanian housing maintenance professionals

3.4 Implementation stage will include starting the dissemination process of the results – following the prepared schedules of activities, step by step the partners will start dissemination of the major actions. These actions should include:

- preparing the professionally skilled staff for maintenance
- preparing the wide range of published tools (standards, guidelines) for housing maintenance
- pilot implementation of the prepared maintenance instruments in the existing structures of the maintenance organisations and on the housing stock

The fourth stage of the project will conclude with national workshops and/or seminars that will be carried out to generate the public awareness to the results of the project.

These workshops will be carried out on national languages and these events should be nationally funded.

No	activities	timing (2004)	major results
1	World Health Organisation Symposium in Vilnius	Vilnius September 28 – October 1	Public presentation about the results of the project related to educating the owners and raising public awareness (VISION 10)
2	Regional energy-saving conference in Riga	Riga October 6-8	Public presentation about the results of the project related to maintenance and energy-saving (VISION 10)
3	Reporting on the Nordic – Baltic – Polish meeting for Ministers for Housing and Building Policy	Stockholm November 1, 2004	Reporting the Nordic housing and construction ministers about the project
4	National Workshop	Tallinn November 14	Public presentations about the results of the project and introducing the national publication
5	National Workshop	Riga November 24	
6	National Workshop	Vilnius December 2	

3.5 Expected reporting and outputs

To get the information about the work done, the project leader shall compile for the funding body the following harmonised reports in accordance with the following provisions.

The inception reports

will conclude the results of the descriptive stage of the project and will be ready for any inspection during the two (2) months period after the first workshop has been carried out. These reports have to:

- give a detailed analyses of the developments on the housing maintenance markets of the Baltic States during the recent years of after housing stock privatisation, highlighting the major factors for current dis-repair and dis-maintenance and identifying the causes to this situation
- define clearly the further aims and objectives as for institutionalising the maintenance and the aspects how the current project and the assistance programme in general can help gaining them
- set out a detailed plan for further actions of this project and outlining the necessary resources scheduled in time for the rest of the periods

The mid-term report

will be based on the results of the comparative stage seminar and will be presented for the funding body two (2) month after the seminar has been carried out. This report should distinguish between the activities achieved and considered finished and activities currently under way, so that the evolution of the project and the input of any of the partners will be clear enough.

The final report

will be submitted for the funding body and shall include also the financial analyses of the project, but shall present also the critical study of any of the major problems which may have arisen during the performance of the project.

The final output documents for the whole project will be the following ones:

- a book in English 'Housing Maintenance Management in the Baltic States'; the book will describe the development of the project and the major outputs gained and describing the best practice on the national markets
- national documents and reports on the national and/or Russian languages that will be used for the follow-up process of the project on the places

All the three (3) reports listed (inception, mid-term, final) will become the subject for evaluation by the experts nominated by the relevant national ministries and departments responsible for housing and maintenance. After the project will be launched the project manager together with the partners will negotiate the responsible ministries about nominating the most competent executive officers to become the evaluators for the reports.

Today, in February 2005, when compiling the current final report it is clear that the situation in the housing maintenance market of the Baltic States is changing – though no changes can be seen in the physical outlook of the built environment yet, much has been still done to change the institutional framework and public awareness about housing maintenance. Recently, much effort have been given to publish the guideline-books targeted to the owners of the dwellings at the very end of 2004. During the duration of the project 2003-2004 much background information has been collected about housing maintenance market in the Baltic States that will be a good stuff to carry out further studies.

This why the Project Leader took the decision not to hurry up with an additional book to be published just now, rather to give a delay and come back to this idea – preparing a book – later when also the follow-up activities of the current project can be studies and assessed. As to the financial side of this decision, the publications issued by today and the idea of preparing the final document VISION 10 increased slightly the expenditures for translation of the documents to national languages. Therefore, the idea with the book remains in the air and the Project Leader will take the responsibility for reasonable organising it.

4 Focus on housing maintenance

4.1 What is Maintenance?

Building maintenance is the combination of all technical, administrative and managerial actions during the lifecycle of a building (or a part of it), intended to retain it, or restore it to, a state in which it can perform the required function.[Criteria for design, management and control of maintenance services for buildings' CEN/TC 319 N 129] From the definition above it can be considered that it is representing the potential consensus for Europe – maintenance is a continuous process, with several clearly targeted activities that follow each other repeatedly and in a logically scheduled sequence.

Too often when discussing housing maintenance issues with the politicians, practitioners or even with the professionals with civil engineering background, reconstruction, repair and maintenance are handled like overlapping synonyms. The costs related to these activities are kept on one row in the accountancy balance sheet and it is so difficult to find a person who clearly will show up his interest to analyse these rather different activities separately keeping in mind their essence. Reconstruction (project) related works are not maintenance works, quite often (still not always!) a major reconstruction project may be initiated to do away with the defects and negative results caused due to poor or lack of maintenance. This why low costs for poor level maintenance services result to high costs of reconstruction.

Based on the character how maintenance activities are organised most commonly they can be divided into:

- preventive maintenance – carried out to a predetermined plan to reduce the risk of failure; can be done as:
 - scheduled maintenance – preventive maintenance done at regular intervals
 - condition-based maintenance – preventive maintenance done when deemed necessary through regular inspections of the building
- corrective maintenance – carried out after failure has occurred
- emergency maintenance – necessary immediately to avoid serious consequences

Buildings, incl. dwellings that are not maintained (or maintenance is not organised following proper technology) will cease to fulfil their intended functions; at the same time regular maintenance can prolong the useful life-time of any structure of a building and of any service system as the cases for replacement will be required less often. Regular maintenance activities that have been carried out just-in-time following the manufacturers manuals for preventing and doing away with the defects while they are still minor, is generally the most cost-effective strategy for the owner of the property to provide an adequately functioning building and following this concept in practice will reduce operating costs of the building for the owners and users. In spite of this

common knowledge, there is too often no or only rudimentary competence about building management and maintenance made available for the decision making bodies.

All the buildings deteriorate from the moment they are constructed because of exposure to a variety of natural forces and wear and tear caused by the users. Particularly dwellings serve large numbers of users who generate wear and tear that contribute to the deterioration of the building in the most significant way. Even normal daily activities such as foot traffic, opening and closing of doors and windows, use of electric and sanitary installations will gradually wear out surfaces, locks, switches, water-taps, flushing mechanisms, etc. Improper use, but also direct vandalism, may cause instant destruction of any part of a building, but windows, locks and technical installations are particularly vulnerable. Wear and tear is inevitable; emergency cases are still normal consequence in human life – therefore we cannot survive without maintenance system activated when using built environment.

Doing all the scheduled maintenance works does not automatically provide good living environment for the households in the blocks – maintenance only assists the users, the residents to develop physical conditions for suitable and adequate housing. Maintenance managers (and/or administrators) need to have good knowledge of the buildings, site installations there and land making up the facilities; but probably the most difficult part is to activate permanent maintenance and to make the parties involved in these schemes aware of the benefits, and the drawbacks of no maintenance. For the whole topic it is of major importance to find out what the various partners know about and expect from the maintenance process.

4.2 Maintenance and housing

Dwellings are valuable assets which are built up using substantial investments over a long period of time, thus dwelling stock is forming the major part of national property. In spite of this role in the society, this property is not always managed and maintained with the care it actually deserves; in too many countries maintenance of dwellings is either insufficient or fully non-existent. Similar is the problem in the Baltic States. Resulting to inadequate maintenance rapidly developing deterioration will reduce the ability of dwellings to perform the intended function – provision of decent and comfortable shelter for the residents. Shortage of funds is the most often given excuse and reason for poor maintenance of dwellings; too often the problem is also related to lack of awareness and knowledge, but also to not clearly defined responsibilities amongst the parties related to housing sector.

It has long been recognised that unresponsive housing services contribute to dissatisfaction, accordingly the need to rethink housing management and maintenance provision principles have become emerging also internationally. Poor standards for housing management and maintenance can compound several other problems in the society – particularly, conditions related to housing stock repair are directly influencing health of the residents.

Condition of dwelling stock varies over time, depending on how much and when has been invested either in new building, or in repairs or maintenance, so some backlog of

disrepair is to be expected at any time. When for two generations (during the post World War II period until the 90ies in the countries of East and Central Europe) there has been no proper maintenance done, it is quite understandable that nobody – neither an institutional nor an individual actor – has the capacity to tackle this problem fully during a decade. Though massive privatisation of the housing stock that has been carried during the privatisation has opened up the market for dwellings there is still a substantial share of dwelling stock that is being left behind in the housing market due to their poor technical quality, and in these cases the households are to tolerate poor living conditions for a rather extended period. The said above is directly related to large-scale housing sector where the backlog of unfitness and disrepair of premises needs to be addressed; but the owners of detached houses face also problems of disrepair. Today any progress is dependant only on the levels of investments by the owners of the properties; this means that by the households themselves.

Therefore, the picture about the technical condition in the flats of large-scale blocks in owner-occupied housing sector in the Baltic region is rather twofold – level of quality of each single flat rather often differs considerably from that in the whole block. Many of the owner-occupied homes there – flats – are either fully refurbished and kept in reasonable repair due to considerable investments done, however, sometimes even the neighbours located next-door to these flats with high quality refurbishment may have serious difficulties when meeting even the monthly running costs. This why, there are serious concerns about a number of social groups of owner occupier households that they will find it very difficult to afford participating in sharing the regular repair and maintenance costs for the whole block. Therefore, there is lack of major care and regular maintenance especially in the common spaces, and for the technical instalments in the blocks which are of joint responsibility for all the households in the block.

At the same time, though too often funding is considered as the main constraint for lack of improvements, rather impressive results can still be achieved also with rather limited funding if the system of organising maintenance is managed reasonably and the priorities for the owners are clearly defined. Poor maintenance usually results from lack of awareness amongst the decision makers; in the case of owner-occupation the residents in the blocks appear to be the key decision-makers.

In most of the European countries housing has been the field for major political debates and decisions – quality of dwellings and the related to these housing services are quite often rather strictly defined by legislative documents. Anyhow, these services are quite often half-provided depending basically on scarce resources provided by the public decision-makers rather than on unclear contractual obligations and responsibilities.

When discussing housing maintenance issues in the East and Central European countries, but especially in the Baltic States, one has to highlight the essence of the major societal change – transitional change of the 90es has resulted not only to legal, but also social and technical shifts when managing the housing sector. Massive unit-by-unit privatisation of the housing stock located in the large-scale estates has resulted that the responsibilities for the blocks of flats are currently split amongst several single households – in a block there may be from 50 up to 150 co-owners. Nobody from the co-owners there has the possibility to take any decisions for himself – decisions to be

done require either majority of votes, sometimes even absolute consensus has to be achieved, following the due legal acts.

In parallel to the said above, the key-partner for the owners of the dwelling units – the housing maintenance and management service providers – has remained in municipal ownership; only in the Estonian case all these companies have also been privatised. Due to these changes now the scene for housing service provision market has changed considerably. The former tenants have legally and rather 'overnight' become the property owners of the properties and therefore legally they are the major decision-makers as for their properties. Still their counterparts in the market – rather powerful municipally owned service-providing companies – continue to act as the major decision-makers through politically set up and compulsory for following tariff-setting system, but also using sample contracts fully representing the interests of the service-providers.

Due to that the municipal service providing structures still represent the former attitude to management and maintenance of housing stock – quality criteria are not very clearly defined and the payments by the residents are not charged following the cost-covering principle. Accordingly, municipal institutions still continue to fund housing and they partly keep up of the housing stock that has been privatised; today it means that they are massively covering certain share of the costs private individuals should be responsible. Following the said above, performance of maintenance has become the issue where legal and organisational matters are prevailing the technical ones – lack or poor-performance maintenance leads directly to the legal decision-makers asking and questioning them about the reasons for not adequate quality of services delivered for them to keep up their property.

On the other hand, the entrepreneurs who own the housing management and maintenance companies of new generation represent the 'new' understanding about the housing market – maintenance is a service in the property market and business success of the service providing company depends only on the satisfaction of the clients, the households. These companies have to market themselves clearly and they cannot rely on additional support from any public funds to be provided – these companies must have clear vision and understanding about the services and about the cost-covering prices. Of course, when the service following the cost-covering principle and the municipally offered subsidised services are provided in parallel, most of the clients still prefer the subsidised service as the cheaper one whatever the relevant quality-level appears to be.

Efficiency and performance level of any service when the market-relations govern depends from competition and from successful selection of the contractor; the same has to be considered also when the quality levels of maintenance services are assessed. It is not easy to select a reliable maintenance service provider which can build up and follow reasonable life-cycle targeted maintenance strategy for the facilities. Selecting a maintenance contractor is a decision characterised by contradicting objectives – owners are interested in minimising the costs for the service, but they also want the contractors to maintain the blocks and the facilities according to adequate standards which virtually are still not very clearly defined in the society. All the problems described above are typical for the Baltic States as well.

4.3 Property ownership and ownership related obligations

What is the meaning of property ownership and what are the major tasks of a property owner in the society? First of all, property ownership – especially ownership to real estate – means obligations for the owner/owners. Together with the title to ownership the owner is granted (or burdened) with numerous rather costly obligations. This is why we have to understand about the necessity of activating a reliable and professionally managed system for administering the obligations of the owners. These are the property related obligations – the amount and volume of most of these obligations is directly dependent on the location and on condition of the property.

The major change that has happened in the housing landscape during the transition period has been the dramatic shift in property ownership; accordingly real estate ownership has become a common term also when talking about housing. This change of ownership can be especially clearly seen in the Baltic States where due to flat-by-flat privatisation to the sitting tenants has created the societies of real estate owners. More than that, for the majority of households – owner-occupiers – home has become the (real) property with its value and with legal obligations fulfilment of which rather often require professionalism, but anyhow quite high costs are related to organise fulfilment of these obligations. 'Homes' of the households can be sold and bought, or used as collateral when credits are required; but this is only one side of the coin. It is important to keep in mind that ownership to real estate in particular is related to numerous legislation stated obligations: meaning – by the society. Correspondingly, transition of ownership has been not only the transition of rights but also transition of property related obligations. Several political documents published either during the process of housing privatisation or afterwards quite directly highlight the main idea of this process – the state is trying to get rid of the responsibilities related to the (national) housing stock.

National construction laws in the European countries, but also the EU construction related directives burden the owners of the buildings with the obligation of keeping it up. This obligation can be quite clearly explained to the owners of detached houses – these owners are relatively free taking any actions when running their property. The problem becomes complicated when shared property or co-ownership is in question; too often each co-owner equals his responsibilities only to the flat – the building as such is not considered as a part of home.

In the residential sector of transition economies there are numerous new property owners who have rapidly and massively entered the real estate market. This is a contradictory situation when the major actors are very differently prepared – mainly not experienced – for their owner's role and responsibilities in the society and for reasonable co-operation amongst the co-owners, but also the neighbours.

Though the majority of the large-scale housing stock in the Baltic States has been privatised flat-by-flat, housing stock generally remains the national property. Dwelling stock is of great value, and this stock is inevitably required to house the citizens. Therefore, housing maintenance becomes critical both for the society and for individual households using the units. Poorly maintained housing stock creates problems generally for the public authorities – these households whose housing conditions do

not meet the relevant national standards are to be provided with municipal shelter causing additional problems for the authorities and load for the public budget.

In fact, today there are no technological problems as for maintaining the buildings – tools and materials for proper maintenance are on sale; more and more workforce is trained to use the contemporary technological possibilities. The major problems when organising both repair and maintenance of housing are related to financial and managerial aspects, to institutional issues. These are the major aspects basically the society faces today in the Baltic countries especially – defects and lack of repair are obvious, but not all the households are even initiating any activities to improve the situation in the blocks of flats and their own living conditions there.

4.4 Ownership and maintenance

Reports about technical conditions of the housing stock discuss lack of maintenance and poor repair of the dwellings in the blocks with shared ownership and about poor workmanship used there. However, these reports do not always describe clearly the role of the (co-)owners in the whole process, rather the reports concentrate only on the affordability issues – vast majority of people especially in the blocks cannot meet relevant housing costs, incl. maintenance.

To reduce housing costs the most widely spread position by households can be described as follows – we can do it ourselves; we can do it even cheaper! These decisions concern especially maintenance related works – to do these works different methods, quality-level and timescale for activities can be followed. The outcome is terrific for media and for the whole society – housing associations have a higher economic efficiency than municipal companies; their building maintenance cost per square metre is 29 per cent lower than that in similar municipal housing! Whatever the advertised indicators are, these arguments are widely spread and well selling; associations are considered acting on higher cost efficiency when managing and maintaining their properties than professional housing managers!

In fact, when studying this issue, two economic terms 'cheap, cheaper' and 'cost effective, effectiveness' are considered as synonyms, though they represent fully different attitudes in the market. Studies show that 'effectiveness' in housing maintenance can be higher when several preventive and conditional maintenance works are not carried out the way as described in professionally compiled maintenance manuals. To meet the housing costs the owner-occupiers give their preference rather to unprofessional service providers to avoid any or higher taxes or they decide to reduce the amount of required works. The role of the households in the Baltic States is two-fold and quite contradictory. Due to extremely high rate of home-ownership (around 95 per cents of the national housing stock in Estonia and Lithuania) owners and users of the stock are in the situation where it is extremely difficult to set up proper priorities – should they prefer their current financial condition or keep in mind the major long term target for preserving the property? Property owners should follow legislative obligations *a priori*; users and individuals – those who have to cover the costs – keep in mind the budget of their household; the latter aspect remains in any case the priority for the owner-occupiers.

According to the fundamental law in the society, (property) owners are free when making decisions related to their property – they should not harm interests of the others in the society, yet they also become fully responsible for the decisions they take. To be able to carry this role in the society, property owners need to act as informed or intelligent clients allowing to achieve best value for (their own!) money.

The role of an informed owner in the property market requires a significant degree of operational knowledge and experience to:

- understand and clearly specify the service requirements and targets that are most suitable for the property they own;
- arrange the relations among co-owners when managing property;
- understand and develop service delivery strategies and to manage the implementation of outsourcing strategically most important services;
- agree when monitoring the standards used when describing quality levels of services and benchmarking performance;
- manage different contractors for cleaning, maintenance and repair works and monitor their performance level;
- understand provided relevant financial, technical and managerial reports;
- be ready for negotiations with contractors or users of the spaces and for decision-making agreeing changes to service requirements;
- develop his/her own owner's skills through awareness raising, but especially through regular training.

Based on the criteria described above, educating the property owners (especially owners in the housing sector!), it is vital for managers and operators to enable them to fulfil their roles and to perform their full professional potential in the market.

4.5 Professional maintenance management

All the households who have become owners of the dwelling units should have one major target in mind – to preserve this piece of property that they own. This is the shelter and the home for them! Thus, households should think about the condition of their dwelling not only in short term but especially through long term targets. Owners have to understand their major role in the property market – they have to take reasonable and professional decisions about the property they own. Nobody else than the owner himself has to decide about the current and further actions to be carried out on his property.

This is why administering of owners obligations may be viewed as a three-fold list of activities to be covered. An owner has to consider any activity listed below how it can be carried out in practice to meet his or her interests in the best possible way:

long-term decisions

- introducing a maintenance manual for the property – the building and its structures – and assuring reasonable performance of it

- compiling a relevant economic plan (business-plan) to run the property following the requirements described in the manual
- planning schedules for maintenance works for the forthcoming years
- preparing and signing long-term contracts for preserving the property and getting necessary utilities services
- assuring the availability of professional supervision to guarantee that all owners interests are reasonably followed
- deciding about developing different projects to refurbish and renovate the building to improve its quality and meet the changing needs of households

operative decisions to

- assure that routine and regular monitoring of the situation and condition-assessment is be carried out on the property
- supervise over different contractors/workers performing scheduled maintenance works
- plan and order all necessary security measures, incl. negotiating reasonable insurance
- assure that professional teams are available to treat emergency situations
- take decisions about organising tenders; incl. setting up a list of criteria for selecting the best bid
- prepare and sign contracts for maintenance with suitable contractors

administrative decisions

- taking reasonable decisions about employing staff and assuring that the owner can properly fulfil an employer's role
- forwarding relevant authority to any person who can represent owners in negotiations or dispute settlements
- related to administering financial and technical documentation about the property
- assuring the availability of all necessary reports and taking decisions based on analytical data about the results of maintenance

5 VISION 10 – framework for maintenance management

5.1 About VISION 10

The two year activities of the current project ended up with signing the final document – VISION 10. During the summer 2004 the draft of this document was widely discussed amongst the partners of the project and especially the Nordic experts made their major contribution when structuring and refining the document. When the three national workshops were held correspondingly in Tallinn, Riga and Vilnius the layout of VISION 10 became the background-document for these three seminars. These aspects described in VISION 10 were highlighted and discussed officially according to the agendas on these seminars, but this document has given the reason for several not-official discussions as well.

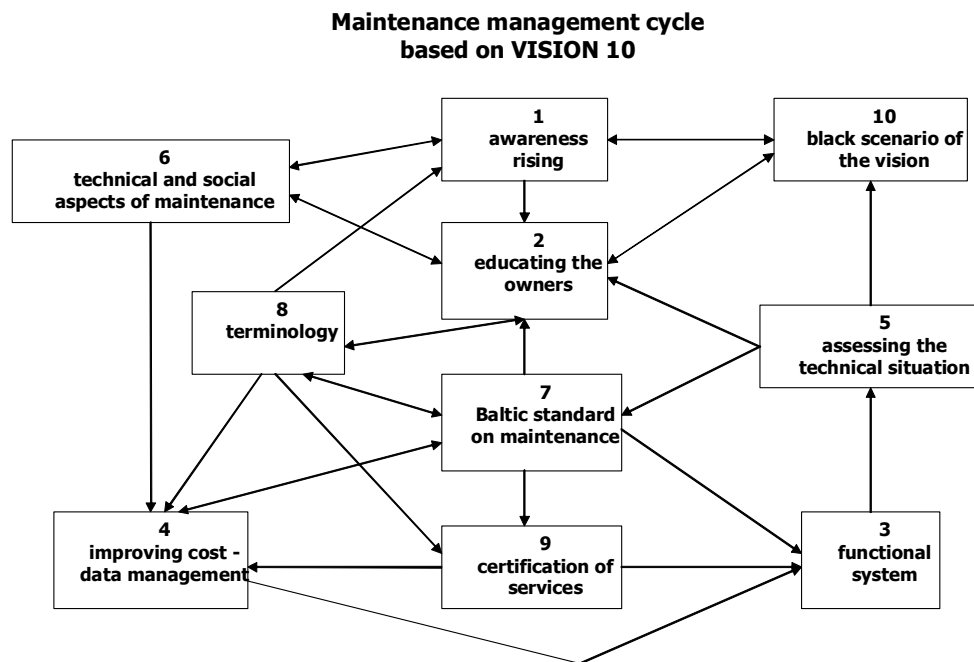
VISION 10 is the list of key-issues the national housing maintenance markets should tackle and consider when planning any strategic programmes in this field. VISION 10 is the framework document setting up a set of guidelines which in fact are not prioritised – for example vision 7 is not considered as the 7th in the priority list. During the project it became absolutely clear that the Baltic States are currently having very different solutions implemented to initiate and organise maintenance of the housing stock. Politically and professionally it is rather difficult and not fair to rank these approaches and structures used for compiling VISION 10 – in fact, today each country has its own priorities they are keen to address during the forthcoming years. VISION 10 gives the strategic dimension to these problems.

The major aim of the project was to share experience in the field of maintenance and to deliver the best practice 'virus' that can reasonably be used in the field. Therefore, all the local counterparts together with the relevant national authorities are to start up compiling a schedule for activities that would suit the most for their national markets both in short and long-run timescales. For this – to assist the national keyactors in the housing sector – the project team has proposed and listed a short-list of the most important topic-related and effective activities under each VISION.

The idea of the team has been that after the project is finished and the former counter-parts continue independently with their statutory and everyday activities, it is of major importance for them to give much wider publicity for the issues highlighted in VISION 10 through media but also through professional and academic channels and activities available both locally and internationally.

The enclosed network-figure depicts the most important direct and feedback relationships between the single VISIONs listed in the document. In fact, one can find several additional relationships that would be of major importance for any of the national housing maintenance markets. This why, the scheme proposed in the current report has certain academic and research value for wider society – not dependant on the specific legal and institutional peculiarities related to managing the housing maintenance services the depicted framework highlights the basic interrelationships between the physical structure of the dwellings and the owner/owners of these.

Accordingly this frame may have much wide public response and usage when strategic developments are planned and scheduled on the national levels.



Figure

5.2 Network of Visions

The basic question for the society as for maintenance of housing stock is the question of public awareness (V1) on this issue. It does not concern only the direct stakeholders (owners, residents, tenants) for a dwelling when addressing the physical shortcomings of the dwelling, but the matter is much wider that should have direct influence also to (housing) policy-makers and to the issues of public education. Especially in the countries where there have been the rapid societal changes through dramatic ownership transition most of the individual and institutional actors in the society lack proper understanding about the role and necessity of maintenance activities in the property market. If there is no proper awareness gained in the favour of necessity of maintenance the market step-by-step will activate the black scenario (V10) which represents not sustainable development of the society in general. An unresponsive or simply poor quality of housing services increases residents' dissatisfaction and drive more mobile households out of the area, but more socially active households will start looking for alternative possibilities for housing.

The property-owners are the major 'decision-makers' in the society – only the owners have the right to decide about the actions planned for implementation on their buildings/dwellings; therefore, housing sector future is directly dependant on the level professionalism and competence of the owner, but also on their financial capacities. Baltic housing scene is rather specific in this aspect – Estonian and Lithuanian housing stock is virtually totally (in Latvia still less) privatised, therefore the single households have legally the key-role to play when relevant decisions are to be prepared in connection to any works carried out on their properties. National legislations in these countries have done the owners of the properties fully responsible for keeping up the

buildings and organising maintenance; but even here the owners will have a wide range of technologies and organisational options to choose from to carry out the necessary activities.

Keeping in mind these circumstances described above professionalism of maintenance is related to an important aspect – educating, training and informing of the owners about their key-role in the society. There is not much to do for the service providers when the major counterpart – the decision makers – will not accept the proposal done. The concept of an intelligent owner is also rather new in the academic facilities management related literature, but this conception has become crucial when looking for solutions now in the Baltic housing markets.

Therefore, dependant on the character of decisions done (short-term targeted, long-term target, budget-limit followed, profit driven, environmentally clean, etc. – all these choices show that maintenance related decisions clearly represent social attitudes of the society – V6) the owners will directly form the outlook of the built environment (V10).

Decisions done by the owners and the activities scheduled are directly dependant on the terminology (V8) used in the sector to describe the obligations and responsibilities – only clearly defined obligations can be fulfilled in full and just-in-time. Current practices show that there is the major gap and misunderstanding in how the different national institutions handle the maintenance related terminology. Especially through conflicting and not adequate terminology-usage public awareness is influenced and manipulated – most of the bills for housing costs are printed out using different cost-item structure. Therefore, for the majority of households it is rather impossible to benchmark their housing situation and to mobilise for cost-efficiency. Clear terminology-usage benefits to awareness raising.

There has been no any attempts done during the current project to fully harmonise the Baltic terminology-usage in the field of housing maintenance, still the common structure for the regional standard was developed. The partner-associations still found that common framework for the standard is acceptable and reasonable description of the major maintenance activities. Estonian national approach to standard-compiling was accepted by the partners as the most suitable one, in parallel to this the Nordic concept of life-cycle management of buildings appeared to be rather close to the conception the Baltic associations have agreed on. Developing the standard for maintenance too rapidly not considering the state of art with terminology is rather risky causing too much useless discussions when looking for consensus. This why the Baltic partners agreed that common activities in standardising the maintenance sector activities meets the common interest and the topic will be discussed on regular meetings in the future to generate the situation where the professional standards (V7) will become the key-documents to regulate and coordinate the activities in this sector.

Standards are consensus documents representing common interests of the partners; standards are not legislation-like compulsory documents for the counterparts to be used, at the same time they should compile and depict the whole know-how about the field allowing to organise the activities the most reasonable way. Compiling a maintenance standard is a good exercise to run nationally to get the interested parties

together to represent their interests and to contribute for the principles to be described in the document. The Baltic partners have agreed about introducing the standard founded approach to maintenance sector activities where the general methodological structure will be based on the relevant Estonian national standard. Great help for the partners to mobilise their ideas has been provided by the Nordic standard for cleaning (INSTA 8000). In any case, the housing stock maintenance standards that will be based and structured on major activities will assist also when educating the owners of the dwelling units (V2).

The current project was not targeted to give an overview about the technologies for maintenance works and possible technical solutions available in the market. At the same time three visions described in the VISION-document are directly influenced by technological solutions – the expenditures related to the works (cost-data management V4); the organisational structure (V3) that may be used when managing the works, but also the issues related to certification of services and service providers (V9).

Cost-data management (V4) is considered as one of the crucial aspects to be created and developed for the national housing markets – housing maintenance related costs are not clear and transparent for the service-buyers causing unnecessary conflicts when contracting for the services. Too often the whole business is shadowed by the former soviet-time understanding about the tariffs – ceiling-prices the service provider could charge from the tenants whatever the actual costs could be. Currently several municipalities in the Baltic States continue to use the tariff-based system when managing the housing estates holding back the initiative of the actual flat-owners from making any decisions about their properties. This contradicting situation – the legally responsible decision-makers are kept away from decision-making – plays an important negative role when targeting to raise the public awareness about the actual costs related to keeping up the existing housing stock. Though, sep-by-step the principles of full cost-covering are introduced by professional maintenance companies and also in the home-owners' associations (HOA-s) when managing their properties.

The triangular – standard-cost-functional scheme (V7-V4-V3) – represents extremely densely interrelated complex of issues for the maintenance sector where all the three aspects are to be balanced. The standard description of maintenance activities is used to found the reasonability of costs; any functional scheme used when managing the maintenance sector has its influence on the costs charged for the works done following the standard. In parallel to these relationships the issues of certification (V9) are also of great importance for the triangular described above. When the owners are looking for the necessary services there are always two major aspects to be considered – reliability of the service provider and the quality of the service provided. These two aspects together create professionalism in the sector. Still only in exceptional cases the decision-makers are capable to use fully professional services – these may become too expensive and not affordable for the owners.

Normally the market that is providing maintenance services has to be as flexible as possible – any limitations and constraints here both for the service providers and for the clients hold back developing of normal competition and causes increase of price for the service. In fact only voluntary certification of the service providers can assure availability of choices for the decision-makers – for the owners. In this case any company may enter the market with their service-packages whereas the nationally

accepted standard becomes the yardstick for benchmarking and guarantees – accordingly, there will be the choice of adequate quality and reasonable price then.

Finally, to generate and activate the whole system depicted by the VISION-document reliable informational input is required – both the decision-makers and the service providers require information about the housing stock and the facilities there (5).

VISION 10 – in full the document is enclosed in the appendix of the report – describes the whole maintenance management cycle and the built-in generators to activate this. Any of the Baltic national housing scenes will require a reliably acting maintenance cycle to be generated, but as it is a 'perpetuum mobile' type of a cycle, in fact any VISION there may be start as the starting point.

5.3 Partners about VISION 10

Estonia – EKHHL

In Estonia, work to identify the maintenance related issues was launched already in 2000. Insufficient performance provided by the municipally owned housing management and maintenance companies required precise identification of targets; also new principles for professional and vocational training were required. Due to extremely high ratio of home-ownership (93%), the principles for property management were to make widely understandable for the majority of the citizens. This why, the Estonian National Standard for maintenance activities was adopted – 'Estonian Standard of Guaranteeing the Activities of Facilities Maintenance' EVS 807:2001 (Eesti Vabariigi Standard – Standard of Estonian Republic).

Acceptance of the improved version of the Standard (EVS 807:2004) became an important yardstick for the construction and property sector in Estonia, but also for the Baltic States as it has been improved in cooperation with the partners of the current projects. When developing the project there have been the three major inter-related stages there:

- identification of maintenance for the national context, and describing the major principles for built environment maintenance management, with the relevant professional training needs and principles for documentation;
- defining the national standards for professional activities in the field for maintenance and launching the system of professional certification for individual practitioners, but also authorisation for the companies that are providing services in the field;
- compiling the standard for maintenance activities; this stage has been supported by relevant handbooks and with a set of forms for documentation when tendering, contracting or running any of the maintenance related activities.

By today (2005), all the entrepreneurs providing maintenance services in Estonia are provided with the basic tools to implement the standard. The standard has passed the all-national consensus discussions and public presentations where the interested bodies had the chance to present their point of views as to the topic. When preparing the national standard, also international professional literature on facilities management was examined to discover the best practice and international transferability aspects there. Information from these reviews was used to formulate the step-by-step development of the project, but also the major problems to discuss. At the same time, the proposed system is hopefully flexible enough allowing certain amendments to be done in the future and to be adapted for the requirements in EU.

Currently EKHHL is initiating the following follow-up projects to continue the conceptions listed in VISION 10:

- **Vision 1** – amendments to the Construction Act have been discussed to describe clearly the role of maintenance in the whole system when assuring safety of buildings
- **Vision 2** – package of lectures and teaching stuff is prepared and scheduled for 2005 to provide home owners' associations with teaching courses about maintaining their properties
- **Vision 4** – negotiations are held with the National Statistical Office to build up a cost-study system about housing costs, incl. costs for maintenance
- **Vision 7** – based on the already existing standard for maintenance clear efforts have been done to generate the conception of quality management and to build up the system for describing the quality criteria for maintenance services
- **Vision 9** – training courses for maintenance managers for 2005 are launched and there is the continuous improvement of the system designed

Latvia – LNPA

When planning the further activities of the Latvian partner their board has decided to follow up the recommendations provided by VISION 10.

Vision 4

Proper management of maintenance requires not only correct documentation and knowledge base, but also regular monitoring of costs. In order to understand and use these professional tools, it is necessary to create a common teaching/training system, but also methodology for planning and running housing maintenance routine activities.

LNPA is currently starting up the project inviting the State "Housing Agency" for participation. The key task of the "Housing Agency" in this project is to develop amendment proposals for housing legislation and a list of necessary normative acts submitting them to the Ministry of Regional Development and Municipal Issues.

Vision 9

It is advisable to introduce professional certification system for the managers of blocks of flats, and also to review the principles of certification of the companies who provides services in the housing sector.

Based on the knowledge gained from the current Project LNPAA together with the "Housing Agency" has prepared the draft of regulations of the Cabinet of Ministers "Certification of Professionals of Housing Maintenance and Administration". The certification of professionals within LNPAA has been carried out already since 2001.

Vision 3

Based on the everyday maintenance practice in the blocks of flats it is necessary to define in more refined way the rights and obligations of co-owners of collective property and also the qualification and technical requirements for the supervisors who are responsible for the spaces and structures in collective use.

Several professional standards and the Standard for Maintenance process have been prepared. The draft for the Maintenance process standard has been described in the manual that was published in connection with the current Project.

Vision 1

Amicable management of the housing sector should encompass reasonable efforts initiated by the state, municipalities and society-initiative based movements to ensure normal public relations and professional training for all participants in the housing sector.

The Housing Maintenance Consulting Board has been established by the Ministry of Environment and Local Authority's. LNPAA is actively participating in the work of this Board; the president of LNPAA became the head of this Board. Cooperation with the Board would help LNPAA to create better understanding of the interests of the State, but also to highlight the professional interests of the association.

Vision 3

It is important not to supervise and strictly control administration and maintenance of the privatized housing stock, rather to ensure wider public understanding of these processes. Therefore, professional associations – these are the non-governmental organisations who should act as social partners for public sector organizations – should develop and carry out, with support from municipalities, information campaign for the property-owners on housing administration and maintenance and about the necessity to initiate regular owners' directed administration and maintenance of the joint property.

Good relationships are starting up between LNPAA and the educational institutions; at present syllabus for teaching housing managers are already compiled.

Final statement by LNPAA

- The seminars and workshops that have been organized during the Project gave LNPAA plenty of knowledge and information about housing maintenance praxis in these countries involved; involved also difficulties and critical factors were studies. That knowledge gained has been forwarded to state institutions to make changes or improvements in Latvian national legislation.

- LNPAA started up cooperation with Berlin-Brandenburg Housing Association, Germany. There have been two workshops were also the Baltic Housing Maintenance Project has been promoted.
- Another benefit worth mentioning is that LNPAA has become more recognised in the society, due to that there has been the increase of interest in the society about the problems that have been highlighted in the current project.
- Many thanks to the Project Leader for his activities; having the final report "Vision 10" it reflects clearly the key-problems that are present in the sector.

Special thanks to Nordic Council of Ministers for kind support.

Lithuania – LBU

The Lithuanian Housing Strategy issued in 2004 highlights the importance of administration, maintenance and rehabilitation of residential buildings. It is highlighted there, that 'no sufficient attention was paid to the establishment of an institutional and legal system for its maintenance and exploitation, and for this reason housing maintenance problems arose. Only 17% of the total number of apartment buildings are managed and maintained by the housing owners who establish home owners associations.'

'When establishing home owners associations, the owners often lack initiative, as well as information and organisational-technical support by the public and local government institutions. Home owners associations usually are not able to ensure appropriate maintenance of common ownership in the multi-apartment buildings and they can contract maintenance companies operating on the market, however, shortage of companies providing good quality services is noticed.'

LBU takes the responsibility to schedule the activities of their associations to help the Lithuanian society in fulfilling the National Housing Strategy and following the guidelines listed in VISION 10.

6. From vision to implementation – some findings

Most of the housing studies have identified that there some major problems associated with housing maintenance issues not only in the Baltic States, also but more widely in the East and Central European countries. These studies have been carried out by very different organisations and institutions; therefore it may be suspected that similar problems are more generic and having reasons that are persistent. In this case the work done in the project 'Developing professionalism for housing maintenance management in the Baltic States' would be important for the other countries as well. The study done and the current report focuses on the post transitional reflections which aim to reform the old publicly run housing system and also address the related to it housing problems.

Currently 'maintenance' as the term is rather widely used not only by the professionals, but mostly by the politicians and in the legislative documents as an umbrella-term and though several publications and presentations done during the last couple of years it will require much time to become accepted in the society.

Work of the project when collecting the data for all the reports is based on official publications and statistical data regarding the activities. In parallel to these sources relevant articles from academic and industry literature has been used where appropriate; but also documents and presentations from different meetings, workshops and discussions that have been organised in relation to the current project have been used. There are still certain constraints arising from the official statistical data – since the compilation of official statistical data about housing maintenance is inconsistent, hence it is extremely difficult to draw precise reliable numeric conclusions or direct numeric comparisons between the countries.

Therefore, collaborative activities are needed amongst leading practitioners, education and research sectors to ensure that the processes in housing maintenance are fully understood by the decision-makers, knowledge and experience are shared by the counterparts and that professional and ethical standards are established to provide the benchmarks for resident interests based effective practice. Investment in research and education in housing maintenance field is now needed in order to build reliable functionality and sustainability of this sector with a strong theoretical foundation considering the specific relationships to the property market.

Difficulties have been experienced concerning the use and meaning of terminology. It cannot be the aim to come up quickly with fully harmonised maintenance related terminology. Currently maintenance is rather widely used not only by the professionals, but mostly by the politicians and in the legislative documents as an umbrella-term and though several publications and presentations done during the last couple of years it will require much time to become accepted in the society.

Engineers and other technical staff employed for managing maintenance of housing estates are too often by training background mainly oriented towards new construction; maintenance is always perceived as direct extension of the original construction process that should and could be carried out by professional building staff.

Therefore several housing maintenance organisations are often subsidiaries for construction companies with good technical competence and equipment, but far away from the estates and targeted to doing works on the sites rather than providing residents targeted services. Maintenance has to deal with the existing buildings and with the needs of the households living there; accordingly many routine maintenance activities absolutely do not require technical skills rather human understanding.

Deterioration of buildings is a continuous process and so the long-term market for maintenance is there for private business as the residents constantly require this services to be provided. It is important to understand particularly when starting such activities in new markets; but the involved staff and other participants should also perceive that their work as a professional activity, though some of them may be common dustmen. A forceful motivating factor to develop professional market here is the knowledge that funds are and will be available! This can be still achieved only by developing maintenance and its activities into clearly defined individual item in annual and long-term budgets for the home-owners' associations and making sure that the funds collected for maintenance are spent on maintenance as defined; in fact it is too common to look for additional money from funds collected for maintenance when facing a budgetary pinch.

'Traditionally' the municipally owned maintenance companies are centrally located as to the housing estates as they are 'responsible' for the estate, for the property there; in this case the office building of the municipal company is the monument for power in the region – the market still remains shared following the administrative-territorial principle. Relationships amongst the private actors in the market are based on decision-makers' choices and competition not on administrative division of lines of power, therefore performance of housing maintenance services can be made more cost-effective when decentralising the organisations.

On many large-scale housing estates especially the residents have become dissatisfied with the management of their estates. Residents – mainly the owner-occupiers of the privatised flats on these estates – complain of lack of commitment by the authority staff which is said to result in repairs and cleaning not being performed and in general neglect of the estate and its surroundings. Moreover, the authorities have too often treated the development and maintenance of facilities as a technical and administrative issue; the political and socio-economical aspects have been rather ignored. In this kind of approach, the whole concept of maintenance management will require an extra effort to educate the community about the projects and then train the members of the community on how to manage and maintain the existing facilities – the houses (buildings), territories (sites) and the infrastructure.

Several competencies are required to prepare a concept for maintaining a block of flats; obviously, knowledge of building technology, economy and administration will be needed. Maybe less obvious, but still essential, is to have the capability to assess and influence mental processes such as attitudes; sociologist or person with similar competence should be a member of any maintenance task force from the start.

The result of the study done within the project however has been targeted is to rise as many questions as possible, though currently it was even impossible to supply the data

that was requested. One finding that came through very strongly is that many individuals and institutions involved in the study have not robust performance about management and maintenance systems in place.

The current report has not provided much numerically developed models for solving the maintenance problems in the region. Instead it adopts an institutional and awareness targeted approach by studying housing maintenance and analysing the outcomes of the housing reforms. It examined the role of the public, private and the third sector actors in different stages of housing reform, but also the state of their involvement in addressing these problems. However, the information presented represents local characteristics, values and priorities which manifest themselves in the implementation of common understandings. The recommendations presented in VISION 10 as the final document are based on common factors which can be applied to the Baltic countries, but also more widely.

Acknowledgement

The Project Leader gives his gratitude to all the institutions and persons involved in the project – to the National responsible ministries in the Baltic States for support to the project and to the local NGO partner-associations; to the Nordic experts from Denmark and Finland for their wise comments and patience when not all the discussions could not be followed due to language-problems, but still the issues were understood; and to the 'hard-working' teams of EKHHL, LNPA and LBU.

But the very special thanks go to Nordic Council of Ministers for support and to the team in the Secretariat for servicing the Project during these years.

Roode Liias

Tallinn

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Developing Professionalism for Housing Maintenance Management in the Baltic States

VISION 10

Vision for Baltic Housing Maintenance



norden

Nordic Council of Ministers

**Executive summary of the Project
funded by the Nordic Council of Ministers**

No. 531040 - 30116

Two years ago the project dedicated to the issues of developing professionalism in the housing maintenance sector was jointly initiated by the Estonian, Latvian and Lithuanian professional associations for property management and maintenance. Danish and Finnish experts were invited for participation to provide their consultancy and share the know-how based on their long-term experience. Nordic Council of Ministers kindly found the possibilities to finance the two year 2003/04 research and development project on housing maintenance in the Baltic Region.

Introducing the Project

The particular aim of the project was to study the most effective methods and the best practice for housing maintenance and implement the most transferable of these for the national housing markets preparing the basic principles for the Baltic housing maintenance standard and starting introducing these principles in everyday practice.

Different housing related reports when comparing the basic statistical data about housing consumption in the Baltic States conclude that the average indicators are quite comparable to those in several other European countries. The major difference between the Baltic housing landscape and other European countries is the very high ratio of private ownership – especially the ratio of owner-occupation – and the insufficient repair of the stock in general.

The three Baltic countries (Estonia, Latvia, Lithuania) share common history and values, similar have been the principles when developing their national housing policies. The general aim has been to provide the population with adequate and affordable housing. It has been intended to create a well functioning housing environment through a high ratio of owner occupation where the households are burdened with the full responsibility for the dwellings they use. The housing-reports mostly conclude that although there is generally no lack of space and basic amenities for households, the stock is still looking poor lacking repair and proper maintenance.

The Baltic housing scene does not suffer from deficit to space and amenities, rather the problem is the technical quality. For years, the majority of the housing stock has not been regularly maintained, not talking about modernising it. These problems date back to the Soviet era when the dwellings not only were lacking maintenance but were also poorly designed and built. Problems of serious disrepair are outstanding for the whole housing sector independent of its ownership – today the majority of the housing in the municipal as well as the private sector lack adequate technical quality.

The cost of buildings' maintenance has tended in the past, but even today, to have been given much less attention than the cost of new build. An exclusively technical approach to housing quality has still become superseded – anyhow there is a variety of non-technical aspects that are becoming increasingly important. These are the ownership and financial aspects, the social aspects to be considered – management of renovation and maintenance becomes of chief importance when planning the issues.

In spite of accepting common principal values as for providing adequate housing there are still considerable differences for the countries on how the policy is implemented. Today – whatever the cornerstones for national housing policies advertised in the Baltic States are – one of the major tasks is to create suitable conditions for the owner-occupiers of the housing stock to improve their housing situation first of all by themselves demonstrating their own initiative.

Strategic forecasting is important for any business. Through the current document the partners involved in the project are taking a significant step forward in establishing this Vision for the future of the housing maintenance sector. Processes and trends in this sector have been analysed on different workshops and the Vision documents a framework within which the Baltic countries can set an action-plan for positioning themselves to perform more competitively at the Nordic level.

Introduction to the topic

Especially during the past ten years in Europe there has been a significant shift towards outsourcing of facility and real estate services both in the public and private sectors. This trend has become common nearly in all the sectors of national economy, accordingly a number of new models of managing the properties have been proposed and introduced. However, both research and best practice show that successful development and implementation of whatever purpose facilities need active participation and involvement of well-informed end users. The same may be said about housing where the households – owner-occupiers or tenants – are the actual end-users for housing sector related services.

At a national level, the strategic objective of facility management is to provide a better infrastructure and quality support to business and public activities of all kinds and across all sectors. At a local level, its objective is the effective management of facility resources and services in providing space of support to us all; support to the operations of organisations, their working groups, project teams and individuals. This concept and these trends in the market-place form part of a wider economic restructuring linked to the growth of professional organisations on both sides of the service process – the service providers and the consumers.

The demand for building services during its life span is continuously shifting due to changes in the primary production process as well as the changing demand from households. As a result buildings are to be adapted and this must be anticipated that increasingly it is not the built environment, as such, for which there is the demand, but for the services to be generated by the various structures – people are not interested in having only walls and pipes, but they need adequate conditions for living to be provided. Anyhow, walls and pipes can 'provide services' only when they are adequately maintained by the relevant professionals. A similar approach is becoming an underlying principle also for the housing sector and its residents in spite of the fact that their new status for the ownership requires more professionally provided services to assure their living conditions are adequate for normal habitation.

In the three Baltic countries legal arrangements differ, but the obligations of the owners of the buildings are rather similar as for up-keeping. A house-owner – an individual or an institution – is fully responsible for the property and for the actions taken in connection with this property. In the case of shared ownership responsibilities for the property and for the actions taken are shared in solidarity. Statutes ensure that the actions of every individual owner in relation to their individual property do not prejudice to the properties of others. This includes general prescriptions regarding maintenance, insurance and rebuilding, as well as proscription of alterations without prior consent of other owners.

In all the three countries dating back to the Soviet period there is currently still in the air the extremely low image-level of the municipally owned housing maintenance companies – unfortunately this 'ghost' shadows the whole housing maintenance management sector even today. At the same time the situation in the three Baltic countries is changing – in Estonia municipally run maintenance system is nearly fully abandoned and private entities provide the relevant services, whereas in Latvia and Lithuania the municipal schemes are still enabled with the private sectors only starting up.

In the current Vision ten key topics have emerged which reflect the major concerns for the sector in the future.

10 visions about housing maintenance

vision one

Awareness rising

Managing and maintaining of whatever property in ownership – real estate, buildings, or dwellings – is complicated and it is not surprising that the issues of consumer awareness or understanding of the law has to be given high priority. Still there appears to be enormous ignorance especially on the part of the flat owners in shared ownership about what they own, and about their rights and obligations as owners. Anyhow, similar ignorance can still be noticed in the cases of single ownership to different types of dwellings. Anyhow the statutes do not specify in detail how especially maintenance schemes should be managed and it is left to the owners to determine collectively when to carry out works and how much to spend.

There is an increasing public awareness not only about ownership issues and property rights, but also about owners' and tenants' roles and obligations. This issue will become of key importance when professional maintenance solutions are expected.

Actions

- *wider promoting of the role of maintenance as the tool to safeguard ones property value*
- *as there has been no housing maintenance for 2 generations the campaign for awareness rising has to be targeted to all housing sector related counterparts, incl. dwelling-owners*
- *school programmes should include the basic know-how about property ownership and maintenance related issues in the housing sector*

vision two

Educating the owners

Provision of better information and advice services for the owners of dwellings, especially for the flat owners, not only on their rights and responsibilities but providing complex solutions for improving the repair of their dwellings should be a major priority. This could bring widespread benefits, and for this there are two basic schemes possible:

- a publicly funded agency can be organised providing free information for the owners, or
- the task of informing will be fully forwarded to some NGO-s called to act for the housing sector and providing legal, financial and technical advice service for the owners

In both cases public financial involvement is required either to fund the scheme fully (the first case), or to provide 'seed-money' (in the second case) to initiate the reliably functioning scheme.

Rapid growth of shared ownership has had an important implication for the management of blocks of flats, and especially for repair and maintenance. Shared ownership has caused particular difficulties which stem from the fact that responsibility for managing maintenance is shared between several owners. According to the legislation flat owners have to find ways of reaching collective decisions concerning the issues of maintaining their own(!) block, and

of having these decisions implemented; but in practice getting to an amicable solution is difficult. For this reason the owners require professional advice and awareness about possible solutions.

Actions

- *prepare and provide an information package addressed to the owners about essence and principles of organising maintenance of their property*
- *draw up a list of maintenance responsibilities division between the owners of multi-flat properties and the public authorities*
- *stakeholders related to housing and its maintenance should call together national training and consultancy centres for the needs of the sector*

vision three

Functional system

Local authorities have always difficulties managing their properties and facilities strategically, especially when they have to manage properties not belonging to themselves. Traditionally, those who service the community should be separated from those who support and provide commercial services. Conflict will arise in the satisfaction of strategic objectives when there are differences in views between stakeholders: owners, tenants and service providers in the sector. In an environment of distrust, such conflicts seem to be inevitable.

Today, housing maintenance is the most often referred to source for complaints. Numerous complaints are the result of the fact that decisions about maintaining the common property are not always done by the co-owners themselves, but quite often by the local authorities. Whatever the reason for this is – tradition, or mistrust, or lack of interest – it becomes clear, that effective and well managed housing maintenance and repair is fundamental for the residents, especially as regards owner-occupation – the owners expect value for money. An effective maintenance and repair system has consequently to deliver services to the residents and has to do this with a quality and speed of response which meets the expectations of the residents, independent on whether these are owners or tenants.

Actions

- *draw up the 'rules of the game' between the local authorities and the owners of the houses or flats in the field for maintenance*
- *prepare in cooperation with the professional associations (NGOs) and research community recommendations for alternative functional models for housing maintenance management suitable for national markets*
- *relevant tools – forms of documentation and procedure manuals – will be required to be prepared and implemented in everyday maintenance practice*

vision four

Improving cost data-management

International real estate investors and occupiers continue to experience significant problems arising from the level of data transparency within Central and Eastern Europe. There is a requirement for better data, especially cost-levels in time series to facilitate the effective functioning of the property markets. The maintenance sector is part of these markets but the availability of actualized data is low. Inadequate data or lack of data lead to inadequate management of the processes they should depict.

Housing maintenance cost-data is available only for dwellings in larger towns and cities, and only about multi-flat housing stock. In fact the stock run by the associations, the whole single-family housing stock, and the housing stock located on the countryside is not described in any data files. Limitations on the availability of cost-data will impact the functional efficiency of these markets particularly over the short to medium term. There should be a greater level of co-operation among the organisations which have the ability to influence the quality and transparency of the property market performance data.

Data transparency is the key characteristic of a mature market. Markets that are able to demonstrate that they possess such data have a competitive advantage and are more likely to attract also private sector investments, either as investments in service providers or in clients – owners of the housing properties (financing of improvement of the property).

- Actions**
- *initiate collecting and publishing of relevant maintenance created cost-data*
 - *institutionalise regular market surveys about trends in the maintenance sector*
 - *clear interrelationships between maintenance costs and the state of repair of the dwellings are to be shown*

vision five

Assessing the technical situation

Technical surveys of the stock are required to develop a maintenance data system to assist in managing the building assets. In order to assess the magnitude of the maintenance operation including the cost it is necessary to know what the assets actually consist of, where they are, what their quantity is and how the condition is. Unfortunately at the time of original construction, data were seldom recorded in an easily retrievable form so that the specification of every particular element is not known today. Property files about dwellings will have to be built up over a period of time.

Condition surveys may of course be undertaken for reasons other than of assessing what work needs to be done to properties. They may also provide information on the overall condition of the housing stock on a national level, especially as background for decisions to be taken on long-term planning and use of buildings. Finally they may also have the benefit of raising awareness among those who are responsible and/or just related to the housing sector.

The condition of the majority of the housing stock is poor. Consequently to establish any regularly functioning maintenance schemes one has, first of all, to carry out a thorough survey as a basis for taking relevant strategic decisions about the future of the building(s) including identification and prioritization of necessary repair works. Dwellings that are today in a condition where emergency maintenance is required need a radical reconstruction and – in certain cases – full demolition may be the most reasonable solution as the cost for bringing a building up to current standards is far higher than the price for a new building. Only afterwards when certain technical standards have been achieved, planned maintenance may be introduced – the benefits of planned maintenance include an increased service life for the components of the property, early identification and correction of deficiencies, and lower maintenance costs over the service life of the asset.

- Actions**
- *create and implement a constantly functioning condition survey system for the sector*
 - *introduce the principles of life-cycle activity – planning for the sector and for the parties involved*
 - *regular condition surveys and using of maintenance manuals should become the inevitable phases for national construction and property sector activities*

vision six

Technical and social aspects of maintenance

It is not the built environment, as such, for which there is demand, but for the services to be provided/generated by the various structures – people are not interested only in walls and pipes, they are interested in adequate conditions for living. It is clear that the walls and pipes can provide services when they are adequately maintained by relevant professionals. Different households, communities and neighbourhoods require differently provided services – the level of quality considered adequate differs depending mainly on their social status and financial constraints in the society, but they anyhow expect that ‘walls and pipes will provide certain services’.

Awareness of this fact would motivate politicians, entrepreneurs and professionals to base their decisions not only on the investment in the technical solutions, but also on the costs of the services to be provided taking into account the social features of the end-users and including the costs for heating and maintenance,. Absence of such awareness in most housing related decisions may be wrongly based from the sustainability aspect and do not result in an rationale environment in long-run.

- Actions**
- *create quality norms and criteria which define clearly different and publicly acceptable requirements for well maintained housing, but also for proper maintenance process*
 - *different public but also private initiative based loans and subsidies, incl. tax reductions should be done available for the owners and used to initiate reasonable reconstruction and the follow-up maintenance of their properties*

vision seven

Baltic standard for maintenance

Identification of appropriate building standards is a key factor in determining the maintenance workload. The concept of an 'acceptable standard' is widely mentioned in several requirements and contracts for maintenance, but this does not mean that there is the suitable and updated standard available. Also, there cannot be any absolute standard that would be satisfactory in all cases.

Housing sector will require affordable maintenance standards both for the owners and for the society; these standards are to be clearly structured and presented to become understandable for the actual clients – the owners and the residents. The further complexity of these standards in maintenance is that they may change over time from the original provision. Accordingly, maintenance standards are to be updated regularly following the changes in technology and legislation resulting to adequate changes in the professionalism of the relevant service providers.

- Actions**
- *agree about the general principles for building up the maintenance standard in the Baltic Region*
 - *the partner-professional-associations will refine the national standards and will carry out a wider public discussion as for finding common understanding on the issues to be described in the document*
 - *the partner-professional-associations should initiate implementation of the agreed principles for regular activities*

vision eight

Terminology

Various professions deal with buildings and dwellings in the different stages of their development – planning, design, construction, use and demolition. The concepts for developing and keeping up properties are defined and organised differently not only in different countries, but also with differences from company to company and profession to profession within the same country. In order to improve co-operation a common unambiguous terminology is needed, e.g. by creating 'dictionaries' defining commonly used concepts and translating this from language to language. This is important both for competition and co-operation and in order to render better overall decisions when communicating with the clients for the housing services.

- Actions**
- *constant work is required with terminology on housing maintenance management in partner-languages, but also in English and Russian*
 - *assure wider implementing of these professional terms into everyday maintenance practice*
 - *assure that professional terms will be used also in public sources, especially in national legislation*

vision nine

Certification of services

It is increasingly becoming difficult for the owners of dwellings and dwelling units in the blocks to arrange the maintenance tasks for themselves – following the 'do it yourself' principle. Employing professional managing agents to act on their behalf should and will become more common for the Baltic housing sector in the nearest future. A further response to this has to be done already today when creating voluntary systems of certification and authorising the managing agents and maintenance professionals who will be able to meet a set of recognised quality standards. This measure is especially important for developing suitable new imago about housing professionals and also for providing understandable services for the residents. Besides it will give a move for reducing the share of the shadow market in the housing maintenance sector.

Actions

- *develop common standards for professions together with relevant body of knowledge and training requirements*
- *develop nationally acceptable voluntary certification systems promoting their importance and role for the market*
- *create publicly acceptable imago for the professionals working and employed in housing maintenance sector*

vision ten

Black scenario for the vision

All of these considerations suggest that improving housing maintenance is a fundamental issue for the future of the whole housing stock in the region. Owners of properties which fail to improve the technical performance of their properties and to maintain them are likely to experience serious problems not only with an unsatisfactory functioning but also financial.

Already today the property markets offer new single-family dwellings that are only slightly more expensive than the price for a radical reconstruction of existing dwellings. Accordingly, still further waiting to start with the reconstruction works of the existing dwellings, it will increase the expenditures related to these works; such investments will most likely not be feasible any more. The consequences of not improving the technical quality of the dwellings and the related to these services during the forthcoming couple of years will be serious for the owner occupiers. Especially their investments will no more be able to compete in the market. But this situation becomes a heavy load for the society as well, especially for the national and local authorities. There is a potential threat that quite rapidly several abandoned houses/dwellings will appear and at the same time new-building will demand more and more green land for housing estates to be developed.

Actions

- *a public or private body is required to activate housing sector research to cover all the major aspects of the problems – social, economical and technical*

- *national and regional feasibility-studies are required as for reconstructing or utilising the existing and seriously obsolete housing stock paying special concern to planning and environmental issues*
- *updated and adjusted repair and maintenance reports should become the inevitable chapter for national and regional housing strategies*

Conclusions

Significant public and government investments, but also professional and research input supported by the residents' initiative will be required to address properly the range of issues related to adequate positioning a well functioning housing maintenance sector in the Baltic States. Housing stock has been privatised and the obligations transferred, but strategically housing stock remains amongst the most valuable national properties.

The study done so far has been carried out to emphasise the obstacles and possible solutions when emerging for proper maintenance management. Comprehensive national initiatives are required to take broader and deeper study on the practical needs and implementation strategies.

The professional associations in real estate and facilities maintenance (incl. housing) are well poised to deliver strategic and dissemination input for the issues touched in the current vision-document. Anyhow, it will be impossible to succeed in this critical task without ongoing support from national public sector organisations, but also from international funds.

It will be the responsibility of the dwellings' owners to ensure that their properties are in proper repair and meet the relevant national standards. Still continuous innovation in the society and in the market as for legislation and the relevant requirements makes it rather unrealistic for the majority of home-owners to keep up with the continuous improvements there. Therefore, the governments at all levels and the professional associations have the responsibility to use their position to promote advisory activities and consultancy for the owners when setting out the priorities when planning the maintenance strategy for their property.

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Project Leader

EKHHL
Estonia

LNPA
Latvia

LBU
Lithuania

Denmark

Finland