

## ***Chapter 4. Housing Management and Maintenance***

### **A. FRAMEWORK OF HOUSING STOCK MANAGEMENT**

Pursuant to Article 6 of the Law on Housing Relations, housing stock is managed directly by the owner or through authorities established (appointed, elected) by the owner, as well as through proxies.

For an apartment building that is an object of a condominium, Article 42 of the Law envisages the following forms of management:

- direct joint management by all owners, if there are not more than 20 of them;
- cooperative of homeowners (apartment owners);
- condominium management by third parties: elected or hired individuals – managers of residential houses or legal entities; and
- other forms which are consistent with legislation (various forms of cooperatives are created in practice).

The Law defines an individual or legal entity exercising the functions of condominium object management as a “condominium object management authority”.

Within a month of the establishment of the condominium, homeowners of an apartment building should choose their form of condominium management at their general meeting. If homeowners of an apartment building come to an agreement on the form of its management, and condominium was established following the privatization of homes, the privatizing authority can suggest that homeowners establish a cooperative of homeowners (apartment owners) or engage a manager. For new apartment buildings put into operation after the completion of the construction, a housing inspection authority shall identify an organization to maintain the house for a period of three months<sup>77</sup>, if homeowners have not chosen the form of management. In this case, the maintenance organization also performs the condominium management functions.

Article 42-1 of the Law identifies a list of issues related to the management and maintenance of apartment buildings which require the approval of a general meeting. Such issues include:

- 1) the choice, or changing the form, of condominium management;
- 2) the approval and management of contributions regarding the maintenance of the common property of the condominium;
- 3) the decision on the conclusion, amendment or termination of the condominium management contract;
- 4) changes to the legal cadastre by judicial authorities [to establish and change the size of shares in the right to the community property in a multi-family house];
- 5) changes to the residential building (expansion, modernization, technical upgrade, reconstruction, restoration, refurbishment);
- 6) the identification of the amount of monthly contributions for the refurbishment of the common property of the condominium object or for the accumulation of funds in the savings account for refurbishment;
- 7) the expenditure of money accrued on the savings account;

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<sup>77</sup> In accordance with the amendments made to the Law on Housing Relations by the Law of the Republic of Kazakhstan No. 270 (V) of 29 December 2014.

- 8) the choice, and/or refusal, of the services of a maintenance organization; and
- 9) the approval of the cost estimate for the refurbishment of the common property of the condominium.

A homeowner in an apartment building shall have one vote at the general meeting. If a homeowner owns more than one apartment in the building, he or she would have as many votes as number of apartments owned in the condominium.

According to the Law, the general meeting is authorized to adopt decisions only if at least two thirds of the homeowners are present. Making a decision requires a majority of the votes of the participants of the meeting. However, if at least one fifth of the votes out of the total number of votes of all homeowners is submitted against the proposed decision when considering items 2, 6, 7, 8 and 9 from the list of items mentioned above, the Law requires the item to be reconsidered at the general meeting. Taking a decision during the reconsideration requires at least two thirds in its favour out of the total number of votes of homeowners. Because there are complicated rules established in respect of the issues related to homeowners' expenses on the management, maintenance and refurbishment of common property, it is difficult to make decisions on such items at the general meeting.

If it is not possible to get a quorum at a general meeting, the Law provides the possibility of adopting decisions by a written survey of homeowners. It is required that at least two thirds of homeowners take part in such a survey, and the decision is adopted if it is voted for by more than a half of the homeowners in an apartment building. Thus, a decision by written survey requires more votes than adopting it during a meeting.

Local experts note that difficulties with decision-making during general meetings of homeowners of apartment buildings result from excessive requirements of the Law regarding the quorum of the general meeting and the number of votes required for decision-making, as well as from poor engagement by homeowners.

The Law regulates the establishment and activities of a co-operative of homeowners (a widely-used abbreviation is CHO). A CHO is a non-profit organization established by homeowners for the joint management of the community property of an object of condominium. The Law permits the establishment of a CHO to manage not only a single apartment building, but also a group building. Taking a decision on the establishment of a CHO requires at least two thirds of the votes of the statutory meeting participants. The statutory meeting should be attended by at least half of the homeowners or their proxies. If the general meeting cannot be held, a written survey of more than two thirds of the owners should be conducted. The CHO shall acquire the rights of a legal entity from the date of its registration.

The Law does not explicitly determine whether CHO membership is compulsory for all homeowners after its establishment. Given that the Law stipulates that a CHO member is a homeowner in a condominium object, and a founder of the cooperative or a member of the cooperative admitted on the basis of submitted application, it is possible to conclude that membership in the CHO is voluntary. As a consequence, following the establishment of CHOs, the decision-making powers related to the management of apartment buildings belong to two different general meetings with different compositions of participants – a general meeting of homeowners of apartment buildings and a general meeting of cooperative members. There is no clear delineation of the powers of these two general meetings, which seems to be especially important if a CHO manages several apartment buildings, and homeowners from different buildings take part in the general meeting of the CHO members. It is not specified whether the decision of the general meeting of one of the apartment buildings is binding for the CHO.

The decision-making rules of the general meeting of CHO members are as complicated as those of the general meeting of homeowners, and the required number of votes to take a decision is also high (for the most important issues, it is at least two thirds of the votes of the cooperative members). Therefore, the establishment of a CHO does not provide a quick and easy way of taking decisions regarding the management of apartment buildings.

In the legislation of Kazakhstan, the CHO is regarded as a non-profit management organization rather than a method of self-organization of homeowners in an apartment building for the joint management of shared property and representation of common interests. To increase the professional level of CHO activities, the housing inspection authority is granted the right to recommend to the general meeting of homeowners a candidate for the position of the chairman of the board of the cooperative, who is supposed to meet the qualification requirements established by an authorized government agency.<sup>78</sup>

The Law does not differentiate between CHOs and third parties engaged for management (managers, managers of organizations) when regulating the activities of condominium object management. Thus, the amendments made to the Law on Housing Relations in 2014 prohibited the condominium management authorities, including CHOs, from independent maintenance of the common property in apartment buildings that they manage. It is required to conclude agreements with service providers and service companies for the maintenance and repair of the common property. The management authorities, including CHOs, are supposed to open a separate bank account for each apartment building (condominium object), for homeowners to make payments for the maintenance and repair of the common property of the apartment building. However, it is not specified that the funds in such bank accounts belong to the homeowners of an apartment building and cannot be spent on the needs of other apartment buildings.

In general, the legislative regulation of the issues related to the management of apartment buildings is quite complicated, and it establishes excessive requirements for decision-making by the owners of the common property in apartment houses, and unwarranted restrictions about the activities of cooperatives of apartment owners. However, there is no regulation of the issues concerning multi-house CHOs in particular. All of this results in quite serious problems in the management and maintenance of apartment buildings.

Despite numerous changes made to the Law on Housing Relations, local experts and representatives of CHOs believe that it is essential to continue with further comprehensive changes to the legislation related to the management of apartment buildings and CHO activities.

The Law envisages government control of housing stock management. The control is effected by housing inspection authorities of local executive bodies (akimats). Housing inspection authorities inspect the technical condition of apartment buildings, the observance of the rules of condominium common property management, and the activities of management authorities. The inspections are made in accordance with the Entrepreneurial Code of the Republic of Kazakhstan.

Currently, the law “On Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on Housing and Communal Services” is being drafted. It aims to reform the existing system of housing relations. Draft law suggests to systematize the mechanism of cooperation of the condominium’s management bodies with the entities of mutual relations; to modernize system of savings accounts; to define the foundations for accountability of the heads of management bodies and owners of the premises (apartments), to optimize the form of management bodies; to create conditions for the development of service activities for the residential buildings’ maintenance.

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<sup>78</sup> Until 2017, the authorized state body in the field of housing relations was the MoNE; at present, it is the Ministry for Investments and Development.

### *Practices of Management and Maintenance of Multi-Family Housing Stock*

CHOs are the predominant form of managing apartment buildings/items of condominium in Kazakhstan. According to the information of the CHO Association of Astana, about 340 CHOs operate in the capital, and about 2,400 across Kazakhstan.

Large scale establishment of CHOs was the result of the changes to the apartment buildings management system after the privatization of the public housing stock, when CHOs were established by the decision “from above” to replace public housing maintenance organizations, and not as a result of the independent choice of homeowners in apartment buildings. Many apartment buildings were transferred to the management of such CHOs (50-70 houses in one CHO).

Later on, there began to emerge CHOs created on the initiative of homeowners of a single apartment building or a small number of buildings; these were detached from large CHOs. Information and the methodical activities of several UNDP projects in Kazakhstan contributed to the creation of single-house and small CHOs. Some CHOs have good experience of interaction with the homeowners and their engagement in making decisions about the management of their houses. Several CHOs took part in UNDP demonstration projects to improve the energy-efficiency of apartment buildings.

With the support of the UNDP, CHO associations of Kazakhstan, CHO associations of Astana and Almaty, and regional and city associations were established. CHO associations are engaged in the dissemination of legal and methodological information among CHOs and apartment owners to exchange best practices. They currently represent the interests of homeowners and their non-profit unions in dialogue with central and local public authorities, including the development of apartment building management legislation.

Despite the success of some single-house and small CHOs, so far, multi-house CHOs dominate the management sphere. The Programme of Modernization of Housing and Communal Services of the Republic of Kazakhstan in 2011-2020<sup>79</sup> noted that one of the problems of apartment building management and maintenance is that CHOs have a monopolistic position in the market, providing management services, and maintaining and repairing apartment buildings using their own resources. Apartment owners are dissatisfied with the poor quality of CHO services. This results in poor collection of homeowners’ payments for the maintenance and repair of apartment buildings. At the same time, the Programme noted low activity of apartment owners in managing their houses: they do not make decisions about changing the form of management, and do not accumulate funds for refurbishment.

To improve the management and maintenance of apartment buildings, there was a proposal to legally divide the condominium management functions and the maintenance and repair works between different service-providers. In 2011, relevant amendments were made to the Law on Housing Relations: control functions are supposed to be executed by a condominium management authority (it can be either a CHO or an employed manager or a managing organization), and the management authority is supposed to enter into agreements with service providers to ensure the maintenance and repair of an apartment building. A list of management functions for apartment buildings was enclosed as an annex to the model condominium management agreement<sup>80</sup>. The following documents were developed and approved:

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<sup>79</sup> Approved by Decree of the Government of the Republic of Kazakhstan No. 473 of 30 April 2011.

<sup>80</sup> The standard form of condominium management agreement was approved by Decree of the Chairman of the Agency for Construction and Housing and Communal Services of the Republic of Kazakhstan No. 338 of 13 September 2011.

- the rules regarding the maintenance of the common property of a condominium object<sup>81</sup>;
- the methodology of the organization of activities of the CHOs and the management authorities of condominium objects<sup>82</sup>; and
- the methodology of calculating the cost estimates for the maintenance of the common property of an object of condominium<sup>83</sup>.

To test the new system of the management and maintenance of apartment buildings, JSC “Kazakhstan Centre for Modernization and Development of Housing and Communal Services”, within the Programme of Modernization of Housing and Communal Services of the Republic of Kazakhstan in 2011-2020, implemented several pilot projects in Karaganda and Shymkent to establish and engage service companies in the management, maintenance and repair of apartment buildings. The pilot projects were implemented for apartment buildings which were refurbished under the government refurbishment programme. According to local experts, after the completion of the refurbishment of apartment buildings, the service companies stopped their management and maintenance activities in those buildings.

The legislative requirements with regard to the separation of the management and maintenance functions in apartment buildings between CHOs and for-profit service organizations are not enforced in practice. CHOs, even those managing few houses, continue to exercise not only the functions of apartment building management, but also those of its maintenance and repair. To this end, CHOs, in addition to the administrative staff, hire operational staff – plumbers, electricians, cleaners and janitors. Contracting agencies are engaged for the maintenance of elevators, solid waste removal and refurbishment works.

The legislative requirements related to the opening of a separate bank account for each multi-apartment building in the CHO is also not fully enforced. Chairpersons of CHO boards see no point in opening such accounts because their opening and banking services result in additional CHO costs, which homeowners do not want to pay for. At the same time, a separate account of a house does not protect the interests of the homeowners in that house because the funds in the account belong to the CHO, and CHO creditors’ claims are satisfied from these funds, even if they are not related to the maintenance costs of that particular apartment building.

Poor engagement of service companies in the management and maintenance of apartment houses managed by CHOs results because the decision to employ these companies should be taken at a general meeting. If no decision is taken, the CHO continues to manage and maintain apartment buildings at its sole discretion. However, the management and maintenance of apartment houses by CHOs has no appeal for private business because of the small amount of contributions homeowners make to CHOs.

Private managers and service organizations operate in new apartment complexes. Such organizations are often established by developers.

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<sup>81</sup> The Rules of Management of Common Property of Condominium Object were approved by Resolution of the Government of the Republic of Kazakhstan dated 1 December 2011, No. 1421. The current version of the Rules was approved by Decree of the Minister of National Economy of the Republic of Kazakhstan No. 108 of 19 February 2015.

<sup>82</sup> The methodology of the organization of the activities of CHOs and condominium object management authorities was approved by Order of the acting Chairman of the Agency for Construction and Housing and Communal Services of the Republic of Kazakhstan No. 606 of 29 December 2010.

<sup>83</sup> The methodology of calculating the cost estimates for the maintenance of the common property of an object of condominium was approved by Order of the Chairman of the Agency for Construction and Housing and Communal Services of the Republic of Kazakhstan No. 479 of 12 December 2011. The new revision of the methodology was approved by Order of an acting Minister of National Economy of the Republic of Kazakhstan No. 246 of 26 March 2015.



In 2012, an Association of Managers and Service Companies of Kazakhstan was established, which brought together 34 managers and service organizations. Its main goal is to improve the efficiency of the management and maintenance system of apartment houses. The objectives of the Association are as follows: to create a market of housing and communal services; to develop an evaluation system of the effectiveness of managers and service companies; to shape reasonable pricing in the market; to participate in the elaboration of proposals for the improvement of normative and legal regulations for the management and maintenance of housing stock; and to provide legal and consulting support to Association members and staff of member organizations. The Association is working to establish a national Register of Housing Managers and Service Organizations, which shall include the companies proved to be bona fide participants in the market of apartment building management and maintenance. The purpose of the Register is to prove the expertise of managers and service organizations to customers and homeowners in apartment buildings, and to make available information about organizations with a bad record<sup>84</sup>.

Currently, a training program is being developed under the specialization “Condominium Manager”. This specialization was added to the classifier of post-secondary technical and professional specialties and professions.

Picture 2  
**432 apartment house in Astana managed with the involvement of a management company**



*Photo by: Alexander Belyi.*

*Charges for the Management and Maintenance of Common Property in Apartment Buildings*

According to statistics<sup>85</sup>, the average payment for management, maintenance and repair of an apartment building across Kazakhstan amounted to 22 tenge/m<sup>2</sup> in 2015, and in 2016 it

<sup>84</sup> Housing and communal services in Kazakhstan. Available from <http://usk.zhkh.kz/>

<sup>85</sup> Republic of Kazakhstan, Committee on Statistics of the Ministry of National Economy, Statistical Compendium “Housing and communal services, 2012-2016”, (Astana, 2017).

increased to 25 tenge/m<sup>2</sup>, mainly due to the increase in Almaty (from 23 to 40 tenge/m<sup>2</sup>) and Astana (from 34 to 43 tenge/m<sup>2</sup>). In cities – regional centres – the payment varied four-fold: with the minimum value of 10 tenge/m<sup>2</sup> in the cities of Kyzylorda and Taraz, and the maximum value of 38 tenge/m<sup>2</sup> in the city of Kostanay. In Almaty, the average payment is 23 tenge/m<sup>2</sup>, while in Astana it is 34 tenge/m<sup>2</sup>. On average, the structure of household expenditure on housing and communal services did not change in 2016.

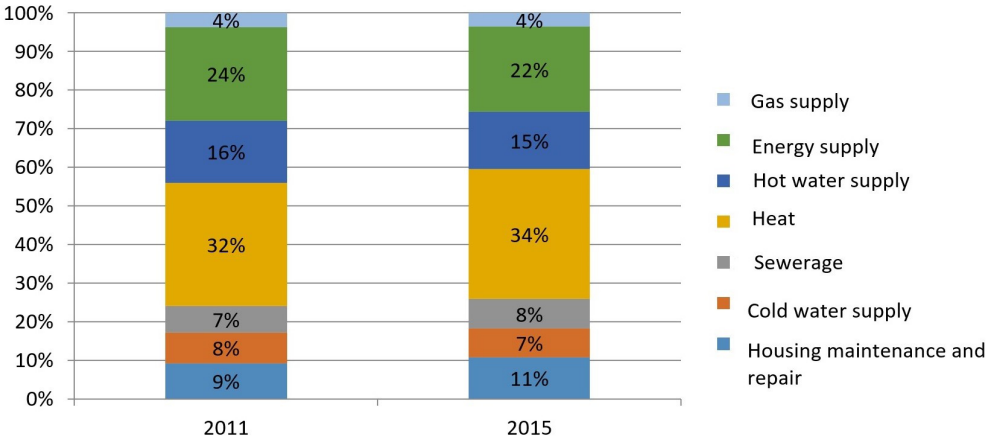
In 2015, the maintenance fee was only 11 per cent of expenditure for housing and utility services; it increased by 2 percentage points compared to 2011 (Figure 7).

Although that the average payment for management, maintenance and minor repairs of common property in apartment buildings (25 tenge/m<sup>2</sup>) increased by 67.7 per cent in 2016 compared to 2011 (15 tenge/m<sup>2</sup>), the amount of payments is still very low. It does not ensure the delivery of all services and works for the proper maintenance of the common property. For comparison, the payment for a service company’s package of management, maintenance and minor repair services in new residential neighbourhoods in Astana is 140 tenge/m<sup>2</sup>.

The chair of the CHO boards talk about enormous difficulties in making decisions to increase the contributions for the management and maintenance of the common property at the general meetings of homeowners in apartment buildings. Homeowners still do not understand their responsibility for the condition of their apartment buildings; they expect the State to provide them with new housing if their housing becomes unsafe.

It should be noted that the legislation of Kazakhstan permits imposing a court-enforced collection on the owner’s apartment for debts related to the payment of mandatory contributions for the maintenance of the common property in an apartment building (Article 50 of the Law on Housing Relations). The court-enforced collection is imposed according to the procedure established by the Law of the Republic of Kazakhstan on the Mortgage of Immovable Property.

**Figure 7. Pattern of spending on housing and communal services per m<sup>2</sup> of home floor space in apartment buildings**



*Source:* Housing and Utilities, Statistical Compendium, Astana, 2016, calculations of the Institute for Urban Economics (Russia).

*Note:* The pattern of spending was calculated for homes with centralized cold and hot water supply systems, sewerage, heating, gas and power supply systems. The calculations use average values of housing provision: 18.7 m<sup>2</sup>/person and 21.0 m<sup>2</sup>/person in 2011 and 2015, respectively.

## *Information Systems*

In accordance with the Law on Housing Relations (Article 7), the public registration of housing stock is required. The rules of public registration were approved in 2015<sup>86</sup>. The main objective of this registration is to obtain information about the availability, location, quantity and quality, technical condition, level of improvement and cost of housing in all forms of ownership, and about changes in these indicators.

The public registration of housing stock is carried out through the statistical register of housing stock, which is formed on the basis of data from the Public Database of Register of Immovable Property of the Ministry of Justice, and information from LEAs about unsafe houses, accountancy records in human settlements, and nationwide statistical observations. Maintenance of the statistical register of the housing stock is the responsibility of the Statistics Committee of the MoNE. Statistical information on the status of the housing stock is subject to dissemination in accordance with the statistical action plan for the relevant year.

Information related to the housing sector is also contained in the following public cadastres:

- Legal Cadastre, which contains information on existing and terminated rights to immovable property, identification characteristics of immovable property, information about rightholders, and information about pending requests for information from the Legal Cadastre;
- Public Land Cadastre, which contains information about the location, intended use, size and boundaries of land parcels, their quality characteristics, the land management and cadastral value of land parcels, as well as about holders of rights to land parcels; and
- Public Urban Development Cadastre, which contains cartographic, statistical and textual information about the areas of urban, architectural and construction activities, the social and legal mode of land use, the level of engineering and technical provision, the parameters and status of objects located there, as well as the natural and climatic conditions and environmental status of the areas.

The Ministry of Justice shapes the legal cadastre information system, and establishes the rules of interaction between authorized agencies which organize the maintenance of the land cadastre (the Ministry of Agriculture), the public urban development cadastre (the Ministry for Investments and Development), other public central and LEAs, Government for Citizens, which carries out public technical inspections of items of immovable property, and registration authorities to exchange information for the maintenance of legal and other cadastres.

The Law on State Registration of Rights to Immovable Property (Article 17) establishes a list of government agencies and persons to whom information can be provided from the Legal Cadastre on the basis of a motivated request. Condominium members only get a certificate of registered rights (encumbrances) to immovable property and its technical characteristics. The authority of a member of a condominium object to obtain information is supported by the provision of a legal document or a notarized copy of the document of that condominium member's title to a secondary item of immovable property (home in an apartment building) or the minutes of the general meeting of condominium members, confirming the powers of the representatives of the condominium members.

A request for a hard copy of information from the Legal Cadastre should be sent to the local justice authority in the area where the immovable property is located. The data is presented in

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<sup>86</sup> The Universal Rules of State Registration of the Housing Stock of the Republic of Kazakhstan were approved by Order of the Minister of National Economy of the Republic of Kazakhstan No. 110 of 19 February 2015.



the form of an information summary. The information can also be obtained electronically from Government for Citizens, or through the e-government portal if the applicant has an electronic digital signature. The information from the Legal Cadastre of public registration of rights to immovable property is provided free of charge.

Government for Citizens is an information system that makes the public technical inspection of buildings and their components (including multi-family houses – condominium objects), as well as land parcels, issues technical certificates of items of immovable property, and duplicates copies of technical certificates.

## **B. REFURBISHMENT AND MODERNIZATION OF THE HOUSING STOCK**

In accordance with legislation, homeowners are supposed to refurbish their homes at their own expense. In apartment buildings (condominium objects), homeowners are required to bear the costs of major repairs of the common property in proportion to their share of common property ownership. Due to the fact that homeowners in apartment buildings did not take independent decisions about the refurbishment for a long time, as well as about the accumulation of funds for refurbishment, the Law on Housing Relations was amended in 2011, and now homeowners in apartment buildings are obliged to make a monthly contribution for refurbishment in the amount determined by the general meeting of the homeowners, but not less than the 0.02-fold monthly calculated rate established by the Law on Republican Budget<sup>87</sup> for the respective fiscal year, and calculated per square metre of useful space of residential (non-residential) premises. To accumulate funds for the refurbishment of common property in apartment building, a CHO (or other management authority) is required to open separate bank savings accounts for each apartment building it manages. Funds accumulated in these accounts are spent only upon the decision of the general meeting taken by a majority vote of the homeowners of the condominium object.

Currently, the legislative requirements of the monthly contributions to generate savings for refurbishment are not fully enforced. This is due to the fact that, even though the Law established mandatory payment of such contributions, the decision on the amount of the contribution must be taken by the general meeting of homeowners. If such a decision is not adopted, the contributions are not paid. Homeowners do not take decisions because the requirement of contributions for refurbishment proved to be too high in comparison with the payment for the maintenance and minor repairs of the common property. Thus, based on the amount of the calculated monthly rate of 1,852, 1,982 and 2,121 tenge established by the 2014, 2015 and 2016 laws on national budget, the contributions for refurbishment in said years should be not less than 37.04 tenge/m<sup>2</sup>, 39.64 tenge/m<sup>2</sup>, and 42.42 tenge/m<sup>2</sup>, respectively. For comparison, an average payment for the management, maintenance and repair of common property was 21, 22 and 25 tenge/m<sup>2</sup> in 2014, 2015 and 2016, respectively.

In practice, the decision on the contributions for refurbishment is taken by the homeowners of apartment buildings which are refurbished under government programmes.

Refurbishment of apartment buildings was originally envisaged by the Program of Modernization of Housing and Communal Services of the Republic of Kazakhstan in 2011–2020, which was approved by Resolution of the Government of the Republic of Kazakhstan dated 30 April 2011, No. 473. In 2014, following the adoption of the 2020 Program of Regional Development (approved by the Government on 28 June 2014, No. 728), the Program of Modernization of

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<sup>87</sup> This indicator is designed for the calculation of allowances and other social payments, penalties, taxes and other payments.

Housing and Communal Services was abolished, and the refurbishment objectives for apartment buildings with elements of thermal modernization were included in the 2020 Program of Regional Development.

The Program of Modernization of Housing and Communal Services planned to reduce the share of apartment buildings in need of refurbishment from 32 per cent in 2011 to 22 per cent in 2015. The 2020 Program of Regional Development plans to reduce this figure from 27 per cent in 2015 to 21 per cent in 2019.

Both these government programmes use the same organizational and financial mechanism of refurbishment:

- refurbishment of the common property in apartment buildings is carried out by specialized authorized organizations established in the regions and cities of Astana and Almaty, the authorized capital of which was formed with government participation (under the Program of Modernization of Housing and Communal Services of the Republic of Kazakhstan in 2011-2020, it was permitted to establish social business corporations with the participation of the Government in the authorized capital). The specialized authorized organization exercises the functions of a general contractor and, if necessary, can employ subcontractors. It provides design specifications and estimates for the refurbishment of apartment buildings. These undergo government expert review and are agreed with the akimat's housing inspection authorities, and, later, with the homeowners of the apartment buildings.
- to finance the refurbishment of apartment buildings carried out by a specialized authorized organization, LEAs are provided with targeted transfers allocated from the national budget. Then, homeowners in the apartment building reimburse the costs of the refurbishment by paying contributions for the refurbishment for 8–15 years (depending on the list of completed works). The funds returned by the homeowners in the renovated houses are then used by the specialized authorized organization to repair other apartment buildings.
- to include an apartment building in a refurbishment programme, it must be registered as an object of condominium. At their general meeting, homeowners in an apartment building are required to take decisions (by a majority of not less than two thirds of the votes) (i) on the consent for the refurbishment of the common property of the condominium object at the expense of budgetary funds; (ii) on the list of the refurbishment works (minimum or maximum); (iii) on the cost of repairs required for each apartment (home) and the amount of monthly contributions for the refurbishment; and (iv) on the selection of homeowners' representatives who participate in the acceptance of works.
- all homeowners in the apartment building and the CHO are required to conclude a refurbishment contract with a specialized authorized organization. Pursuant to these agreements, homeowners are required to pay monthly contributions for the refurbishment into a savings account at the bank. The CHO is required to open a savings account and transfer funds from the savings account of the specialized authorized organization to pay for the completed works, as well as to collect arrears on the payment of contributions from homeowners who did not sign a contract with the specialized authorized organization. Low-income apartment owners can receive budgetary subsidies (housing assistance) to pay their contributions for the refurbishment from local budgets.
- LEAs, on the basis of homeowners' applications, generate a list of houses that are subject to refurbishment, prepare a financial and economic assessment and generate a budgetary request to the authorized housing and communal authority to receive funds from the

national budget in order to increase the authorized capital of a specialized authorized organization. Design specifications and estimates for the refurbishment are developed at the expense of the local budget.

- LEAs check the refurbishment progress and establish a commission for the acceptance of completed works with the participation of representatives of the housing inspection authority and departments of the akimat that oversee this programme, state architectural and construction supervision authorities, engineering supervision authorities, CHOs, and homeowners elected at the general meeting.

In accordance with the government programme, the refurbishment of the common property of a condominium object from budgetary funds is completed upon the condition that the thermal characteristics of the apartment building are improved as a result of such repairs, and community heat meters, as well as an automated system for heat consumption regulation (if centralized heat supply is available), are installed. The programme envisages awareness raising campaigns to promote energy saving among the population, and to engage homeowners in apartment buildings in making decisions on the energy-efficiency retrofitting during the refurbishment.

Homeowners of apartment buildings included in the government refurbishment programme can choose a minimum or maximum list of works that will be completed during the refurbishment. The minimum list of works includes repair of the roof (insulation), repair of the entrance (replacement of windows, doors, and lighting equipment for energy-efficient ones), repair of the basement (including repair of utility networks), and installation of a community heat meter and an automated heat management system. The maximum list of works includes advanced repairs of the façade and elevator.

LEAs are required to conduct an energy audit of apartment buildings before and after the refurbishment to assess the reduction of energy consumption as a result of the renovation. To this end, LEAs are allocated targeted transfers from the national budget.

Thus, Kazakhstan applies an administrative and centralized approach to the financing and refurbishment of apartment buildings. Refurbishment is financed entirely from budgetary funds (upon the condition of their return to the homeowners in several years) and through authorized government organizations. The role of homeowners and CHOs has been reduced mainly to the payment of contributions to reimburse the budgetary funds spent on the refurbishment. There are no requirements regarding the preliminary accumulation of funds for refurbishment by the homeowners as a precondition for granting budgetary resources. It does not address the problem of establishing a refurbishment loan granting system by the banks with parallel government support of owners in multi-family houses to ensure the transition to market mechanisms and to increase the volumes of refurbishment and modernization of the multi-family housing stock.

According to information from open sources, there are many complaints about the quality of repairs and the inflated cost. Local experts and representatives of CHOs feel that the efficiency of the budgetary funds allocated for the refurbishment could be much higher if they were provided directly to the CHOs.