

“A breakthrough in the development of the multi-unit housing stock management activities”, Yerevan, 2005

Brief Review of the Booklet in English

*NGO “Third Nature”*

## **A Breakthrough in the Development of the Multi-Unit Housing Stock Management Activities**

### **Implementation of the Project**

### **”Shirak Marz Center of Support to Management Bodies of Multi-Apartment Buildings”**

*The Project is implemented by the NGO “Third Nature” through Eurasia Foundation with the supported funds by the United States Agency for International Development (USAID)*

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This very booklet presents the Project ”Shirak Marz Center of Support to Management Bodies of Multi-Apartment Buildings” implemented by the *NGO “Third Nature”*.

It describes the Project activities, its results and impact on the development of multi-unit building management sphere activities in the City of Gyumri and the Shirak Region.

The booklet also presents suggestions on development and improvement of the multi-unit housing stock management activities worked out on the basis of the obtained knowledge and experience as a the result of the project.

The booklet is designed for the usage of those who provide technical assistance to multi-unit building management bodies, those who work out concepts on the development of the sphere, the representatives of those structures that deal with the multi-unit building management, to the researchers of the sphere, those that are engaged in multi-unit building management and organizing.

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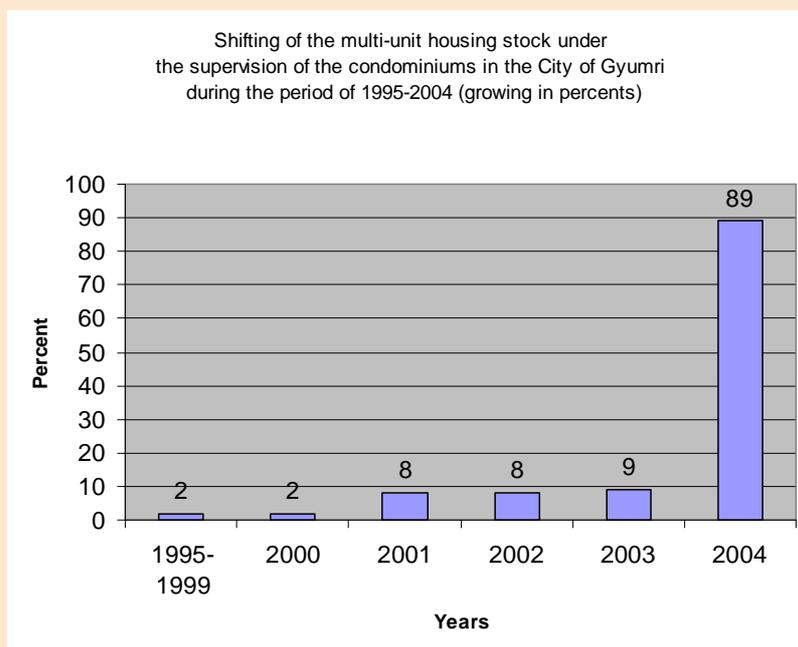
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**Part 1 – Author: Rafayel Mkhitaryan**

## **THE INVOLVEMENT OF THE MULTI-UNIT BUILDING MANAGEMENT SPHERE OF THE CITY OF GYUMRI AND THE SHIRAK REGION IN THE SOCIAL- ECONOMIC REFORMATION ACTIVITIES OF THE COUNTRY**

### **Introduction**

Anything that had not been realized in the sphere of multi-unit building management in the city of Gyumri during the past nine years of reformation (1995-2004) has come true in the period of a year within the project implementation.



The reformation activities in the sphere of multi-unit building management started in 1995 in Armenia according to the Government Decision N 295 of RoA on “Stating the Charter of the Condominium”. Concretely taken, it was the result of the earlier privatization processes that went on very quickly since 1993, due to the functioning of the free of charge privatization terms. Later, in 1996 the NA accepted the Law on Condominiums but the process of shifting the multi-unit housing stock under the supervision of the condominiums grew rapidly only after significant amendments were done in the very Law in 1998. In 2002 the NA accepted both the new Law on Condominium and the Law on Multi-unit Building Management that were regulating the activities of the sphere. Besides, the sphere was regulated by the Civil Code of RoA, and other laws and legal documents of RoA among which one must mention the Government Decision N 10, 1625 N, on October 10, 2002, on “Specifying the Mandatory Norms (Rule of Compulsion) on Maintenance of Common Shared Property of Multi-unit Buildings”.

If we try to understand clearly the concept of the reformations in the sphere we can state it by the following logic: as far as there is a shifting of ownership style in the multi-unit building, then it is natural that shifting should

take place also in the manner of management of the property. The shifting of ownership style in its turn generates changes of the state responsibilities towards the multi-unit building management, though this notion is not always accepted by the interested layers and there occur variable opinions.

Very often it is justly accepted that the state still has its responsibilities, but the possibilities of the state budget compel them to apply the policy of refusing the concentrated inputs in the sphere. The deficiency of the contributions in the multi-unit building development actions leads to the rapid ruin of the housing stock, which comprises threats of big problems of state significance in it.

For this reason the reformations in the sphere of multi-unit building management are intended to create volunteer unions of the owners of the apartments that should take care of the maintenance and the management of the buildings. The state afforded legal privileges and rights to those unions that could realize self fundraising for covering the needs.

Shortly saying, this is the logic of the reformations. Surely, for the reason of the deeper imagination of the on going difficult processes of the sphere, one should not forget that the reformations go on in the situation of economic decline, unemployment, gradual formation of the market forces into the economy of the country and in the starting hard conditions of structural changes in municipal services.

The reformations of the sphere were different in the regions of Armenia, and sometimes they went in an extreme direction. There were places where the legal changes were accepted as a cause of crucial activities in the sphere; thus they immediately handled and applied the new management system and its interrelationship. There were places where they were very conservative and would not accept any changes in the sphere.

### **The Obstacles in the Reformations in the City of Gyumri and the Shirak Region; The Situation before the Start of the Project**

Since 1995 the multi-unit building management reformation processes ran into serious obstacles from the City of Gyumri and other residences in the Shirak Region. Those obstacles can be sorted in two groups:

- a) local specific problems and,
- b) general problems that are typical to the whole Republic.

#### ***Local Problems:***

1. Considerably low-percent of privatized apartments than in other marzes of RoA.
2. Large number of damaged buildings that need big contributions for the recovery. The inhabitants of those buildings would not establish self governing bodies for their buildings. These inhabitants are fearful of losing the opportunity of getting significant state contributions for the basic rehabilitation of their buildings.
3. The considerably larger decrease of the industrial and economic facilities than in other cities in the Republic; the higher level of unemployment (twice higher than the average level in the country).

#### ***General problems:***

1. There is a psychology among the inhabitants rooted during the past decades that their housing problems would be managed by others, as far as it is the responsibility of the State. There is also the lack of traditional management of sharing ownership; the inhabitants avoid taking responsibility of managing and caring for their buildings.
2. The local authorities conduct a refusal policy of returning the multi-unit building management responsibilities to the management bodies of the units of their owners. Thus, they opposed the potential decrease of the authorities' impact over the sphere and keep the whole sphere under their supervision.
3. There is an insufficiency of new legislation in multi-unit building management area. Despite frequent amendments of the legislation those were not calculated according to the peculiarities that are typical to the residences in the Shirak Region (like the low percent of privatized apartments, huge number of damaged buildings, etc.).
4. There is the problem of numerous locked doors in the multi-unit buildings.
5. There is a lack of the collaboration between the multi-unit building management bodies and other interested structures in the sphere.
6. The major functioning condominiums do not show efficiency in their activities, they do not operate and do not serve as a positive example for the others.
7. A critical economic situation dominates in the country, people are not payable and profitable, the marketing affairs are not realized, and no basic systematic changes have taken place within the municipal service

providing structures in the country.

8. The whole society, local authorities, multi-unit building management bodies, and other interested structures are not aware of the sphere and its problems; there is insufficiency information, lack of the professional literature, lack of professional managers, and a lack of institutions that can prepare or train professional managers.
9. There is no multi-functional center for assisting multi-unit building management, which would provide training/consultancy, information for the interested layers, management bodies.

A non-government enterprise was established in Gyumri, in 1994, which was supposed to manage multi-unit buildings in the “Ani” District funded by a loan provided by the World Bank. Later the enterprise was registered at the Ministry of Justice of RoA as the Condominium “Progress”. This condominium was the only one in Gyumri and the Shirak Region until 1998. After that the Condominium “Shirak Airport East 1” was established in Akhurian; in a period of time the Condominiums “Tatevik” and “Tatevik A” were established in Gyumri.

The last two condominiums were established to supervise the management of the buildings that were built by the loans provided by the World Bank. The next 9 condominiums were established in Gyumri only three years later, in 2001 with the assistance of Urban Institute within the Local Government Program. Later UI was intended to include the buildings under the services of those condominiums within the “Condominium Buildings Stabilization and the Urban Housing Improvement Grants” Project. Another Condominium was established in Gyumri in 2002 that provided services only to one building.

Until 2003, 51 multi-unit buildings were evolved into 13 condominiums. The buildings comprised of 1562 apartments that made only 8% of the existing multi-unit housing stock in the city.

The existing condominiums were not consistent and productive structures (6 out of 13 registered condominiums would not function at all), thus they could not serve as good examples for other multi-unit buildings that did not have management bodies yet. Similar situations were created in the other towns of the Shirak Marz.

The main trouble was not that few multi-unit buildings were put under the supervision of the condominiums. It was that they would not strive for making radical changes in the sphere, no initiations were made for further development, no opportunities for positive changes were suggested, no activities were organized for restricting the rapid ruin of old buildings, no systemized procedures are put into action for changing the situation for the better. The sphere of multi-unit buildings management of the Marz seems to be out of the overall social-economic development procedures of the country.

It was in this needy situation that the NGO, “Third Nature” started to develop and increase its activities in assisting the multi-unit building’s management processes in Gyumri and Shirak Region since 2003. The NGO, “Third Nature” has a significant input in the development of the sphere and is the author of the major initiatives.

Two Condominiums, “Vardanank” and “Sheram”, were founded in the city in 2003, by the direct technical assistance of the NGO.

Then in the fall of 2003 the NGO initiated the implementation of the Project “Shirak Marz Center of Support to Management Bodies of Multi-Apartment Buildings”, which was to make a crucial breakthrough and change for the realization of the reformations in the sphere.

### **Project Goals, Project Strategies, Lessons Learnt from Previous Experiences**

Project Goals were:

- To assist in the sustainability of multi-unit building’s management bodies in the Shirak Region.
- To assist in increasing public participation in multi-unit building’s management processes in the Shirak Region.
- To promote the formation of a positive public attitude towards the multi-unit building’s management sphere reformations. To promote in housing policy and legislation changes in the multi-unit building’s management sphere.

In order to achieve the main goals of the Project the NGO, “Third Nature” had to work out a strategy for overcoming the difficult circumstances in development procedures in the sphere. We had to know and observe the former experience in making the situation better and learn lessons from them.

The developed strategy was supposed to initiate a systemized approach towards the matter. On the one hand it was necessary to promote a rise in consistency, development and productivity in the existing condominiums by providing training / consultancy services and technical assistance components. We had to realize information and advocacy activities for overcoming and regulating the negative public attitude towards the multi-unit building’s management sphere reformations. We had to advertise the positive experience and disseminate the exemplary

experience of the sustained condominiums for the interested layers and the society as a whole.

On the other hand, we had to promote the multi-unit buildings to establish management bodies. The developed strategy made the appliers to develop and increase the collaboration, as well as promote their wider participation in granted and loan projects for the reconstruction and renovation of the buildings.

Among the multi functions, the lessons learned of the former experiences were mentionable, for those were to help improve the situation. It is worth mentioning that the implemented projects had played a significant role especially in information provision processes in Gyumri and Shirak Region

Within the frameworks of the former projects they had only realized one or two components of assisting multi-unit building's management; e.g. one training session and provision of the training material package. Those experiences show that the approaches are not productive and visible essential changes are not expected.

We had to implement a wide range of activities simultaneously in numerous directions.

### **Comparison of the Predicted and Obtained Results of the Project**

A part of the activities that were implemented within the frameworks of the Project had not been planned before. Those were only the initiatives of the Project staff or the beneficiaries who simply thought about them during the implementation process. Below, in the table one can see initially planned, predicted results of the Project.

N	Predicted/expected Results	Obtained Results
1.	Creation of the training/consultancy/information Center.	A multi-functional center of assistance to multi-unit building management was created.
2.	A functioning web site on the Internet.	The web site www.thirdnature.am was prepared and installed in the Internet.
3.	Four issues of the Newsletter.	Four issues of "Our Condominium" Newsletter were published and distributed.
4.	Five training sessions on the following topics: 1. Management of the Condominium (2 sessions, 24 hours for each), 2. Accounting of the Condominium (1 session, 24 hours), 3. Preparation of the competitive RFP's for the grant and credit Projects on improvement of the multi-unit buildings (1 session, 12 hours), 4. Putting into operation the measuring/regulating municipal service systems of the multi-unit buildings (1 session, 4 hours).	Seven training sessions had been conducted on the following topics. 1 Management of the Condominium (2 sessions, 24-hours for each), 2. Accounting of the Condominium (1 session, 24 hours), 3. Preparation of the competitive RFP's for the grant and credit Projects on improvement of the multi-unit buildings (1 session, 12 hours). 4. Putting into operation the measuring/regulating devices of the municipal service systems of the multi-unit buildings (1 session, 4 hours). 5. Projects on improvement of the multi-unit buildings (1 session, 28 hours). 6. Community Development (1 session, 4 hours).

5.	Four Training Seminars in participation with experts on Accounting and Projects on improvement of the multi-unit buildings.	Six Training Seminars had been conducted in participation with the corresponding experts on the following topics: 1. Accounting of the Condominium (2 seminars). 2. Projects on improvement of the multi-unit buildings. (2 seminars). 3. Condominium Coalition Work and Protection of Interests (2 seminars).
6.	Explanatory/advisory 2-3 meetings with the members and inhabitants of each condominium in formation process.	There had been conducted: 1. Explanatory/advisory 2-3 meetings with the members and inhabitants of each condominiums in formation process, 2. Explanatory/advisory 2-3 meetings with the residents of multi-unit buildings functioning condominiums 3. In total 30 explanatory/advisory meetings had been conducted with the residents of functioning condominiums.
7.	Information advocacy with mass media: 1. Development of one advertising video cassette and its broadcasting on TV (75 times), 2. Develop and write 4 articles and make interviews, 3. Conduct competition of the Best Condominium.	Information advocacy with mass media had been conducted: 1. Two advertising video cassettes had been developed and broadcasted on TV (225 times), 2. Nine articles had been published, 3. Fourteen interviews had been made, 4. Eight TV broadcastings and Comments on Project events had been conducted, 5. Twenty-two issues of information papers had been published and distributed, 6. A competition on "The Best Building in the City-2004" had been organized among the multi-unit buildings supervised by the condominiums.
8.	Preparing and provision of the package of the documents on condominium management procedures.	We had prepared and distributed: 1. A package of methodical materials on condominium management, 2. A package of Condominium Accounting materials, 3. A package of legislative and juridical materials on multi-unit buildings management, 4. Ten different packages of Project training / seminar methodical handouts.
9.	Organization of 3 Round Tables on the problems of the multi-unit building's management with the	Three Round Tables had been organized with the participation of the

	participation of the representatives of interested structures.	representatives of the condominiums and interested structures on the following objectives: 1. Issues related to realization of the mandatory norms (the rule of compulsion) of maintenance of the multi-unit buildings common shared property. 2. Condominium Taxation charges, 3. Projects on heating of the multi-unit buildings and energy efficiency.
10.	To make an information data bank on condominiums of Gyumri city and Shirak Region.	An information data bank on housing stock and multi-unit buildings management bodies of Gyumri city and Shirak Region had been established and is constantly updated.
11.	To publish and distribute 200 copies of the booklet presenting the experience of the successfully functioning Condominium- “Yerevanian 155”.	Two booklets on multi-unit building’s management issues had been published and distributed to the interested structures. 1. A booklet in 200 copies on ”A Model of Technical Assistance to Condominiums in Gyumri” by the example of the Condominium – Yerevanian 155 was published. 2. Publication of the booklet on “A Breakthrough in the Development of the Multi-Unit Housing Stock Management Activities” in 300 copies.

### Comparison of the Predicted Long Term Results and Obtained Results of the Project

N	Predicted Long Term Results of the Project	Obtained Results (still during the Project Implementation process) of the Project
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1.	The increased percentage of housing stock using the services of the condominiums in Gyumri. The increase is predicted from 8% of the total housing stock - to 45-50%.	At end of the Project the percentage of housing stock incorporated into the condominiums in Gyumri reached to 89,18%, of the total multi-unit buildings housing stock.
2.	Implementation of projects on housing improvement and assistance to multi-unit building management by the condominiums.	During the Project implementation the Gyumri City condominiums had realized 13 projects on housing improvement, reconstruction of the yard sites of the buildings, building playgrounds, electrical illumination of the yard sites, heating and technical assistance.
3.	Reformation of the policy conducted in the sphere.	Essential local policy improvements in the sphere took place during the Project.  Gyumri City Hall and Shirak Marzpetaran (Regional Governor Office) of RoA 1. Presented successful initiatives on condominium establishment, 2. Assisted in apartments privatizing procedures, 3. Collaborated with the condominiums (negotiations were made on joint activities of rubbish removal), 4. Assisted the condominiums in their problem solving activities (Projects on central heating improvements).
4.	Legislative changes in the sphere. Reestablishment of Privileges for apartment privatization in Shirak and Lori Marzes formerly stated by legislation.	Activities in the direction of reestablishment of the formerly stated legal privileges had been conducted.  On December 08, 2004, the National Assembly adopted a new law providing privileges in the Shirak and Lori marzes within the borders of the “Rehabilitation of the Earthquake Zone Comprehensive Program”, which allowed the rehabilitation of the law.

Beside the above mentioned results in the Table the Project provided other long term results in the sphere of multi-unit building’s housing stock management in Gyumri and Shirak Region. Among them it is worth to mention the fact that the sphere would not function for a long time; it was out of sight and was put aside from the overall development processes. Nevertheless, the stagnated sphere was drawn into the social-economic development area of the country and was involved in the general development process.

Another long term result is the improved situation of the municipal service section of the residents of multi-unit buildings which leads to prospects for life style improvement.

As a result of the Project there occurred opportunities for creating jobs. During the implementation process more than 50 jobs were created. Among them – Chairs of the newly created condominiums, managers, accountants, technicians, secretaries, other staff members, etc.

After studying the results of the project in case of looking back the goals stated it will be obvious that the

progress in all the predefined areas is evident.

### **Project Staff**

The main staff of the Project consists of 10 people, among them 9 paid staff members and one volunteer. During the implementation the staff was consistent; staff members worked on a regular base and no changes or shifting took place.

The Project success took place due to the commitment, high responsibility level, and acknowledgement of the mission, organization and high professionalism of the staff.

Three members of the staff are specialists in the multi-unit building's management sphere, and five staff members are the chairs of functioning condominiums in Gyumri.

Owing to such staff the technical assistance center created within the frameworks of the Project became a kind of management school and an executive institution of experience exchange for multi-unit building's management bodies and other interested layers.

The experts who had conducted the training sessions and seminars were well known specialists in their professional sphere.

AAA NGOC Gyumri Focal Point coordinator/trainer/consultant Flora Sargsyan contributed to the Project on a volunteer base. By her own initiative she conducted a training session on "Community Development" for the Project beneficiaries.

### **Conclusion**

▪ The Project "Shirak Marz Center of Support to Management Bodies of Multi-Apartment Buildings" was aimed at making actual and tangible changes and a crucial turn in the difficult situation of Gyumri and Shirak Region. For this reason the Project staff worked out a clear strategy of activities and realized it fully in all predicted directions during the Project implementation process. At the result, the Project made a crucial turn in the multi-unit buildings management sphere development procedures; it made essential changes and created further development prospects.

The Project was implemented in the following directions:

- *Information campaign* – Unprecedented information advocating was conducted with the assistance of mass media and private information agencies. This helped to raise awareness of the people engaged with multi-unit building's management affairs, staffs of the local government bodies and regional authorities, other interested structures of the sphere and the public as a whole, so they could form positive attitudes towards the reformations in multi-unit building's management sphere and change their behavior towards the issue.
- *Formation of management bodies* in multi-unit buildings; this was one of the decisive directions aimed at making a crucial turn in increasing the tiny number of multi-unit buildings supervised by self management bodies and making it reach a considerable qualified major quantity.
- *Raise awareness, professionalism, participation* of the staff members of multi-unit buildings self management bodies and multi-unit buildings residents on all the directions of management processes.
- *Establishment* of a collaboration network between multi-unit building's management bodies, local government bodies and regional authorities, organizations that implement utility system improvement projects, structures engaged with multi-unit buildings management affairs, and other interested structures of the sphere.
- *Raise the competitiveness* of the multi-unit building's management bodies; to increase the participation opportunities of the condominiums in taking up credit, grant and self financed projects. To assist the condominiums to develop skills in project development, implementation and general project management procedures.
- Dissemination of the best managerial experience among the multi-unit buildings; create opportunities for the management bodies to know and study the advanced experience for further application.
- Creation of the data bank of information and statistic data on multi-unit buildings management for the development of conception and strategic directions, for the increase of research opportunities in support of further enhancement of the sphere.
- Assistance to the policy conducted and legislation reformations in the sphere.

The Project experience and the great demand for the provided technical assistance show that in those residences where there is great number of multi-unit buildings housing stock, the existence of the training / consultancy center is a vital need for multi-unit buildings management bodies. The Center would provide professional

assistance, information and serve as a means of contact for multi-unit buildings management bodies and other interested structures. The Center will become an important prospect for their sustainability, development and competitiveness.

- The Project experience shows that not only management bodies need the multi-unit buildings management assistance Center, but also those structures that come across with the affairs of the sphere.
- The Project experience shows that due to the collaboration in the multi-unit buildings housing stock management sphere it is possible to solve a lot of problems and thus gain significant results. The obtained experience would promote the disclosure of the hidden strengths of the collaboration, which, as for us, is not yet fully evaluated.
- The Project experience shows that the development projects on multi-unit buildings management would involve not one or two directions but a complex approach.

### **Speech of Gratitude**

The NGO, “Third Nature” expresses its gratitude towards the whole staff of the Eurasia Foundation and US Agency for International Development for supporting the Project. We are also grateful that they shared with us our successes and inspirations and encouraged us during our work with the Project. We would like to assure you that we should preserve the sustainability of the Project, for the demand in technical assistance on multi-unit buildings management on behalf of the beneficiaries.

We express our gratitude towards the staff members of all those structures that collaborated with us, and but for their assistance we would not have succeeded and the Project would not have its actual results.

Those structures are:

- Ministry of Urban Development.
- State Institution, Project Implementation Office of “Heating Projects” by the Ministry of Finance and Economy.
- The Ministry of Ecology and UNDP - joint Program on Heating.
- Shirak Region Marzpetaran.
- Gyumri City Hall
- Urban Institute
- Alliance to Save Energy
- Advanced Engineering
- Local TV Stations “Shant”, “Shirak” and “Tzige”
- NGO “Asparez” Journalists Club
- NGO “Meghvik”
- Other NGOs, state and international organizations.

We are thankful to the employees of the structures that deal with the multi-unit building’s management issues. Dialogues were conducted and collaboration ties were established between those structures and the condominiums during the Project implementation. Those structures are:

- Fire fighting Service
- Sanitary-epidemic Station
- Disinfection Service
- Garbage removing Service
- Tax Department
- Municipal Service enterprises, etc.

We are thankful to our beneficiaries who considered the Project as theirs. One of the biggest results of the Project is that all the condominiums and the employees of the structures that deal with the multi-unit building’s management issues came to know each other very closely and collaborate in different issues. This is the best indicator of the Project sustainability. We are also grateful to the volunteers, invited experts and the whole Project staff.

We express our gratitude to the public as a whole for the increased interest and positive attitude towards the reformations on multi-unit buildings management sphere.

Thank You!

**Part 2 – Author: Arsen Karapetyan**

**SUGGESTIONS ON IMPROVEMENT**

## **OF MULTI-UNIT BUILDING HOUSING STOCK MANAGEMENT SPHERE**

Below we would like to present the following suggestions on improvement of multi-unit building housing stock management sphere that had been accumulated with us during the Project implementation.

- 1. In case there is no multi-unit building management body or it is not established yet, it is preferable to put it under the supervision of other juridical entity – condominium, authorized managers, LTDs, etc. on competitive base.**

As for statistics more than 820 condominiums had been created in the RoA for multi-unit building housing stock management.

Those condominiums undertake the management of only 73% of the privatized apartments in the multi-unit buildings. It is supposed that according to the Law of RoA on Multi-unit Building Management the rest of the housing stock is to be managed by the local government municipalities. There are a lot of facts that prove the situation not that. In fact there is a vacuum in housing stock management sphere; on the one hand a management body is not established by the owners of the apartments in the multi-unit buildings, on the other hand the municipality does not realize the management of it.

By the input of work evaluation executive system defined by mandatory norms (Rule of Compulsion) parallel with the economic conditions improvement it will be purposeful to make changes in the legislation. In this very case we suggest that the management functions should be put under the authorization of other organizations on competitive base. Besides, it would be necessary to predict allocations (as salaries) for the management services. In case any organization is not selected for supervision, then the management would be shifted to the municipality.

- 2. To form a contemporary management body during the construction process of the new multi-unit buildings.**

The rapid growth of new housing construction in Yerevan is a positive phenomenon in the country recently for the reason of housing conditions improvement and housing stock increase, for the utilization of the new construction technologies and materials, for the creation of jobs. At the same time it is worth mentioning that there are still some demerits, e.g. the quality of the construction is not always satisfactory. Very often the owners of the multi-unit buildings apartments discover a number of defects after living for a while in those buildings, e.g. the heating valves would not operate properly, or the isolation of the walls does not correspond to the acceptable standards.

Thus, we come to the fact that the residents of the newly-built buildings do not participate the signing of the documentation for the completion of the construction, they do not observe and evaluate the quality of the building as a whole. Very often, plus to these, one can find out useless capacity of heating or cooling system (capacity problems), which results in supplementary and vain expenses for the maintenance per unit. The owners know very late about the service expenses of their apartments. The builders should inform their buyers about the kind of their product, as well as about the expenses that the future owner of the apartment is to pay. Summarizing all these we come to the conclusion that there are two main problems; a) the future owners of the apartments do not participate in the quality checking/evaluation process of newly built multi-unit buildings, and b) building infrastructure with considerable large expenses of maintenance and capital are built without regarding the future owners' real needs. Regarding the fact that the major number of owners of the newly built multi-unit buildings is recognized before the end of the construction, thus, it is suggested to consider the formation of the contemporary management body to be a must within the legislation, which can provide the regulation of the existing problems. At any case this issue requires careful, thorough survey, studies and worked out suggestions.

- 3. To create a social housing stock.**

Nowadays, the individual/private property exceeds in the housing stock in the Republic. Owing to the free of charge voluntary privatization a lot of tenants, among them socially vulnerable became owners. Socially vulnerable families are not able to maintain their properties normally. There is considerable number of apartments that remain as municipal properties yet and are managed by municipal organizations. There is not still a social housing stock regarded for the vulnerable layers according to the specific criteria. The new housing stock built by the state or the municipalities will be distributed to needy according to a clearly developed criteria. The very housing stock would become a significant factor on the improvement of the effectiveness and maintenance of multi-unit building housing stock management. The social housing stock will have specific strategies on management. NGOs, condominiums, authorized managers, private entrepreneurs, etc., will participate in the social housing stock management processes. The management services will be somehow charged, they will be limited in a time frame on competitive base. Performance indicators and conditions can be clearly fixed in concluded contracts.

- 4. To introduce housing/utility allowance system.**

The poverty allowance for families is calculated so as to comprise the housing/utility expenses in them

somehow. In reality, it is necessary to create a functioning strategy/mechanism for the increase of the allowance, clearly define the housing/utility expenses in its dimension and the payment procedures. This very issue needs deeper survey and suggestions to be worked out. The solution of the problem will give the opportunity to provide the housing/utility expenses within the poverty allowance for families that in its turn will provide positive results for the municipal service suppliers and for multi-unit buildings. The experience of the last 10-15 years had shown that very large and vain subsidies had been provided to different municipal suppliers without regarding the social conditions of the population. The addressed assistance will have its positive results and impact by all means.

**5. To conduct monitoring on realization of mandatory norms (Rule of Compulsion).**

In accordance with the Law of RoA on Multi-unit Buildings Management, of 2002, the mandatory norms (Rule of Compulsion) on the maintenance of the common shared property was accepted, but unfortunately there are no evidences and facts of its functioning/operation. One can come across with building entrances in disorder, garbage piles, damaged utility system, etc daily. All these are evidences that nearly nothing is done for the realization of mandatory norms (Rule of Compulsion). It is already three years since the Law had been accepted but there is no monitoring on mandatory norms realization. It is surprising that this important issue has been dismissed from the attention of the authorized bodies. It is suggested to start the monitoring on mandatory norms realization in the multi-unit buildings in the “Kentron”(“Center”) Community district in Yerevan regarding the fact that socially well to do families are mainly settled in this part of the City. The results of the monitoring will be analyzed and presented to the society and to the authorized structures of policy makers.

**6. To create a register for the realization of mandatory norms (Rule of Compulsion).**

The monitoring on realization of mandatory norms will be accompanied with a clear procedure that will disclose the existing shortcomings, if there are such. In any case the mandatory norms (Rule of Compulsion) should be measurable for the best and effective usage of the existing resources.

The monitoring results will be registered in a special database / register. This will become a kind of “Disease History” which will serve as a rich material for the investments and implementation of other measures in the buildings.

The violations on realization of mandatory norms will also be recorded in database. All the collected information of the database will be used for investments and providing financial assistance to the multi-unit buildings in future.

**7. The community housing stock is also suggested to undergo the requirements of mandatory norms (Rule of Compulsion).**

The community housing stock is also necessary to undergo the requirements of mandatory norms (Rule of Compulsion). It is necessary to create equal conditions for all kinds of properties.

**8. To accept other mandatory norms (Rule of Compulsion) with high requirements for the newly built multi-unit buildings**

The Government can declare one day about the conduction of the new policy on maintenance of the multi-unit buildings, e.g. each newly built multi-unit building will have heating, air conditioning, cooling, emergency system, fire-prevention system, etc. This issue needs detailed survey and suggestions to be worked out. The economic conditions of different communities should be regarded for the definition of the high demands for the mandatory norms (Rule of Compulsion). The acceptance of mandatory norms (Rule of Compulsion) with high demands will play a role of a locomotive power for the decent implementation of the mandatory norms by the owners of the apartments of multi-unit buildings, as well as for the acceptance of the new requirements.

**9. To include the need of preparation of building technical passport in the mandatory norms (Rule of Compulsion).**

The building technical passport is a very important document though the requirement of having that is not included in the mandatory norms. The matter is that as of legislation it is obligatory for a car to obtain a technical passport, whereas a building that needs more emergency regulations for its maintenance has not such a demand.

**10. To create common register for multi-unit building management bodies.**

It is necessary to improve the register of the management bodies and make it available for the experts and organizations working in the sphere. It is necessary to mention that the authorized managers are not registered at the State Register of RoA. This fact is an omitting and it needs to be corrected in a way. The information on the management bodies acting in the sphere should be comprehensive and it should present the whole framework of management processes. This very register should be logically connected with the register of the implementation of the mandatory norms. And the information recorded in the register will be very important for the financial assistance provision procedures. Some performance indicators will be put into the register of the management bodies.

### **11. To develop performance indicators of the multi-unit building management body.**

The performance indicators can be the following:

- The per cent of collecting compulsory fees.
- The average time for compulsory fee payment.
- The per cent of bad debts.
- Share of the owners having debts for more than two months' period on compulsory fees.
- Repair costs per apartment, per one square meter of the total space.
- The number of complaints per month.
- The number of damages per month.
- The average time for conducting repairs or regulating the complaints
- Share of the owners satisfied with quality of management services.
- Share of the empty apartments due to management services.
- The average management expenses per apartment, per one square meter of the total space.

Very often they say that this or that condominium is not sustained but they do not give the clear definition of the word "sustained". The above mentioned indicators allow assessing the sustainability level. While conducting surveys among the owners' one can define the performance indicators of the management bodies. A special experiment of assessing the sustainability level of condominiums is the competition of "The Best Building of the City, 2004" that took place in Gyumri.

In any case, we can consider the provision of the requirements of the mandatory norms as simple example of it. This, in its turn is described as the indicator of "per cent of collecting the compulsory fees". This approach can be applied in mid-term until the entities of the sphere gain the high sustainability/development level.

### **12. To conduct comparing analysis of the operations of the multi-unit buildings management forms.**

The multi-unit buildings management forms need to be deeply analyzed. As a result the most applicable form will be disclosed. During the analysis the organizational / juridical, taxation obligations, financial flow, management flexibility, transparency, decision making and operational issues should be discussed. Anyhow, the moral psychological aspect on inclination towards any management form by the owners should be regarded as well.

### **13. A part of the property tax collected from the multi-unit buildings could be directed to the maintenance of the multi-unit buildings.**

Nowadays, the local governments are responsible for collecting property taxes directed to the local budget from the physical and juridical entities. Being the main source of the community budget the property tax can play a significant role for the housing stock maintenance processes.

It is suggested to allocate a portion of the annual resources of the collected property taxes for the housing stock maintenance on competitive basis. This very mechanism will support for making collection of property taxes easier, as well as for housing stock maintenance.

### **14. To implement projects on reconstruction of 3<sup>rd</sup> and 2<sup>nd</sup> damage degree multi-unit buildings with the participation of condominiums and other NGOs.**

There are a lot of 3<sup>rd</sup> and 2<sup>nd</sup> damage degree multi-unit buildings in the Republic that need urgent repair. The major of those buildings are inhabited and from the first sight seem to be difficult to repair. The experimental project implemented by the Urban Institute on recovery of the building #155 in Yerevanian Khchughie, Gyumri, can be considered as a good model for the development and implementation of repair projects. The public involvement and participation is very important in this regard, especially via condominiums. The involvement of the interested NGOs in the sphere is a worthy factor for the successful implementation process and during the post repair period (at least for 6 months). Study tours to Central and Eastern European countries (e.g. Germany, Bulgaria, Hungary, Slovakia, etc.), are important for the representatives of state governmental bodies, local governments, condominiums, and NGOs acting in the sphere. There they will get introduced with their advanced experience on multi-unit buildings recovery. Later, with the obtained knowledge and skills guides should be worked out, seminars and workshops should be organized in place.

### **15. To regulate the inner-building infrastructure.**

It is deeply important to clarify the property category of inner-building infrastructure (electric cables, water supply pipes, sewerage, elevators/lifts, garbage chutes, heating systems, etc.), and the technical separation of those per ownership subjects. The recovery activities on inner-building sub-structures are not less important. This will promote the commercialization of the municipal services, provision of regular quantities and qualitative services to the consumers, maintenance of the buildings.

### **16. To implement targeted economic development projects in earthquake zone communities.**

A lot of new apartments were distributed to numerous vulnerable families as the result of the housing

construction in earthquake zone. But as for the reality the major families are not intended to feel themselves as “full property owners”. In many cases the residents of those apartments sell their private heating devices. There is a restriction on selling the apartments in 5 years period, but it is not kept. All these prove that the distribution of the apartments to the vulnerable families with an ownership was not the best solution of the problem. Regarding the facts we think it important and urgent to implement targeted economic development projects in those communities for creating job opportunities for socially vulnerable. It should be necessary to conduct needs assessment of the employees and implement wide range of training projects before the creation of real jobs for them.

It is important to observe deeply the relations between the economic development and housing sphere and accordingly work out suggestions.

**17. To work out an exemplary training courses for the managers.**

Training courses had been worked out and conducted for the representatives of the condominiums by several NGOs and among them the NGO “Third Nature”. Evaluating the activity very highly we consider it necessary to develop a list of obligatory training courses that will provide a systematic, comprising knowledge to the managers, accountants, technical assistants, and other employees of the condominiums. The training list will comprise topics on general management, human resource management, financial management, taxation, accounting, maintenance and utilization of the buildings and technical systems, public relations (PR), professional/business ethics, computer skills, legislation, decision making, authorization actions, normative documentation, standards.

**18. To introduce a license system for the managers.**

According to the functioning legislation no license is required for the managers of multi-unit buildings management bodies. It is suggested to invest a license system in coming three years period, for which a number of organizational works are to be done. As a starting step it is suggested to license managers of the newly constructed multi-unit buildings.

**19. To organize targeted advocacy campaign both for the multi-unit buildings management bodies, and for the property owners.**

The project process and the general activities in the sphere of the multi-unit housing stock management evidence the importance of the campaign. It is suggested to work out and conduct targeted advocacy campaigns that will give chance both the multi-unit buildings management bodies, and the property owners to get information on the sphere. It is especially important that the property owners should be aware on their rights and responsibilities and apply them carefully. The free dissemination of the information among the property owners will allow them to avoid any violations of their interests by multi-unit buildings management bodies.

**20. To organize national conferences on problems of the sphere.**

It is suggested to organize national conferences twice a year for discussing the problems of the sphere. Those conferences will give chance to raise and discuss the main problems and develop variety of way outs. Besides, the peculiarities of the communities, especially on applying legislation will become issues of discussion.

**21. To conduct electronic discussions.**

An opinion exchange on necessary issues must be conducted among the international donor organizations, NGOs, experts, government and local authorities by means of electronic communication means (website, e-mail, etc.). This method will allow discussing urgent problems on line and assist in working out new approaches on problem solution.

**22. To create collaboration between multi-unit buildings management bodies, interested NGOs, scientific organizations and higher educational institutions.**

It is suggested to create collaboration between multi-unit buildings management bodies, interested NGOs, scientific organizations and higher educational institutions that will allow making the practice closer to the science, to involve new specialists in the sphere, to promote creation of new operating mechanisms.

**23. To raise the issues of mutual interests among the multi-unit buildings management bodies and initiate partnership, knowledge exchange and projects.**

There are similar procedures on management science sphere, which may promote the experience and knowledge exchange and the advancement of the spheres. The issues of mutual interest and the relations between business and multi-unit buildings management are of special interest at this point.

**24. To clarify the relations between multi-unit buildings management bodies and local government bodies legally.**

Much is spoken about the clear relations between multi-unit buildings management bodies and the local government bodies. We suggest conduction of detailed detections and work out proposals.

**25. Information dissemination on the best condominium experience.**

It is necessary to disseminate the information on the best condominium experience within the sphere. It will allow copying the experience and improving it.

**26. Protection of interests in municipal service provision sphere.**

The management bodies and the housing property owners need serious technical assistance for the full protection of their own interests in relationship with the municipal service providers.

There is a need of developing guides on protection of interests and distributing it among the property owners.

**27. To define the terms maintenance, operation, service provision, repair legally.**

It is necessary to define the frequently used terms maintenance, operation, service provision, repair and other similar terms legally for their lack makes a kind of a mess.