

Statement on outcomes and policy recommendation of the Country Profile Kazakhstan

Irina Gentsler

Housing policy

The country's housing policy is aimed at creating conditions for the provision of affordable housing.

Housing construction is one of the strategic priorities of Kazakhstan. A number of state programmes for housing construction and for financial support of population aimed at increasing housing affordability were elaborated by the government since 2005. The latest initiative of the government to address housing affordability is the programme of housing construction "Nurly Zher" which was adopted at the end of 2016.

The government housing construction programmes aim to increase housing availability for the population through the construction of social housing for the most vulnerable groups, rental housing for some target groups of and housing for members of the housing construction savings system.

Despite positive results in the implementation of housing construction programmes, the large group of low-income as well as middle-class households of population has a very limited access to affordable decent housing.

The current government housing policy allows a provision of temporal rental housing built within the state programmes. During 15-20 years inhabitants must buy out their rental apartments. The conversion of multi-family rental houses into condominium objects following their redemption by tenants, reproduces the problems that currently exist with the management of condominiums that emerged as a result of privatization. Rental housing needs to be made affordable and long-term.

Policy recommendations:

- A long term comprehensive housing policy at national level should be elaborated. It is further recommended to synchronize all ongoing and planned government programmes, initiatives and reforms related to housing;
- One central public government authority responsible for housing policy and housing and communal services should assume responsibility for coordination of the development and implementation of the long term housing policy;
- The Government could consider to develop an affordable and social rental housing sector to improve the housing conditions of households that are not able to purchase their own housing on the market. It is advisable for the Government to develop a plan for the establishment of a non-profit rental housing sector based on the experience of European countries (Denmark, Netherlands) and to begin its implementation in cities with significant migratory influx of population.
- The large-scale construction of non-profit rental housing, where some apartments can be provided for social rent, should include special measures to ensure the government support of non-commercial customers and developers, and reduce their costs for the construction of rental housing affordable for the majority of the population: tax benefits, free or subsidized provision of land parcels, access to municipal infrastructure, subsidies for the construction, and subsidized construction loans.

Housing maintenance and management

There are problems in management, maintenance and refurbishment of multi-apartment buildings because cooperatives of homeowners (CHO), dominating this sphere, operate without involvement of homeowners in decision-making concerning their common property in multi-apartment building. CHOs provide services themselves both in the management and

maintenance of apartment buildings although these non-profit organizations do not have professionally trained staff in housing management. The market of housing management and maintenance services is not developed. There is no system of training of professional managers of multi-apartment buildings.

The fee for the maintenance of the common property of condominiums is not enough to ensure all activities required for maintenance of an adequate condition of apartment buildings, energy efficiency and refurbishment. As a result of poor maintenance and investment there is a continuous process of the deterioration of multi-apartment housing stock.

The government-supported refurbishment of apartment buildings is carried out based on available state budget, not on market-based mechanisms.

Policy recommendations:

The Government should consider developing measures to improve the condominium management and maintenance, including:

- improving legislation regulating condominium management, to enhance the role of the homeowners in community property management and to simplify the decision-making process for homeowners;
- providing targeted subsidies (housing assistance) to low-income homeowners to pay for the costs of common property maintenance, refurbishment and energy efficiency improvements;
- implementing measures to raise the awareness of homeowners in apartment buildings about their rights and responsibilities associated with the management of common property, and the advantages of professional services of housing management and maintenance;
- developing a framework for the market of professional housing management and maintenance services;
- transferring to a market-based mechanism of state financial support for refurbishment of multi-apartment buildings.