



Residential Energy Efficiency for Low Income Households (REELIH)

SURVEY OF YEREVAN CITY CONDOMINIUMS CAPACITY
26 November, 2013 – 15 March, 2014

Final Report

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1. Introduction

The pilot project of Residential Energy Efficiency for Low Income Households (REELIH) was initiated by the Habitat for Humanity Armenia (HFHA) financed by the USAID. The project team of the Urban Foundation for Sustainable Development (UFSD) implemented the Yerevan city condominiums survey within the framework of REELIH pilot project as soon as the contract between HFHA and UFSD was signed.

The main purpose of the survey was to determine the current level of effectiveness of Yerevan city condominiums to function in a cohesive manner and specifically for undertaking investment projects in private and common spaces. The survey findings will directly feed into the preparation of a training curriculum for condominiums' heads, administrative staff and owners.

The list of 32 condominiums was assigned by the Habitat for Humanity Armenia (HFHA) (Annex 1). However, the less number of condominiums (twenty two out of thirty two) were surveyed by the UFSD because 10 condominiums didn't complete the questionnaire. The reasons for declining by condominiums to participate in the survey were as follows:

- Two condominiums' heads ("Lilit" and "Nzhdeh" of Shengavit administrative district) pointed out that HFHA project staff had already applied to them with the request to fill out similar questionnaire.
- Two condominiums' heads ("Sasuntsi David" and "Aresh" of Erebuni administrative district) said that it is not worth filling out the submitted questionnaire because they have discussed with their residents the issue of renovation investment project and found them reluctant to participate in this kind of projects because of their insolvency.
- Six condominiums refused to participate in the survey by their heads.

The list of additional 10 condominiums was offered for survey by the HFHA on February 14th, 2014. (Annex 2).

The survey questionnaire was developed by the UFSD project team based on Term of Reference issued by HFHA for tender. The survey methodology was developed by the UFSD staff. Besides, the detailed local legislation regarding to condominiums of the Republic of Armenia was summarized.

The report presents the UFSD condominium survey findings and recommendations to be considered in development of a curriculum for condominiums' heads, management body members and owners further training upon the agreement requirements.

2. Condominiums' local legislation

2.1 Recent changes in legal framework and highlights of current Republic of Armenia housing strategies: Local Legislation regarding HOA/Condominiums

Since independence, Armenia adopted many laws and regulations that govern the housing relationships. "Housing Code of the RoA" was in force until November 2005, after which a new legislative package was adopted by the National Assembly of Armenia (RoA NA), which doesn't close the gap in the housing legislation.

The privatization of housing stock started from 1989 and was terminated on June 23, 2000, when it was amended by Article 29 of the "Law on the Privatization of the RA State and Public Housing Stock" stating that "The privatization of housing stock based on the applications submitted prior to Dec. 31, 1998, shall be performed without any time restrictions." On May 30, 2000, the Republic of Armenia law "On Privatization For Free Apartments in the State Housing Stock" was adopted to allow free privatization to the Armenian citizens of the apartments considered state property (rented out to citizens).

Privatization was executed as a simple deal with a simple transfer of title. The consequences of the transformation of the formerly public good of the common shared property in private ownership were recklessly neglected. The common use of commonly owned infrastructure does not work without contractual or legal agreements between all owners. In the process of privatization this was abandoned. From the distance in time it is difficult to identify the reasons. Probably it was regarded unacceptable to force purchasers into contractual relations with their neighbors. At the same time no model to handle common shared property in a contractual or legal way was easily available.

Privatization was a political priority and urged for quick results. Solving this complicated problem could have hampered or decelerated housing

privatization considerably. On the other hand, obligatory owners' association may have caused constitutional concern regarding freedom of assembly.

From today's point of view the only option for a beneficiary household for privatization should have been the voluntary accession to an owners' association including comprehensive contractual obligations. If a household would not have accepted such a step it should have had the option to remain tenant (possibly connected with some disincentives).

In 1996 the "Law on Condominiums" was adopted. It was amended in 1998. This law establishes a new model of multi-apartment building management. On March 18, 1997, the government of Armenia adopted Resolution 47 "On the Approval of the Unified Maintenance, Operational, Restoration and Servicing Regulations Regarding the Housing Stock." It stated that until the establishment of condominiums, the maintenance, operation, restoration and servicing of construction in general use (building entrances, staircases, elevator pits and other pits, outside corridors and nonresidential constructions, roofs, attics, service floors) and property in general use (elevators; water pumps; water supply, sewerage, heating, refuse collection and other engineering systems; substructures; load-bearing constructions; mechanical, electrical, sanitary engineering; etc.) in apartment buildings were to be carried out by local authorities in compliance with urban development regulations and the unified maintenance, operational, restoration and servicing regulations regarding the housing stock.

The enactment of the Civil Code put in force on Jan. 1, 1999, constituted an important step in providing a conclusive legal environment for the housing sector, in particular with regard to property rights and the development of a functioning housing market. The new Civil Code consists of 11 sections, with corresponding chapters and articles, and is devoted to the right of ownership. The right of personal ownership of citizens consists of the privileges to possess, use and dispose. Many articles deal with the origin and termination of the right of personal ownership, legal guarantees for the protection of the given right, terms and conditions for housing lease, etc. Residential housing is considered one of the most important objects of personal ownership because it satisfies one of the most vital human needs: housing. The citizen's right of personal ownership to a residential house (or apartment) arises when the structure is built or obtained in accordance with the law. In order to build

a house, a citizen is allocated land in accordance with the established procedure.

The Civil Code of Armenia didn't cover some gaps in the legal framework. Rental housing is not adequately treated. The Civil Code provides only basic regulations and procedures for establishing contracts between landlords and tenants. Beyond these, the Civil Code relies on the individual contracts to regulate all details. In practice, those individual contracts are often not concluded at all, and most apartments in the rental housing stock are rented informally. Since the law "On State Registration of Property Rights" (1999) was already in force at the time this procedure was adopted, it would appear reasonable to form leases with people having received housing based on the decisions of housing allocation. The lease is further subject to notarization and state registration in the Subdivision of State Cadastre of Real Estate.

After the establishment of the State Registry of Real Estate (1998-99), the task of registering all kinds of property rights (ownership, use, servitude, collateral, after November 2005 also construction rights) was undertaken. But there are a lot of problems of inadequate property registration, and the registration process of "unauthorized buildings and unauthorized land occupation" is not finalized. However, an important step toward regulating this sector was the enactment in 2003 of the law On Unauthorized Buildings and Unauthorized Land Occupation, which provides the basis for bringing the significant number of informal structures (around 250,000 units out of 400,000) into the formal housing market. The law provides detailed regulations and instruction on how these structures are to be legalized. However, the resulting financial implications are likely to prevent many from taking this step.

The new Land Code (2001), the Law on the Legalization of unauthorized Buildings and Land Occupation (2003-07), the Law on Local Self-Government (adopted in 1996 and in 2002), the Law on Condominiums (2002), the law on Multi-Apartment Building Management (2002), the law On the Legal, Social and Economic Guarantees of Persons Deported from the Republic of Azerbaijan during the 1988-1992 Period and Having Received RoA Citizenship (2002), the law On Ratification of the EQZ Comprehensive Recovery Program (2001), etc., finalized adoption of the laws regulating housing stock. In 2008, two new laws were adopted: "On Covered mortgage Bonds" and "On Assets Securitization and Assets Backed Securities."

Apartment building management and maintenance: Further reform in this area was boosted by adopting laws "On Apartment building management" (2002), a new laws "On condominiums" and "On Local Self-Government" in

2002. Reforms broadened the options for apartment building management by introducing, apart from condominiums, the options of authorized managers (proxy managers) designated by owners and a trustee manager's institute through delegation of owner's management and maintenance responsibilities.

The use of common shared property is regulated with the Law on Apartment Building Management from 2002 and a Government resolution from 2007. But for both, enforcement is lagging behind, particularly because of short funding. The ownership relations and utilization of courtyards are unclear until today. In the course of privatization only the land immediately below the buildings (with 1.5m of spacing around) was transferred to the residents.

The open space between the buildings remained in the property of the municipalities. Nevertheless many courtyards are stuffed with metal boxes as garages. They are not only erected informally on public land, but as well mostly do not meet building regulations. But they often contribute to maintenance funding of the condominium. The non-registry of common property and courtyards is by many experts regarded as major legal deficit.

However, the transformation to the new management system still is not going smoothly. Reportedly, only 20 percent of registered condominium associations are effective. Most owners do not accept responsibility for the common property of their buildings. There is lack of resources, poor service provision and lack of competition, nonpayment of apartment service fees by local governments, lack of knowledge and information by building residents, and a low level of managerial skills by management bodies.

All multi-apartment buildings, which did not form condominiums, continued to be managed and maintained by the public/municipalities. This was done in continuation of the Soviet model of state housing maintenance organizations (zheks). In 1997, in the course of decentralization of political powers, the responsibility for management and maintenance of the housing stock was transferred to the local governments. The zheks were transferred to them and are now municipally owned enterprises. But zhek structures reportedly survived as well in the later development of condominiums, regarding their size, the mean representation of tenants in management decisions, kind and quality of services and even staffing.

Multi-apartment buildings require representation of all owners for management and maintenance of common owned property. This is today achieved neither with condominiums, nor with alternative management bodies provided by Law. The Law on Apartment Building Management introduced the institution of an assembly of owners, which should represent all owners, but does not seem to be effective. Most condominiums have been established only by a simple majority of owners. Merger of condominiums mostly were decided not by the owners at all. Today, most condominiums are nothing but housing maintenance organizations, following the model of zheks. With the difference that they are not owned by the State, but effectively by nobody. With this development the idea of a condominium has been discharged from the original meaning. Owners' representation should be reestablished for new. Representation of ownership on common shared property is not effective on a voluntary basis.

The Law "On Multi-Apartment Building Management defines the assembly of (all) owners as the highest governing body of the management of common shared property (Art. 11). In contrast to this, the Condominium Law defines the general assembly of the condominium members (\neq all owners) as highest governing body of the condominium management (Art. 14). In real practice of big condominiums, neither of these institutions has real power. In these cases, the general assembly does not consist of individual owners or members of the condominium, but of each one representative per building. Individual requests of owners have to be applied in writing and are answered in the same way. Instead of a clear structure with effective power in the hand of the owners, a wish-wash of decision-making power has taken place. No wonder that condominiums complain about difficulties to get consent of the owners in questions where the owners cannot be ignored.

As it was mentioned above, in 2005, the legislative package had been prepared "to assess the existing legal framework for mortgage finance in Armenia, identify gaps and weaknesses in the laws, and advise the government of Armenia on areas where improvements or additions are needed, both in primary market laws and in the legal framework necessary for development of a secondary market for mortgage funding."

However the Armenian government has not yet formulated its policies to develop a comprehensive national housing strategy and to address all housing problems effectively. It is important to legally announce government obligations to the socially vulnerable groups along with the ways of solving

their housing problems using a public-private partnership model. There are a lot of relationships that are not regulated by the Civil Code or the laws “On management of multi-apartment building” or “On condominiums,” such as the establishment of social housing systems in Armenia including the social rental housing sector, a provision for the definition of “socially vulnerable,” “social” and “affordable” housing, assessment criteria definition, needs-assessment methodology, criteria of registration and housing provisions, etc.

Housing policy in Armenia remains embryonic. Indeed, much of the housing stock is owned by individuals who have become owners of apartments occupied during the Soviet era and whose maintenance is very low. In the absence of an effective practice of eminent domain, public agencies cannot provide the infrastructure necessary for expanding cities or for revitalizing and upgrading established neighborhoods.

Key legal problems in the field of housing are:

the lack of housing strategy development and clear policy on state/LG responsibilities to vulnerable groups;
clear separation of responsibilities among state and local authorities;
private-sector involvement in housing industry and finance;
improvements of eviction, foreclosure and bankruptcy mechanisms to conduct legally transparent and sustainable transactions in real estate, including sales and other transfers of nonperforming loans and,
the implementation and enforcement of acting laws and regulations in the field of multi-apartment building maintenance and management.

Other Problems are:

weak capacity for building management, project development, financial planning and management, fund-raising, human resources, reporting and customer/member relations.

poor creditworthiness due to their new status, slow development, failure to collect service fees, and failure to conduct creditworthy accounting, bookkeeping and reporting.

difficulty securing the necessary number of votes for strategic decision-making with respect to heat supply issues; the situation is exacerbated by the growing number of autonomous apartment-level solutions) and the significant share of absentee households (~20%);

the need, often, to sign individual loan repayment and service supply contracts with each households due to mistrust and lack of experience of purchasing utility services from the intermediary.

It is necessary to build homeowners capacity how:

- to manage the common shared property in multi-apartment buildings in compliance with regulations;
- to represent and protect the common interests of property (apartment) owners of multi-apartment building in state and local self-governing, judicial and other relevant bodies, in cases provisioned by the law;
- to make contracts with organizations providing utility services, including heating, which do not contradict Armenia's legislation.

The priorities in the field of urban development according to Armenia Housing Study (prepared by UFSD experts in 2009) are:

- Support projects for the management and maintenance of multi-apartment buildings.
- Upgrade communal infrastructure in multi-apartment buildings, monitoring communal services (service provider-customer) in the buildings.
- Strengthen the concept of social housing (adoption of the law and regulations on improvement of housing conditions).

To develop a national strategy, the government needs to monitor the implemented and current projects from the past 15-20 years, and compare all recommendations, suggestions and lessons learned during implementation of the projects developed and implemented by governmental or other donor organizations. The government should take into account the economic development of the country, the overall poverty reduction strategy, and the evaluation of main risks for vulnerable groups in Armenia who have difficulties meeting their own housing needs.

Good governance can be recognized if policy measures become effective with only small visible pressure of authorities. This requires regulations close to public understanding of fairness, participation of big parts of population, legislative transparency and trust in the authority of state institutions,

altogether political leadership. Legal regulations have to be written according to the recipient. Laws targeting individuals (e.g. on condominiums) must fulfill quite different criteria of tangibility compared e.g. to company law, which regulates economic units. The former have to be brief and well understandable. More than this the legal requirements have to be achievable with USUAL efforts. Legal enforcement can be improved heavily if combined with economic incentives. A carrot and stick strategy is in most cases recommendable. Citizens usually try to follow the rules. They will do so more willingly, if the requirements are achievable and they can see economic benefit.

It is necessary to develop and decide major amendments to the Condominium Law (2002) and the Law on Multi-Apartment Building Management (2002). Several related Government Decisions need to be amended as well and should be merged to one comprehensive legal body. The establishment of a PPP Housing legislation requires fundamental reform and improvement.

2.2 Issues regarding management of common property of multi-apartment buildings and renovation activities in multi-apartment buildings

Management of multi-apartment buildings in the Republic of Armenia is regulated by the Civil Code of the RoA, the Law on Multi-apartment Building Management and the Law on Condominiums.

The Law on Multi-apartment Building Management shall regulate management relations of common shared property of multi-apartment buildings, shall define management procedures of common shared property of owners of multi-apartment buildings, forms of management, responsibilities of management bodies, formation of management bodies, termination of their operation, as well as interrelations with the state and the local self-government body and organizations. However in reality the buildings are hardly managed by anyone and the state of common shared property remains poor.

The common shared property of multi-apartment buildings belong to all apartment owners of the building according to the Law though no right to the property is registered at the Real Estate State Registration Office and basically no record exists in the Ownership Certificate issued in the name of the apartment owner. Ownership rights to the land and basements belonging to the building and necessary for its maintenance, in particular, are not registered. If they are not registered, then they are not protected, i.e.

anybody, even the municipality, can give common shared property to other party without having consent of residents.

Many issues related to further management of a multi-apartment building, improvement and renovation of common property, occur as the rights to the common property are not registered, and relations between the apartment owners of the building are not established through contractual relationship, as well as because of unclarity and deficiencies in the laws regulating the said relations and absence of enforcement mechanisms.

The highest body of common shared property management, the General Assembly of the Owners of the Buildings, have the right to solve any issue occurred in the field of management of the common shared property (excluding issues that are under exclusive authority of the Management Body/Condominium as per the aforementioned Law), however not all owners are involved in the actual management of the building, only one representative per apartment does (irrespective of the number of persons having the right of the ownership to the apartment). In some cases the Management Body/Condominium make decisions that are not within its jurisdiction.

A number of studies prove that the common shared property of multi-apartment buildings is controlled without consent of other owners of the building, particularly it refers to the roofs, basements, staircases, outdoor areas, etc. For example, the roof is provided to one of the last floor residents, the basement to a first floor resident or other person who is not a tenant of the building, and no prior written consent is signed by the owners of the building about alienation of a common shared property to any particular person. There is no decision/attitude of the multi-apartment building Management Body on the matter as well.

The common property of a multi-apartment building has been alienated for years and is currently being alienated by the decision of the local self-government, despite the fact that it is owned by the tenants of the multi-apartment building and such decision shall be made by all owners of the building.

Using aforementioned deficiencies caused by legal regulations related to multi-apartment buildings, lack of competent supervision, as well as lack of collective management culture and skills to treat with common shared property of multi-apartment buildings, the owners at their own judgment deal with reconstruction/reinforcement, renovation, modernization works of their property and common shared property, ignoring the construction norms and standards, the rights and legitimate interests of owners and users.

Current RoA legislation, not clearly defined, regulate the construction industry. It is true that there is no Construction/Building Code in Armenia, which would regulate construction activities in multi-apartment buildings as well, however RoA Law on Urban Development with a number of other laws and by-laws controlling urban development, basically regulate receipt of demolition/ construction permit, order of design-drawing documentation (planning, estimation) in conformity with construction standards, provision of technical examination, implementation of the construction based on that examination and certification/documentation of the construction completion. The website of the RoA Ministry of Urban Development permanently posts the list of Urban Planning Normative Documents (the last one for 2013.01.01 - 2013.12.15 period), in conformity of which use of buildings, renovation, reconstruction, rehabilitation, heating, fire protection and other activities of all buildings should be carried out. (<http://www.mud.am/lovs/files/Cankipop2013.pdf>)

According to the RoA Law on Urban Development (passed by the National Assembly on 05.05.1998) the owner of the real estate property or the user who has the right to modify it shall act as a developer while carrying out construction, and shall use his property only for its intended purpose and operate in conformity with the acting norms and standards.

The developers are required to carry out the construction in conformity with the law, based on approved architectural and construction design and construction permit (except for activities not requiring a permit for construction activities set out in Article 23 of the law), by receiving from the local self-government bodies specifications on engineering and infrastructure design and by assuring technical examination of design-drawing documents in accordance with the established by the Government of Armenia procedures.

The developers are required to complete the construction by the deadline estimated for construction of buildings and structures and set by construction permit and provide certification/documentation of the construction completion in accordance with the law.

However, in accordance with Article 8 of the Law on Multi-apartment Building Management the owner is entitled to

- without the consent of other owners, open windows, doors, entrances, chimneys, walls and other aperture, staircases, stairs or close them for non-commercial purposes, as well as pursue other construction activities connected with interior or exterior walls of the building or adjacent to the walls (including the cases when the walls are common shared property in whole or in part)

- without the consent of other owners develop mechanical, electrical, sanitary and other communications (including cases when it is held in whole or in part through or over the common shared property, or by its use), if such actions do not weaken load-bearing points of the building and, do not hinder operation of engineering communications (infrastructure), mechanical and other building equipment, and do not result in infringing common property rights of owners to possess, use, operate their buildings.

Basically the owners perform the abovementioned actions without permits and approval documents, disregarding construction codes and standards, as they consider that they are entitled to do it by Law on Multi-apartment Building Management. It is worth mentioning that receipt of permit is time consuming, sometimes impossible, expensive (eg, conclusion on seismic stability or load-bearing points).

At the same time management practice of common shared space by all types of Management Bodies (condominium, trusty management, proxy management, management by municipality) is not properly studied yet, as well as implementation and enforcement mechanisms are not defined yet (for example, procedures to measure and register the maintenance area of the multi-apartment buildings, procedures for use of yards of multi-apartment buildings are not clearly set, procedures for use of multi-apartment buildings' infrastructures, including water, sanitation, electricity and gas, by public service providers are not clear).

2.3 RA legislative regulations concerning constructional and repair activities in multi-apartment buildings

Common shared property of multi-apartment buildings is possessed and used by the owners of residential and non-residential structures of the building in compliance with general norms of the Civil Code, including procedures envisaged by the Law on Multi-Apartment Building Management (Law on Multi-Apartment Building Management, hereinafter referred to as Law on MABM, clauses 5 and 7).

The meeting of all owners of the structures (hereinafter referred to as Meeting) is the highest governing body of the management of common shared property. The meeting shall have the right of final decision on any issue related to management of common shared property of the multi-apartment building, except for issues that are considered the exclusive authority of the governing body according to the Law on MABM.

If the structure is held with the right of common joint ownership by more than one person, one of the co-owners shall act in the meeting on behalf of the others at their consent. If the structure is held with the right of common shared ownership by more than one person, each of the co-owners shall act in the meeting to the extent of his/her interest or one of the co-owners authorized by the others may be participating in the meeting (Law on MABM, provision 11).

Law on MABM does not say anything about the form of consent and authorization, though in the case of analogous relations similar consents and authorizations must be provided at least in writing, and must be certified by a notary in those cases when it is envisaged by legislation or the statute of the governing body.

The following activities are under competence of the meeting of the owners of the multi-apartment building structures:

- Coordinate conducting of substantial transactions;
- Adopt decisions on building up or amendment of entire common shared property

or a part thereof;

- Define the payment procedure and deadlines for payments, other than obligatory,

charged from owners (Law on MABM, article 11, clauses g, j, o).

Although law on MABM does not refer to partial repair/reconstruction, it is clear that building up and modifications of common shared property or a part of it include any type of repair, modernization, reconstruction, so it definitely can be said that such a decision should be taken by all building owners or their representatives pursuant to the stipulations of the law.

The decisions on construction or modification of common shared property or any part of it, as well as on management of common shared property, including decisions about signing contracts with utility providers by the building governing body, shall be adopted by a vote of at least two-thirds of the owners of the multi-apartment building (Law on MABM, article 11, clause 7, j, t), unless, of course, more stringent conditions are defined by the charter of the governing body.

Every owner of common shared property shall participate, to the extent of his/her interest, in expenses, taxes, duties and other payments directed at performance of binding norms and requirements as well as in expenses connected with property maintenance and use. (Law on MABM, article 9; RA Government Decree No 1161-N dated 04.10.2007 "On establishing the binding norms for protection common shared property in multi-apartment buildings").

If the owners of residential and non-residential structures of a multi-apartment building have decided to repair, reconstruct, modify common shared property structures, equipment, infrastructure or other property, then the necessary actions according to procedures established by RA legislation can be divided into the following steps in order:

Step 1 - Meeting decision of all authorized owners of the multi-apartment building about reconstruction, modification, repair or other changes of the common shared property (decision shall be taken in the above order).

Step 2 - The architectural design task formulation, including technical conditions

The first step in construction procedure is receipt of architectural design task (or planning permission). The real estate property owner (or the user authorized to modify it) in order to get the task submits an application form (form N1) to the Mayor, if construction permit is required for the planned activities.

The architectural design task defines binding requirements of development of planning documents, demands and restrictions connected with construction activity in the given area, as well as development stages of planning documents, necessary baseline data and technical design conditions of engineering infrastructures (water supply and sewerage, power supply, etc.) of the construction unit. The task, and technical conditions as an integral part of it, are provided free of charge (RA Law on Urban Development, RA Government Decree No 1473-N dated August 29, 2002 "On confirmation of the procedure of giving architectural design task").

Step 3 - Order and development of architectural design based on signed agreement between the licensed organization and the client (RA Government Decree No. 812 dated 21.12.1998, as well as inspection of architectural design and estimation documents (RA Government Decree No. 711 dated 06.05.2010 "On confirmation of the procedure of inspection of construction documents"). The client concludes an agreement with the contractor, having license to carry out design activities, pursuant to the stipulations of RA Law on Procurement and submits the contractor the following tasks:

- a) Architectural design task, including technical conditions of engineering infrastructures (water supply and sewerage, power supply, etc.) of the construction unit as an integral part of it, due to the procedure stipulated by RA Government Decree No 1473-N dated August 29;
- b) The design task developed by the client;
- c) Findings on technical conditions of the unit to be reconstructed, reinforced, recovered and modernized prepared due to the procedure stipulated by RA Government Decree No. 346 dated October 30, 1996;
- d) engineering and geological survey materials.

The designer shall bring together baseline materials or part of it regarding points c) and d) of this step, as well as develop additional materials if it is necessary for design activities and is set by the subcontract. (RA Government Decree No. 812 “On Defining the Order for Approving the Development, Expertise and Coordination of Designs for Residential, Public and Industrial Buildings and Constructions” dated 12.12.1998)

In general construction activities of a multi-apartment building need simple inspection (examination). Simple inspection is intended for those design documents which are excluded from the lists of documents for construction units subject to special comprehensive and comprehensive inspection. Simple inspection (or guarantee) of the design has to meet the following requirements:

reliability, stability, safety of architectural-construction system and exterior and interior engineering system of the construction unit;
compliance of design documents to legislative and normative-technical requirements to protect human health.

Step 4 - Receipt of construction/demolition permit (RA Government Resolution No. 91 dated 02.02.2002 "On establishment of the order of permission for construction and demolition in the RA").

Construction permit is a document that certifies the right of the developer to carry out construction activities in the land allocated for new construction, as well as in existing buildings and structures. In administrative boundaries of the community construction (demolition) permit to a developer (owner or an authorized person) is given by the Mayor. The head of the community gives a permit or denies it (informing in writing about the grounds of refusal).

Without permit construction activities can be held only in the units classified at low risk (grade I) (RA Government Resolution No. 91 dated 02.02.2002, confirmed by Appendix 2, clause 1, b).

Step 5 - Implementation of construction in accordance with the subcontract concluded between the client and the licensed (construction) organization (RA Government resolutions No. 91, dated 02.02.2002; No.626 dated 05.08.2003).

During the construction process technical inspection to oversee the quality of the work is being carried out. Technical inspection is provided based on the RA MUD Order on Providing Technical Inspection of Construction Quality No 44 dated 28.04.1998. Main issues of technical inspection are: provision of required quality of construction-repair work, compliance of work with architectural-design documents, acting norms, standards and construction laws.

The rights of authors developing planning documents are established by the Law of the Republic of Armenia on Copyright and Related Rights and other legal statutes.

Persons developing planning documents are required to have the proper functioning license for the cases provided by law and act in compliance with requirements for development of planning documents and urban normative-technical documents envisaged by the Law on Urban Development (article 8).

Step 6 - Inspection of the construction unit (RA Law on Urban Development) Inspection by the State Inspection of RA Ministry of Urban Development is carried out at the beginning of the construction works and is free of charge. Duration of inspection is 1 day.

At the completion of construction the RA State Inspection of RA Ministry of Urban Development carries out inspection through participation in activities of the Commission to accept the construction unit (Law on Liability for Violation of Rights in the Field of Urban Development of RA, 04.28.1999; RA Code on Administrative violations, 12.06.1985.)

Step 7 – Documentation of the completed construction commissioning (RA Government decree No. 626-N dated March 8, 2003 On Approval of Order of Documentation of Completed Construction Commissioning)

After getting information about completion of construction and before the Commission activities start, the developer applies to relevant state bodies (as stipulated by law) and the commissioning organizations (in case if relevant service contracts should be signed or acting ones should be amended for the unit commissioning) offering to be involved in the Commission's work. Developer receives name of the candidate within 5 days. Commission carries out activities at the developers' expense.

All members of Acceptance Commission should sign the acceptance statement, each of them shall be responsible for the decision adopted by the Commission pursuant to the stipulations of the law.

Acceptance of the completed construction commissioning shall be documented by a statement of commissioning (form N1), when all planned activities are completed in compliance with approved design documents and construction subcontract, the builder has handed the completed construction over the developer in conformity with the law and requirements and has received the developer's approval.

The mayor approves commissioning results of the completed construction. Handover-takeover statement signed bilaterally between the builder and the developer, or the commissioning statement (form N2) issued by the Acceptance Commission ensure conformity of the completed construction unit with approved design and quality technical control documents. This is justified by performance documents, as well as conclusions made by organizations commissioning engineering, technological equipment, infrastructure facilities and networks.

Step 8 - Registration of the construction unit with the RA State Committee of the Real Property Cadastre (RA Law "On state registration of rights to property", 14.04.1999, HO-295)

After receipt of commissioning statement about the completed construction state registration of ownership right to the construction unit shall be carried out. With this purpose the developer shall submit an application to the State Committee of the Real Property Cadastre.

Within the framework of registration cadastral mapping of the construction unit shall be carried out within 3 days (1 or 1-2 days).

Fees are presented by legal statutes (RA Law on the State Duties; Order of the Head of the State Cadastre N753, dated 10.01.2002; Price list approved by Order N99 dated 04.23.2009 by the Head of the State Committee of the Real Estate Cadastre).

3. Condominiums' Survey Methodology

The methodology of survey was developed by the UFSD and includes the following steps:

Step 1. Development of the Survey Questionnaire (Annex 3).

Step 2. Interviews with thirty two condominiums' heads/authorized staff.

Step 3. Review of the results of the survey.

Step 4. Development of the list of subjects for the curriculum of further training of condominiums' heads/management body members and owners.

4. Organization and conducting of interviews

The Municipality of Yerevan (particularly Mr. Zeynalyan, Head of Condominiums Department) took part actively in the process of arrangement of condominiums' heads or authorized staff members' interviews. The UFSD interviewers visited the condominiums' offices after Mr. Zeynalyan preliminary phone calls to the condominiums' heads or authorized staff members. It is notable that not all of the condominiums have appropriate office conditions. Therefore, in some administrative districts (for instance Nor-Nork, Kanaker-Zeytun, Davtashen) few condominiums' heads and authorized staff members were invited to other offices where the interviewed people filled out the questionnaires (Photos 1, 2, 3).

The UFSD experts gave some instructions during the interviews regarding to the questionnaire completion process and for clarification of questions. The interviewed people were asked to fill out the table which contained data on

buildings maintained by each condominium, as well as to give the financial information on condominiums which was laborious work requiring time. Therefore, a second visit was made by the UFSD experts to each condominium office to take filled out tables and completed financial indicators.

5. Review of Condominiums' survey results

Implementation of thirty two condominiums' survey allowed considering the following main aspects of condominiums' activity:

- a) the financial condition of the surveyed condominiums
- b) the condominiums' experience to undertake some renovation investments project
- c) the managerial skills of administrative staff to function in a cohesive manner
- d) the subjects for the curriculum of further training of condominiums' heads, administrative staff members and owners.

5.1 Financial condition of surveyed condominiums

The financial condition of the surveyed condominiums was estimated based on the analysis of data regarding to collection of condominiums' monthly revenues (Table 1) and answers to questions ## 1-5 and 24 of the Questionnaire (see Annex 3).

As the data of Table 1 shows, particularly all of the surveyed condominiums lack in monthly revenues collection.

Table 1. Data on surveyed condominiums

##	Condominium name	Number of Buildings	Number/% of steel-concrete buildings	Number/% of stone buildings	Number of apartments	Total common area (m ²)	Residential area (m ²) – number is based on the sum of apartment areas reflected in the Title Certificate of Apartments	Monthly fees per m ² (AMD)	Average planned monthly collection (AMD)	Average actual monthly collection (AMD)
1.	Nor Nork 1/8	28	18 or 64 %	10 or 36 %	1702	99 802	73 151	14 and 18 (for buildings with elevator)	1250000	763000
2.	Nor Nork 1/7	30	20 or 67 %	10 or 33 %	2000	104 936	82 309	18	2181200	875750
3.	Nor Nork 5/3	26	21 or 81 %	5 or 19 %	1455	92 590	63 996	10 and 15 (for buildings with elevator)	1313800	1171750
4.	Nor Nork 8	43	43 or 100 %	-	1892	117 996	76 937	13	1475000	103025

5.	Nor Nork 7/5	25	25 or 100 %	-	1062	82 400	48 900	10	895800	450500
6.	Kaym 11	63	39 or 62 %	24 or 38 %	2382	207 270	167 657	17	2850200	1450400
7.	Sevak	25	6 or 24 %	19 or 76 %	1228	94 374	77 762	15 and 25 (for buildings with elevator)	1324800	944400
8.	Haghtanak	38	21 or 55 %	17 or 45 %	1690	109 070	108 234	No data	3100000	2423000
9.	Davtashen 1/4	21	21 or 100 %	-	1051	70 000	70 000	20	1400000	840000
10	Davtashen 1/1	14	14 or 100 %	-	648	55 000	27 000	20	1100000	642400

11.	Davtashen 2/1	26	26 or 100 %		1189	118 370	94 422	20	1649000	958000
12.	Shenqeri karavarium	322	-	-		No data	Data is not provided	10 and 20(for buildings with elevator)	Data is not provided ¹	Data is not provided
13.	Qnar	128	32 or 25 %	96 or 75 %	5650	337 115	Data is not provided	15 and 25 (for buildings with elevator)	5800000	Data is not provided
14.	Ajapnyak 1	28	27 or 96 %	1 or 4 %	1596	68 960	49 546	15	1320000	110600
15.	Manushak	17	-	17 or 100 %	748	30 974	20 604	14	492000	442000

¹Financial data is not provided by the condominium management staff because by them it is confidential information. Data on total living are is not available as a number of buildings have been included in the condominium and the latter does not possess the data yet.

16	Rusanna	15	10 or 67 %	5 or 33 %	580	39660	21 813	15	595000	508500
17	Rosanna	12	4 or 33 %	8 or 67 %	600	42000	23 100	15	630000	346660
18	Armine	35	-	35 or 100 %	1659	99300	66 531	15	1233000	888660
19	Anushik	37	36 or 97 %	1 or 3 %	2305	179870	93 532	15	2635000	1623250
20	Argishti	24	11 or 46 %	13 or 54 %	1421	103571	72 500	15 and 20 (for buildings with elevator)	1454000	1030000
21	Sebastia -2	62	51 or 82 %	11 or 18 %	3279	236 562	236 562	15	3563000	2717600
22	Lchap	14	9 or 64 %	5 or 36 %		62442	53 075	20	1376158	963000
23	Zeytun 98	53	45 or 85 %	8 or 15 %		172834	152128	15 and 27 (for buildings with elevator)	3 142 000	2 042 000

24	Kars	31	30 or 97 %	1 or 3 %		80574	67 144	14	1 000 000	692 500
25	Artsakh 4	10	5 or 50 %	5 or 50 %		38842	26 775	15	661 000	461 000
26	Lilia	40	40 or 100 %	-		121375	121 375	15	1 867 900	1 226 000
27	Ejmiadzin	25	25 or 100 %	-		11200	47 831	15	1 431 250	987 500
28	Arsen	31	31 or 100 %	-		87520	46 065	15	1 300 000	1 082 750

29	Kentron	391	97 or 25 %	294 or 75 %		129084 4	1060000	15 and 20 (for buildings with elevator)	28 617 000	27 451 4
30	Kentron 1	234	61 or 26 %	173 or 74 %		780000	693 223	15 and 20 (for buildings with elevator)	19 167 000	16 292 0
31	Avan	18	18 or 100 %	-		51540	42 876	17	890 000	890 000
32	Avan 4	46	46 or 100 %	-		143629	78 170	17	2 516 000	2 480 00

	<i>Average</i>									

Most of condominiums' heads or authorized staff members (23 people or 72 %) (*Hereinafter is referred to as respondents*) indicated roofs, basements, staircases as a common using space. Six out of 32 respondents mentioned that their condominium has some other type of real estate or movable property (for instance office, equipment, trucks, and tools).

Around 70% of respondents indicated that there are closed apartments in their buildings. Information received about closed apartments of 410 buildings (which have 21,016 apartments in general and 51 apartments per building on average) showed that 10% of apartments are empty. In respondents' opinion, existence of closed and/or empty apartments effects negatively on the monthly revenue collection and creates difficulties for making plans for the following year. While making plans for collection heads of condominiums have to consider average amount of unpaid fees of previous years, unpaid fees for empty apartments, fees for rented apartments (those that become closed from time to time), debt repayment as per written or verbal agreement or court's judgment, and by juxtaposing with each other add to or subtract from the product of residential area and m². However, it doesn't effect on decision making process regarding common using spaces repair and renovation investments.

Only one respondent out of thirty two said that the maintenance fees are being collected once a month by the authorized person who is the condominium staff member. The significant part of respondents (28 respondents or 88%) answered that fee collection is a daily process. Some of respondents said that residents themselves come to condominium office to make monthly maintenance payment. Despite not all respondents indicated the actual data for monthly fees collection, all of them (excepting "Avan" condominium) told that there is a debt in fees payment (see Table 1). The average percentage of debt makes 28%.

Twenty eight respondents (87 %) said that there are other sources for their condominium revenue than residents monthly fees. Only four respondents pointed out that they have no other sources of revenue. The following revenue sources were mentioned by respondents (Figure 1):

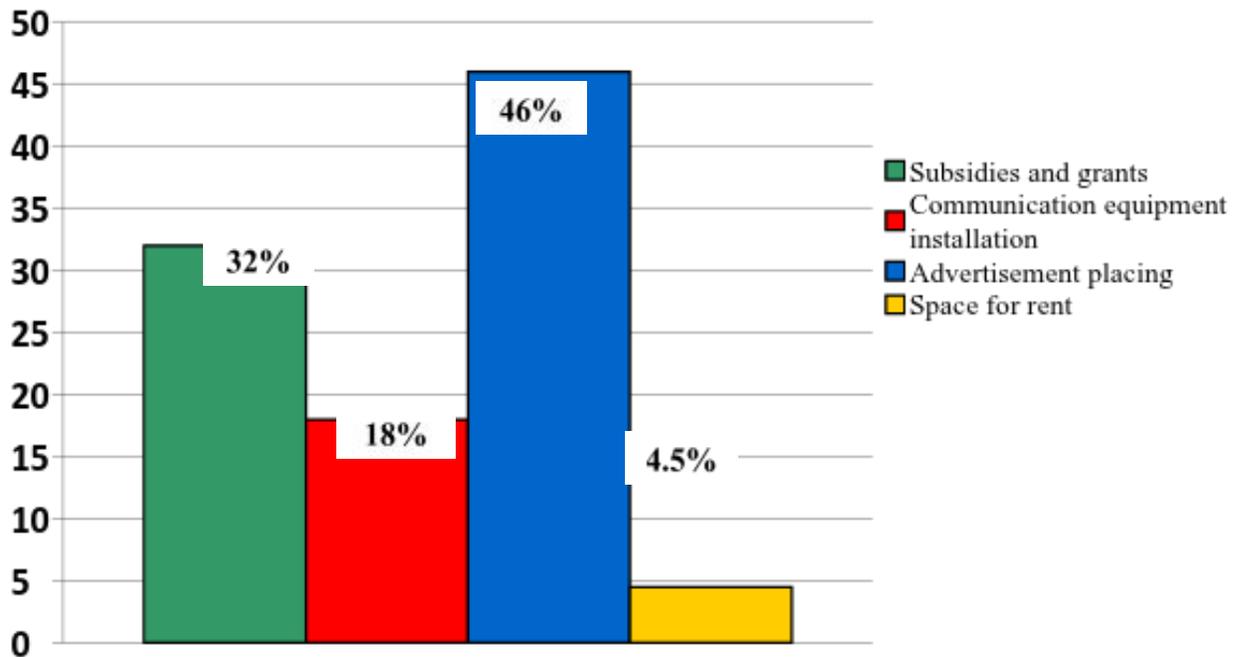
- Subsidies and grants (7 persons)
- Communication equipment installation (in majority cases it is a satellite antenna installation on the building's roof) (6 persons)
- Advertisement placing in elevators' booths (15 persons)

- Rent of spaces (1 person)

Only six respondents mentioned that all expenditures are in correspondence with the condominium budget. The following expenditures were indicated by the respondents:

- Planned maintenance works and repairing in the buildings (20 respondents' answers)
- Condominium administrative staff remuneration (salary, taxes) (25 respondents' answers)
- Mandatory norms provision (18 respondents' answers)

Figure 1. Breakdown of respondents' answers to question "Whether the condominium has other revenue sources than residents' monthly payment?".



The personal information regarding to each condominium revenues sources and expenditures is presented in Table 2 below.

Table 2. Condominiums' revenues and expenditures.

##	Condominium name	Total Annually Collected Revenues in 2013 (AMD)	Other Revenue Sources, excluding annually collected revenues	Expenditure Items					
			Revenues other than fees (AMD)	Subsidies and grants (AMD)	Communication equipment installation (AMD)	Advertisement placing in elevators' booths (AMD)	Rent of spaces (AMD)	Planned maintenance work and repairs in the building	
1.	Nor Nork 1/8	9,156,000	260,000	0	160,000	100,000	0	+	
2.	Nor Nork 1/7	10,509,000	130,000	0	0	130,000	0	+	
3.	Nor Nork 5/3	14,061,014	No other sources	0	0	0	0	+	
4.	Nor Nork 8	12,362,680	612,000	0	0	612,000	0	+	
5.	Nor Nork 7/5	5,406,000	332,000	0	0	332,000	0	+	
6.	Kaym 11	17,405,000		+	0	+	0	+	
7.	Sevak	11,333,200	172,800	0	0	172,800	0	+	
8.	Haghtanak	2,976,000	2,000,000	2,000,000 in 2013	0	0	0	+	
9.	Davtashen 1/4	6,694,758	No other sources	0	0	0	0	+	
10.	Davtashen 1/1	7,709,001	50,000	0	50,000	0	0	+	
11.	Davtashen 2/1	11,500,600	515,000	0	0	515,000	0	+	
12.	Shenqeri karavarum		+	0	0	+	0		

13.	Qnar		+					
14.	Ajapnyak 1	13,280,000	2,616,000	0	2,040,000	576,000	0	+
15.	Manushak	5,315,400	400,000	400,000	0	0	0	+
16.	Rusanna	6,102,000	+	+	0	0	0	+
17.	Rosanna	4,160,000	+	+	0	0	0	+
18.	Armine	10,664,000	+	+	0	0	0	+
19.	Anushik	19,479,400	2,352,000	1,800,000	0	552,000	0	+
20.	Argishti	12,359,700	285,400	0	0	285,400	0	+
21.	Sebastia-2	32,612,000	3,480,000	0	0	290,000	0	+
22.	Lchap	11,559,711	4,980,000	0	0	0	4,980,000	+
23.	Zeytun 98	24,505,000	480,000	0	0	480,000	0	+
24.	Kars	8,310,000	No other sources	0	0	0	0	+
25.	Artsakh 4	5,529,700	3,171,600	0	3,171,600	0	0	+
26.	Lilia	14,711,300	No other sources	0	0	0	0	+
27.	Ejmiadzin	11,850,000	360,000	0	0	360,000	0	+
28.	Arsen	12,993,000	605,000	0	0	605,000	0	+
29.	Kentron	329,417,000	4,200,000	0	4,200,000	0	0	+
30.	Kentron 1	195,500,000	5,000,000	0	0	5,000,000	0	+
31.	Avan	10,681,000	1,200,000	0	1,200,000	0	0	+
32.	Avan 4	29,767,000	No other sources	0	0	0	0	+

As the Table 3 below shows, the most of respondents pointed that there is no possibility to find additional resources collected from the owners and increase the fees size paid by owners against of services provided by the condominiums.

Table 3. Collection of additional financial resources

##	Condominium name	Estimate which addition financial resources the Condominium could collect from the owners	Estimate how the maintenance fees could be increased.
1.	Nor Nork 1/8	“difficult to answer”	“hard to answer”
2.	Nor Nork 1/7	“difficult to answer”	“hard to answer”
3.	Nor Nork 5/3	“not possible”	“not possible”
4.	Nor Nork 8	“not possible”	“by 1-2 AMD”
5.	Nor Nork 7/5	“not possible”	“not possible”
6.	Kaym 11	“difficult to answer”	“not possible”
7.	Sevak	“not possible”	“not possible”
8.	Haghtanak	“it depends from the work implemented”	“current fees is appropriate”
9.	Davtashen 1/4	“not possible”	“not possible”
10.	Davtashen 1/1	No answer	No answer
11.	Davtashen 2/1	“not possible”	“not possible”
12.	Shenqeri karavarum	“not possible”	“Monthly fees per m ² could be 20 and 30 AMD (in the buildings with elevator)”
13.	Qnar	“not possible”	“it depends from population solvency”
14.	Ajapnyak 1	No answer	No answer
15.	Manushak	“it should be answered after	“no possible now”

		discussion with people”	
16.	Rusanna	“in case of large-scale works 50% of cost could be covered by owners”	“not possible”
17.	Rosanna	“in case of large-scale works 50% of cost could be covered by owners”	“not possible”
18.	Armine	“in case of large-scale works 50% of cost could be covered by owners”	“not possible”
19.	Anushik	“in case of large-scale works 50% of cost could be covered by owners”	Could be increased with 5 AMD
20.	Argishti	No answer	“it already increased with 5 AMD”
21.	Sebastia-2	“it depends from work quality and effectiveness”	“couldn’t be raised such kind of issue at the date”
22.	Lchap	“it depends from the necessity”	“there is no need yet”
23.	Zeytun 98	“in case of large-scale works 40% of cost could be covered by owners”	“not possible”
24.	Kars	“in case of large-scale works 50% of cost could be covered by owners”	“not possible”
25.	Artsakh 4	“not possible”	“not possible”
26.	Lilia	“in case of large-scale works 40% of cost	Could be increased with 5 AMD

		could be covered by owners”	
27.	Ejmiadzin	“in case of large-scale works 50% of cost could be covered by owners”	Could be increased with 5 AMD
28.	Arsen	“not possible”	“not possible”
29.	Kentron	Should consult would resident	High storey building 5 AMD, low storey building 10 AMD
30.	Kentron 1	Don’t know	Could be increased with 5 AMD
31.	Avan	“in case of large-scale works 50% of cost could be covered by owners”	Could be increased with 3 AMD
32.	Avan 4	“in case of large-scale works 60%, 70% of cost could be covered by owners”	Is not real

5.2 Condominiums' experience to undertake some investments projects

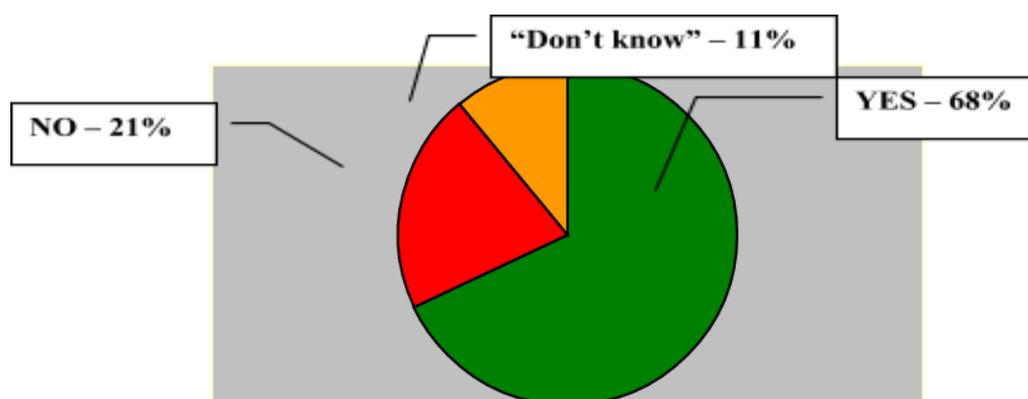
Most of surveyed condominiums (22 respondents or 69%) haven't any experience in management of loans or credit projects on behalf of condominium owners. Ten respondents

(31%) told that they have such experience. Particularly, the following investment projects have been managed by the condominiums:

- By "Kaym 11" the condominium has borrowed from the bank two hundred thousand AMD without fee charge for renovation of buildings' entrances during 6 months in 2003.
- Water system renovation by Japanese fund ("Anushik", "Manushak", "Armine", "Ruzanna", "Rozanna", "Argishti", "Artsakh", "Avan" condominiums)
- "Ajapnyak 1" condominium renovated five buildings by "Food green" Canadian fund with 50% residents' contribution in 2000.

Twenty two respondents (68%) indicated that a few owners (no number was mentioned) from their buildings had undertaken a bank credit for their apartment renovation or other purposes (daily living needs, medication, education, etc.) but never for maintenance or repairing of common using space (Figure 2).

Figure 2. Breakdown of the respondents' answers to question "Whether apartment owners have some experience in credit or loan undertaking with purpose to renovate their apartment or common using space?"



5.3 Condominiums' maintenance activities

Almost all respondents (30 respondents) pointed that they implement planned maintenance activities regularly. The breakdown of answers to question “How often planned maintenance activities are being conducted by the Condominium?” is presented below:

- At least once a month (5 answers)
- Depends on seasonal requirements (4 answers)
- Frequency depends on the budget (3 answers)
- Twice annually (8 answers)
- Once annually (4 answers)
- By extreme need (4 answers)
- Once in three months (1 answers)
- Weekly (1 answers)

Only two respondents (“Ajapnyak 1” and “Kentron 1” condominiums) mentioned that the maintenance company was selected through the tender to implement some repair or other maintenance work. Most of the respondents said that all of technical works are performed by the technical personnel of the condominium or the condominium hires workers for specific work (common space repairs, maintenance, equipment fixing or installation). Compensation of these workers is made in the following ways:

- a) signed agreement and cash payment (14 answers)
- b) signed agreement and money transfer to the bank account (10 answers)
- c) salary paid according to the budget expenditure line (4 answers)
- d) cash payment (5 answers)

Sixteen respondents (50%) mentioned that their condominium has implemented a big project, specifically renovation of the roof, which have been implemented with the Municipality co-financing.

All of respondents indicated that the buildings' residents are involved actively in the process of repair decision making. The residents are proposing their suggestions verbally or in writing, through the phone call, condominium office visit or during the condominium general meeting. As answers to question “Whether condominium or residents are planning any construction projects or works for further implementation in the buildings?” (# 25c of the Questionnaire) showed, most of condominiums (27 respondents' answers or 84%) are planning some building work or

construction project based on proposals of the residents. Only three respondents answered “NO” to this question and two respondents said “Didn’t know” (Table 4). Specifically, the following projects are planned:

- capital renovation of the entrance (14 answers)
- capital renovation of the sewer system (4 answers)
- roofs' capital renovation (8 answers)
- replacing of windows on the staircases (6 answers)
- capital renovation of engineering internal lines (sewer, water system) (5 answer)
- repair of elevator (3 answer)

Table 4. Planning of Construction Projects

##	Condominium name	Whether Condominium or residents are planning any construction projects or works for further implementation in the buildings?	If YES, what they are planning? Describe the planned project, decision making process.	Deadlines and financial arrangements
1.	Nor Nork 1/8	yes	Capital renovation of entrance and sewer system	by Habitat fund
2.	Nor Nork 1/7	yes	Roof capital renovation, balconies renovation, windows replacing.	Deadlines and financial manners are unclear.
3.	Nor Nork 5/3	yes	Entrance renovation, doors replacement, glazing.	Deadlines and financial manners are unclear.
4.	Nor Nork 8	yes	Renovation of 40 entrances	In 2014
5.	Nor Nork 7/5	yes	Capital renovation of entrance and internal communal network	Additional payments of owners
6.	Kaym 11	no	N/A	N/A
7.	Sevak	yes	Renovation of 3rd entrance of the building allocated on 12 Droyi street	There is a Cost Estimation and an Arrangement with building residents
8.	Haghtanak	yes	Entrance and roof renovation	Based on the fees collected from the owners

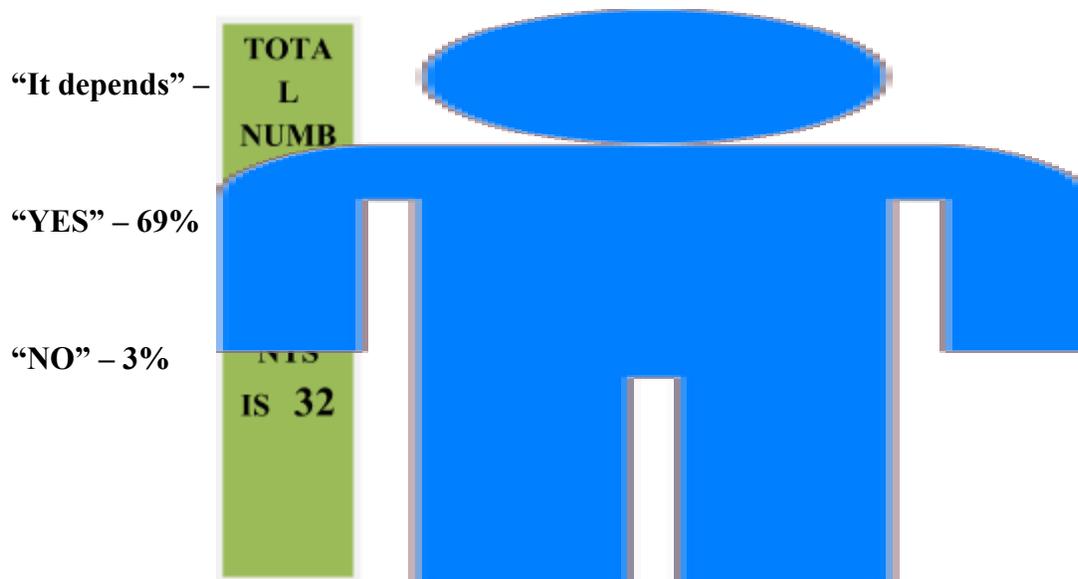
9.	Davtashen 1/4	yes	Renovation of entrances and staircases	Deadlines and financial manners are unclear.
10.	Davtashen 1/1	yes	The process is under negotiation	Deadlines and financial manners are unclear.
11.	Davtashen 2/1	yes	Renovation of entrances	Deadlines and financial manners are unclear.
12.	Shenqeri karavarum	“don’t know”	N/A	N/A
13.	Qnar	yes	Depends from the opportunities	Deadlines and financial manners are unclear.
14.	Ajapnyak 1	yes	No information is given by the respondent	Deadlines and financial manners are unclear.
15.	Manushak	no	N/A	N/A
16.	Rusanna	yes	Renovation of entrance, sewer lines replacement	In worm season
17.	Rosanna	yes	Entrance renovation	In worm season
18.	Armine	yes	Entrance renovation	In worm season
19.	Anushik	yes	Depends from the budget	Deadlines and financial manners are unclear.
20.	Argishti	yes	No information is given by the respondent	
21.	Sebastia-2	yes	Renovation of entrance, roof, pipes replacement	Condominium budget and Municipality subsidy
22.	Lchap	no	N/A	N/A
23.	Zeytun 98	yes	Renovation of water pipes, roofs, elevators based on owners' demand and priority of issue	N/A
24.	Kars	yes	Partial renovation of roofs, window glazing. Decisions are made with owners according to priority list	N/A
25.	Artsakh 4	yes	Partial renovation of roofs, windows' replacement, repair of	According to the schedule

			entrances. Decisions are made together with owners based on demand	
26.	Lilia	yes	Repair of 3-5 staircases, 1 trash chute	N/A
27.	Ejmiadzin	yes	Repair of entrances, water pipes, elevator roof foreseen by the budget	According to the schedule
28.	Arsen	yes	Repair of 10 entrances, window glazing, sewage and spouts renovation	N/A
29.	Kentron	yes	Renovation of roof, spouts, elevator, entrances	N/A
30.	Kentron 1	yes	Improvement of courtyards used by our residents	N/A
31.	Avan	yes	Glazing, wall plaster, routine repair	N/A
32.	Avan 4	yes	Narekatsi 32 building roof repair	N/A

Despite the majority of respondents had mentioned about planned building projects, however only one respondent (“Sevak” condominium) mentioned that the renovation project will be invested by the residents. Remaining respondents had no idea about the investment sources.

Twenty two respondents (69%) out of 32 were definitely sure that residents of their buildings are satisfied with the quality of condominium maintenance. One respondent answered “I don’t know” and remaining nine respondents answered “it depends” (Figure 3). In case of satisfaction the residents express their gratitude to the condominium management body and strengthen ties with the management body.

Figure 3. Breakdown of answers to question “Whether the residents are satisfied with the quality of the condominium maintenance?”



The following causes for residents' discontent were indicated by the respondents:

- impossibility to meet residents' needs completely because of lack of collected revenue,
- owners' expectations of high-quality maintenance despite inaccuracy of fee payments,
- legislation shortcomings
- impossibility to make capital renovation because of limited sources
- the elevators are not modern

Answering to the question "Whether the residents are charged for some additional maintenance fees?" only one respondent ("Kaym 11" condominium authorized staff member) said "YES". Answering the question "Whether the residents are satisfied with the size of monthly fee?" part of respondents (20 respondents or 62%) said that people are satisfied, four

respondents told “NO”, two respondents said “It depends”, six respondents avoided giving an answer.

5.4 Managerial skills of condominiums’ administrative staff to function in a cohesive manner

Survey showed that an active communication and strong interrelation between condominiums’ management body and residents exist. All respondents told that there are many visits from both sides: condominiums staff members and residents. Most of respondents pointed out that visits are made on daily basis.

The following reasons of residents’ visits have been mentioned:

- taking of different kind of references
- making monthly payments
- applying for urgent repair needs
- complaints and recommendations
- disturbing life of the community or conflicts' solving

The condominium management staff visit residents because of:

- control over implementation of mandatory norms (control of building cleaning level, disinfestation, disinfection implementation, garbage removal)
- monthly fees' collection
- communication with the residents because of some domestic conflicts or emergency cases
- PR for condominium activity
- elevators’ maintenance control
- investigation of raised problems

All respondents have indicated that common meetings of owners are organized regularly in the yards during the warm months and in the condominiums’ office and/or in other halls (for examples school’s hall in case of “Ejmiadzin” and “Kentron 1” condominiums) during the cold season. Answering to question “Do the residents participate in the condominium general meetings actively?” different answers have been done by respondents. Specifically, 17 respondents told “YES”, 11 respondents –

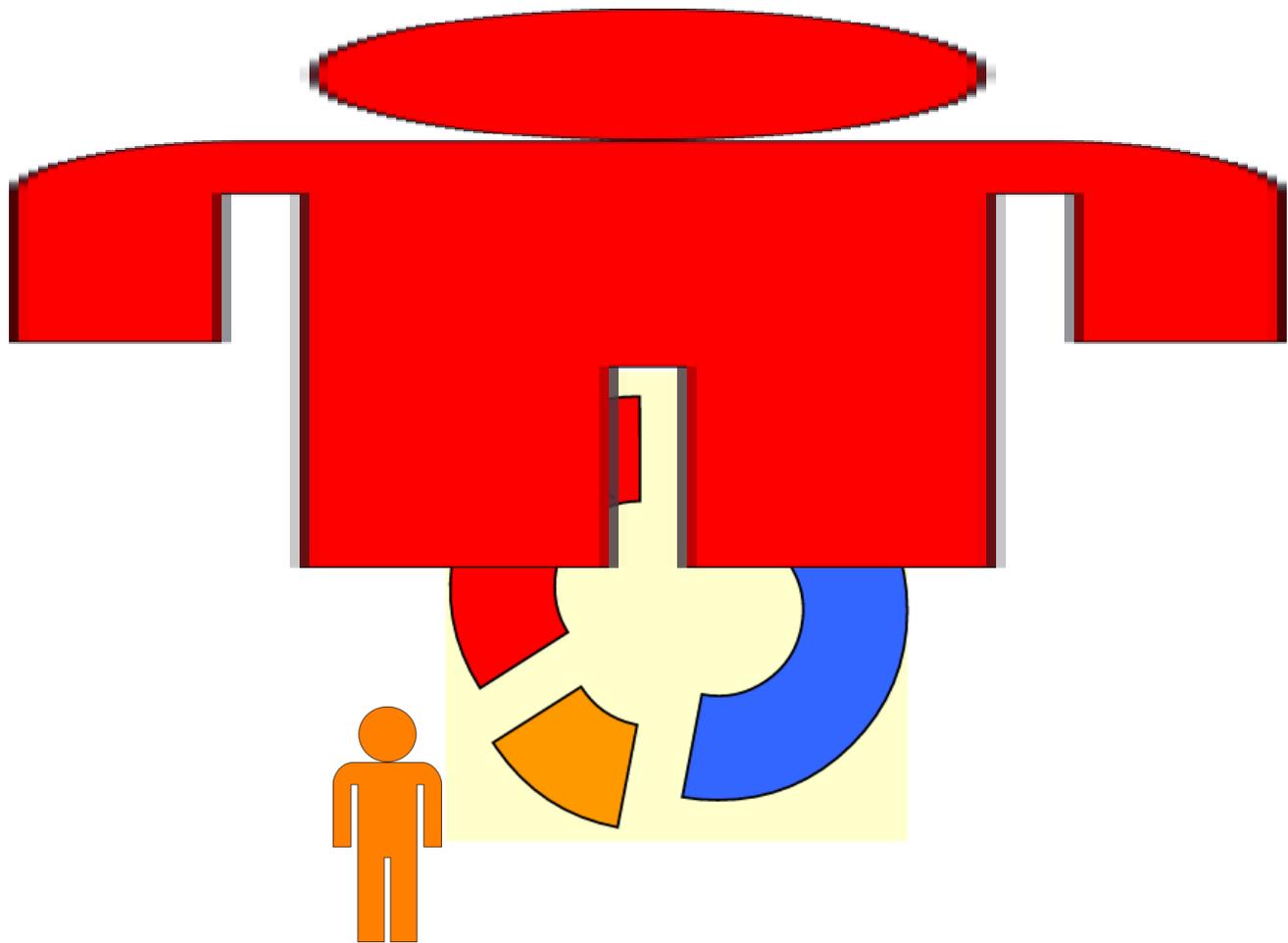
“NO” and 4 respondents answered “it depends”. Answers of respondents are presented in the Table 5 below.

Table 5. Participation in common meetings

##	Condominium name	Do the residents participate in the Condominium common meetings actively?	Whether the absent owners are informed on the decisions made in the Condominium common meeting?	If YES, what is the manner of this?
1.	Nor Nork 1/8	yes	yes	Through the condominiums' agents
2.	Nor Nork 1/7	no	yes	Through the authorized people
3.	Nor Nork 5/3	no	yes	People are informed
4.	Nor Nork 8	yes	yes	Through the posting of information on the billboard
5.	Nor Nork 7/5	no	yes	People are informed
6.	Kaym 11	yes	yes	Through the notifications and phone calls
7.	Sevak	yes	yes	Through the board members
8.	Haghtanak	yes	yes	Through the notification and authorized people
9.	Davtashen 1/4	yes	yes	Through the notifications
10.	Davtashen 1/1	yes	yes	Posting at the entrance
11.	Davtashen 2/1	yes	yes	Through the agents
12.	Shenqeri karavarum	no	yes	Posting at the entrance
13.	Qnar	no	yes	Through the posting of information on the billboard

14.	Ajapnyak 1	no	yes	Through the posting of information on the billboard at the entrance
15.	Manushak	yes	yes	Through the authorized people
16.	Rusanna	no	no	Not applicable
17.	Rosanna	no	no	Not applicable
18.	Armine	no	no	Not applicable
19.	Anushik	yes	yes	Through the authorized people, by the posting on the billboard at the entrance
20.	Argishti	yes	yes	Each decision is posting at the entrance
21.	Sebastia-2	yes	yes	Through the posting of information on the billboard
22.	Lchap	yes	yes	Through the information flyers
23.	Zeytun 98	no	yes	Through the agents
24.	Kars	no	yes	Through the agents, authorized people
25.	Artsakh 4	yes	yes	Through the meeting participants
26.	Lilia	yes	yes	Through the authorized people
27.	Ejmiadzin	no	yes	Through the meeting participants
28.	Arsen	yes	yes	Through the posting of information on the billboard
29.	Kentron	no	yes	Through the authorized people
30.	Kentron 1	no	yes	Through the posting of information on the billboard
31.	Avan	no	yes	Through the agents, authorized people
32.	Avan 4	yes	yes	Through the agents

Figure 4. Breakdown of respondents' answers to question "Do the residents participate in the condominium general meetings actively?"



Experts' Observations

Talking about the common meeting of homeowners, part of the respondents identifies it with condominium board meetings. The other part says that despite their efforts to ensure the homeowners' participation in common meeting by different means (posting information on billboards, with the help of board members, through most active residents), an active participation cannot be ensured. The article 15 of the RoA Law on Condominiums exactly defines procedures of invitation of homeowners to the common meeting. A 5 day prior written notice about invitation, agenda, day, venue and time should be sent to each member of condominium at their home addresses, unless other address is given to the head of condominium. This procedure is not being followed by any of the respondent.

The articles 13 and 14 of the RoA Law on Multi-apartment Building Management (07.02.2002) allow to make decisions through sending requests to homeowners or making them aware about issues discussed during the meetings. This is a possible

way to come out of a dead-end situation, however this will not solve the issue of homeowners' full participation in management of the condominium. It is no coincidence that during the survey, while talking about residential energy efficiency for low income households few condominium heads have indicated the necessity of discussing the issue with homeowners in the common meeting. Even when the heads of condominiums mention that they are discussing serious issues with the residents, they mean a limited number of homeowners from each building. We cannot see an established "community", where the real decision makers are homeowners.

Having limited financial resources, an ineffective highest governing body, the condominiums consider the local government not a supporting but a supervising body, that is why they do activities which are beyond their duties, spending on them a lot of resources, both money and people (e.g. care, maintenance, operation of the courtyards, etc.) It can be said that the condominiums are turned into an helpline service for dealing with utilities' issues, accident recovery activities. In order to make an objective evaluation of the quality of their work and the cost for it would be better to have a feedback from the residents.

There are several condominiums (Nor-Nork 5/3, Haghtanak, Ajapnyak 1, Manushak, Ruzanna, Sebastia-2, Avan, Avan 4, Arsen, Kentron, Kentron 1) that became adapted to the situation and are able to achieve high performance (one of the indicators is 75% collection of fees).

Answering the question "Whether the absent owners are informed on the decisions made during the condominium general meeting?" twenty nine respondents (or 90%) said that absent owners (residents) are informed on the common meetings' decisions by the condominium management staff members. Only three respondents said "NO". The answers regarding to the ways of informing are as follows:

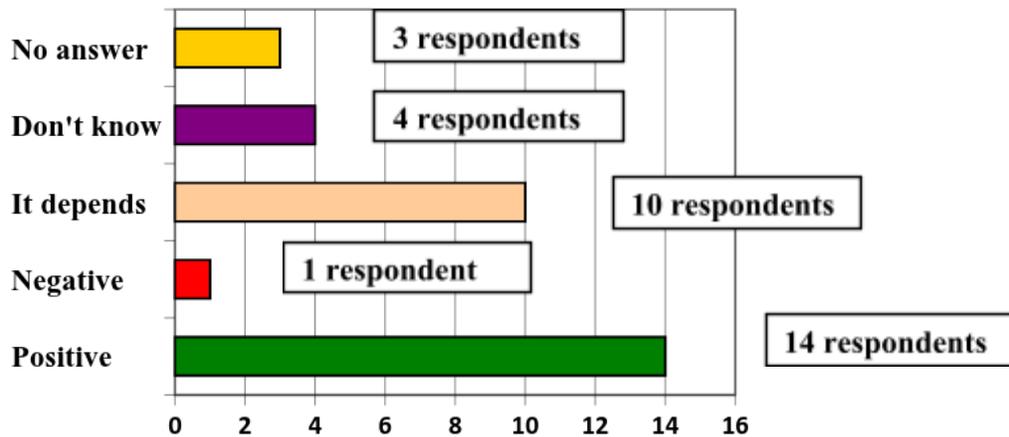
- by notifications posted at the entrances of the buildings (15 answers)
- through authorized people or inspectors (12 answers)
- through active residents and owners (5 answers)
- through members of condominium administrative staff (3 answers)

Answering the question "Whether the mechanism of selection of Condominium buildings' residents complaints and proposals work?" only one ("Avan" condominium) of respondents indicated that they haven't such kind of mechanism. The rest of the respondents said that they have a registration book for residents' complaints and suggestions. Condominium

management staff activity is based on the records made by the residents in registration books.

The breakdown of respondents' answers to the question "What is the residents' opinion on condominium activity?" is presented in Figure 5.

Figure 5. Breakdown of respondents' answers to question "What is the residents' opinion on condominium activity?"



The reasons why residents have a positive opinion on condominium activity are:

- Transparency of condominium financial activity
- Strong responsibility of condominium for residents problems solving
- High quality of maintenance

The main reason why residents have a negative opinion on condominium activity is:

- Legislative shortcomings.

5.5. Subjects for curriculum on further training of condominiums' heads, staff members and owners

Answering to questions regarding organizational structure of condominium 14 respondents (43%) out of 32 gave correct answers though in some cases the answers were incomplete.

Regarding questions of sections on “Details on the experience to undertake the grants, loans or other funds”, “The level of condominium awareness on energy efficiency in the buildings”, and “The information on the similar projects or works implemented by condominium” (respectively questions under sections ## 26, 28, 29 of Questionnaire in Annex 3) only six respondents were informed on energy efficiency measures and/or benefits that residents could receive as a result of energy efficiency project implementation. Fourteen respondents (43%) noted that they are concerned about implementation of residential building energy efficiency project because of the residents’ insolvency. Only three (9%) (“Lchap”, “Haghtanak”, “Avan 4”) respondents talked about no concern regarding to the implementation of such kind of projects. The rest of the respondents (15 respondents) gave no answer to this question. Eleven (34%) respondents noted that their condominiums are involved currently in some works concerning to energy efficiency provision, particularly window glazing, as well as replacing of windows and doors. Respondents’ awareness on the residential building energy efficiency issues is demonstrated by the answers of Table 6.

Generally respondents’ answers have shown extremely limited knowledge of the following subjects:

- Condominium management body structure
- Responsibilities of Condominium management body
- Theory and practice of decision making process
- Loan/credit projects management skills
- Residential building energy efficiency
- Residents’ benefits from the investment of the renovation projects aimed to the efficiency of energy usage.

Table 6. Financing of Energy Efficiency Projects

##	Condominium name	Whether the Condominium managed any grant or loan on behalf of owners?	What do you know on the residential building energy efficiency ?	Whether the Condominium funded any energy efficiency project in past?
1.	Nor Nork 1/8	no	“don’t know”	no
2.	Nor Nork 1/7	no	“Implementation of repairing aimed to energy using efficiency”	no
3.	Nor Nork 5/3	no	“don’t know”	no
4.	Nor Nork 8	no	“Pressurization of doors, windows, repairing, external walls seams filling, solar energy using on the roofs”	no
5.	Nor Nork 7/5	no	“don’t know”	no
6.	Kaym 11	yes	“Windows glazing, doors replacing, filling inter panels seams”	no
7.	Sevak	no	“Buildings thermal insulation”	yes
8.	Haghtanak	no	“External walls repairing, windows glazing, doors replacement”	yes
9.	Davtashen 1/4	no	“don’t know”	no
10.	Davtashen 1/1	no	“don’t know”	no
11.	Davtashen 2/1	no	“Energy efficiency is not provided in the buildings”	no
12.	Shenqeri karavarum	no	“don’t know”	no
13.	Qnar	no	“don’t know”	no
14.	Ajapnyak 1	yes	No answer	no
15.	Manushak	yes	“Windows glazing and doors replacement”	no

16.	Rusanna	yes	“don’t know”	no
17.	Rosanna	yes	“don’t know”	no
18.	Armine	yes	“don’t know”	no
19.	Anushik	yes	“don’t know”	no
20.	Argishti	yes	“don’t know”	no
21.	Sebastia-2	no	“It is useful for the building and for each owner”	yes
22.	Lchap	no	“don’t know”	no
23.	Zeytun 98	no	“don’t know”	no
24.	Kars	no	“There is a building in “Avan” district where such kind of project is implemented currently”	no
25.	Artsakh 4	no	“don’t know”	no
26.	Lilia	no	“don’t know”	no
27.	Ejmiadzin	no	No answer	no
28.	Arsen	no	No answer	no
29.	Kentron	yes	“don’t know”	no
30.	Kentron 1	yes	No answer	no
31.	Avan	no	“We talked on this with Habitat”	no
32.	Avan 4	no	“don’t know”	no

6. Conclusions and recommendations

The survey on capacity of thirty two condominiums of the city of Yerevan allowed to make the following conclusions and recommendations:

1. In order to get more objective picture on surveyed condominiums’ capacity and management skills it is worth to hear residents’ answers to numerous questions, for instance, whether the residents are participating in condominium general meetings, whether the condominium management staff are visiting the buildings’ residents, whether the technical maintenance work is performed by the

condominium regularly and carefully, whether residents are satisfied with condominium maintenance, maintenance fees, etc.

2. Most of condominiums are not experienced in management of investment projects. However further education of condominium and mutual trustful relationship between condominium staff and residents could become a strong base for investment of a residential energy efficiency project.
3. Financial sources of most of condominiums are limited because of residents' insolvency, which could impede to undertake residential energy efficiency investment projects.
4. The condominium management staff must strengthen its capacity through enhancement of knowledge and fund raising skills.
5. The condominium management staff and residents need to be trained before initiating any investment project aimed at raising residential energy efficiency.
6. The following subjects are recommended to be included in the training curriculum:
 - Condominium management body structure
 - Responsibilities of Condominium management body
 - Theory and practice of decision making process
 - Loan/credit projects' management skills
 - Residential building energy efficiency
 - Residents' benefits from investment of the renovation projects aimed to raise energy efficiency
 - Fund raising for investment of the renovation project aimed to raise the residential building's energy efficiency.
7. There are 117 proxy managers in Yerevan, who also carry out management of multi-apartment buildings . In this case the law allows the least participation of homeowners in management of the governing body, the proxy manager, whose primary ability is management skills. A similar survey will help to find out strengths and weaknesses of that form of management and juxtapose it with the condominium management to find solutions for more efficient functioning of the governing body.
8. Our recommendation is to consider for the next phase of Residential Energy Efficiency for Low Income Households project condominiums which have more than 60% fee collection; consist of panel/monolithic

type buildings; managers understand importance of development projects for their residents; positive impact of development projects on reputation of the condominium; having buildings, where the effective implementation of the work will increase the size of the fees. Among these condominiums we should mention the following names:

Sebastia 2, Lilia, Echmitsin, Ajapnyak 1, Ruzanna, Anushik, Zeytun 98, Argishti, Kentron, Avan 4, Avan, Lchap.

9. During the meetings almost all the heads of condominiums indicated that The Laws on Multi-Apartment Building Management and on Condominiums need to be amended, in order to take the reality into consideration. Only one condominium head (Kentron 1) told that the law is fully justified itself, and allows for effective management.

Annex 1. List of Yerevan City Condominiums surveyed

	Condominium Title	Head/authorized staff members	Address	Phone numbers
	Nor Nork Administrati ve District			
1.	Nor Nork 1/8	Manukyan Marine	22 Nansen street	055 81 81 82
2.	Nor Nork 1/7	Ivanyan Emil	22 Nansen street	094 50 27 60
3.	Nor Nork 5/3	Yedigaryan Artur	14/5 Mari street	093 64 68 90 64 68 90
4.	Nor Nork 8	Barseghyan Hovhannes	8 Nor-Nork, kindergarten # 25	091 45 75 63 66 70 85
5.	Nor Nork 7/5	Tumanyan Marieta	7 Nor Nork, kindergarten # 116	093 22 53 53 67 30 81
	Qanaqer-Zeytun Administrati ve District			
6.	Kaym 11	Ispiryan Varduhi	149a Qanaqertsu street	099 24 47 39 28 84 34
7.	Sevak	Gevorgyan Mareta	14 Asaturyan street	
8.	Haghtanak	Barseghyan Sona	14 Asaturyan street	099 88 07 74 23 13 83
	Davtashen Administrati ve District			
9.	Davtashen 1/4	Ziroyan Derenik	Davtashen, 1 st district, building 37, 61/1	099 36 59 22 36 59 22
10.	Davtashen 1/1	Dabaghyan Ruben	Davtashen , 1 st district, 61/2	091 30 45 40 36 86 24

11.	Davtashen 2/1	Eghiazaryan Ruben	Davtashen, 2 nd district, building 1	093 81 04 46 36 02 60
	Arabkir Administrati ve District			
12.	Shenkeri karavarum	Ghazaryan Vladimir	20 A.Khachatryan	077 43 51 03 22 66 72
13.	Qnar	Gevorgyan Ashot	65 Komitas	093 56 65 56 23 78 00
14.	Areg	Movsisyan Ashot	No data	091519221
15.	Aygedzor	Gyulumyan Artashes	No data	099390939
	Ajapnyak Administrati ve District			
16.	Ajapnyak 1	Babloyan Hamlet	7 Arzumanyan	099 33 30 80 39 08 98
17.	Manushak	Voskanyan Manushak	18 Margaryan	094 97 08 01
18.	Ruzanna	Baghishyan Roza	172 Bashinjaghyan	091 70 60 62 34 47 69
19.	Rozanna	Baghishyan Roza	172 Bashinjaghyan	091 70 60 62 34 47 69
20.	Armine	Baghishyan Armine	172 Bashinjanyan	091 70 60 62 34 47 69
21.	Mets Hayk	Safaryan Serzhik	50/1 Leningradyan	091 74 87 89 39 43 06
22.	Anushik	Virabyan Armen	2-nd lane of Bashinjanyan street, building 8	094 45 45 46 35 51 16
	Erebuni Administrati ve District			

23.	Sasuntsi David 11	Sargsyan Vera	20 Artsakhi	093 32 77 42 43 86 32
24.	Aresh	Khachatryan Andranik	13 Atoyán	093 88 55 05 45 81 49
25.	Argishti	Kalantaryan Shushanik	13 Khaghakh Doni	099 80 57 69 47 26 70
26.	Erebuni	Mkrtchyan Gevorg	32 Erkati gtsi	091 20 46 54 57 28 49
	Malatia-Sebastia Administrative District			
27.	Sebastia-2	Grigoryan Oleg	HAT, B3, Raffi street, building 33	094 04 85 35 74 85 35
28.	Gavar	Atoyán Vardanush	HAT, 46 Oganov	096 49 91 97 73 25 30
	Shengavit Administrative District			
29.	Lchap	Shahaziayan Artashes	9 Mayisi, building 51	099 44 99 13 44 38 70
30.	Lilit	Sargsyan Larisa	20 Maghatyan	091 51 68 16
31.	Nzhdeh	Vardanyan Edgar	No information	091 61 11 13
32.	Mantashyan	Vardanyan Robert	Shengavit, 10 th street, building 32	093 99 60 00 48 15 55

Annex 2. List of additional 10 Condominiums of Yerevan surveyed

	Condominium's name	Head of Condominium	Address	Phone number
	Qanaqer-Zeytun Administrative District			
1.	Zeytun 98	Yengibaryan Grigor	20 Rubinyants, apt.1	077 24 00 50 20 66 01
2.	Kars	Beglaryan Gevorg	11 Lepsiusi	28 84 97 099 24 20 00
	Erebuni Administrative District			
3.	Artsakh 4	Grigoryan Iskuhi (Nune)	6a Artsakhi	43 16 79 093 50 10 33
	Malatia-Sebastia Administrative District			
4.	Lilia	Manukyan Manuk	87 Kindergarten, B2	093 57 81 51 73 82 84
5.	Ejmiadzin	Aleksanyan Hayk	92 Andraniki, B1	077 77 34 35 77 34 34
6.	Arsen	Ghandalchyan David	149 Babajanyan, B2	091 73 91 15 72 62 00
	Kentron Administrative District			
7.	Kentron	Miqayelyan Ara	5a Vardanants	52 77 83

				098 48 44 18
8.	Kentron 1	Nersisyan Surik	5/3 Mashtotsi	53 44 99 094 34 44 44
	Avan Administrative District			
9.	Avan	Khachatryan Karine	Avan, 214 Khudiakov str., Children's World, 2 nd floor	61 15 54 091 35 79 12
10.	Avan 4	Mkrtchyan Manvel	Avan, 48/6 Quchak	093 33 31 81

Annex 3. Yerevan City Condominiums Survey Questionnaire

Condominium Passport:

Name

Location/Address

Name and Surname of
Head

Number of buildings serviced by the
Condominium

Number of apartments in serviced
buildings

Total space of apartments in Condominium, m²

Common using space of Condominium, m²

Monthly fee (AMD per m²)

Revenue planned to be collected by the end of 2013
(AMD)

Actual revenue collected in 2013

(AMD)

Other revenue sources (excepting owners' fees) (AMD)

Real estate or movable property owned by Condominium

1. Description of the buildings maintained by Condominium

##	Building Address	Building Type (number of storeys)	Number of apartments	Number of closed apartment	Common space, m ²	Livi space
1						
2						
3						
4						
5						
6						

b. Responsibilities of the Condominium head

c. What questions condominium solves itself and when consults with residents?

d. Describe decision making process in theory and practice. Whether they are effective? Analyse their discrepancy

7. Whether the residents are visiting Condominium office?

YES _____ NO _____

8. If YES, indicate the visits' frequency during day/week/month

9. If YES, what are the main causes of visits?

10. Are you meeting with the residents in your buildings?

YES _____ NO _____

11. If YES, indicate the visits' frequency during day/week/month

12. If YES, what are the main reasons of your visits?

13. What is the manner to inform of residents on Condominium common meeting?

14. Does the Condominium common meetings are held?

YES _____ NO _____

15. If YES, where the common meetings are held and what is the frequency of them?

16. Do the residents participate in the Condominium common meetings actively?

YES _____ NO _____

17. If YES, please indicate some issue discussed and adopted by the owners' voices majority during the meeting held recently. How many owners participated in this meeting? What percentage of presented owners voted "yes"?

18. Whether the absent owners are informed on the decisions made in the Condominium common meeting?

YES _____ NO _____

19. If YES, what is the manner of this?

20. Whether the mechanism of Condominium buildings' residents complaints and proposals selection is worked?

YES _____ NO _____

21. If YES, please, describe this mechanism.

22. What is the residents' opinion on Condominium activity?

positive _____ negative _____ Don't know _____

23. Why residents have a positive or negative opinion on Condominium activity?

24. Information on residents' fees and revenues' other sources

a. What is the manner and frequency of fees collection?

b. Is there a fee debt?

YES _____ NO _____

c. If YES, indicate the debt size in AMD.

d. How the Condominium uses the fund formed by residents' fees?

e. Who collect the residents' fees?

f. Are there revenues' other sources?

YES _____ NO _____

g. If YES, describe each of them and indicate the amounts in AMD.

25. Information on works in the buildings implemented or planned by Condominium

a. What huge renovation/investment projects were implemented by the Condominium which not associated with small repairing or cleaning?

b. Describe the theory and practice of decision making process. Analyze the discrepancy.

c. Whether Condominium or residents are planning any construction projects or works for further implementation in the buildings?

YES _____ NO _____

d. If YES, what they are planning? Describe the planned project, decision making process, deadlines and financial arrangements.

26. Details on the experience to undertake the grants, loans or other funds

- a. Whether the Condominium managed any grant or loan on behalf of owners?

YES _____ NO _____

- b. If YES, what is the Condominium and residents' experience regarding to this funding?

- c. Whether apartment owners have some experience in credit or loan undertaking with purpose to renovate their apartment or common using space?

YES _____ NO _____

- d. If YES, how many owners have such kind of experience and what was the purpose of credit or loan undertaking?

27. Information on the multi-apartment buildings maintenance works

- a. Whether the Condominium implements the technical maintenance measures?

YES _____ NO _____

b. If YES, how frequently?

c. How the building maintenance companies are selected by the Condominium?

d. How the maintenance company service is paid?

e. Are residents involved in the building maintenance decision making process?

YES _____ NO _____

f. If YES, describe how they are involved?

g. Are residents satisfied with the quality of implemented maintenance work?

YES _____ NO _____

h. If YES, how they express their satisfaction?

i. Are residents satisfied with the size of fees paid for implemented works?

YES _____ NO _____

j. Whether resident pay additionally for implemented works?

YES _____ NO _____

k. Describe residents satisfactions and/or dissatisfactions reasons

28. The level of Condominium awareness on energy using efficiency in the buildings

a) What do you know on the residential building energy efficiency?

b) Indicate the benefits for the residents investing the projects aimed to energy using efficiency

c) What is a bother for Condominium in renovation similar project investment?

d) In which measures aimed to the residential energy efficiency is involved Condominium currently?

29. The information on the similar projects or works implemented by condominium

a. Whether the Condominium funded any energy efficiency project in a past?

YES _____ NO _____

b. If YES, what was in a focus of funding?

c. From which sources the financing was provided?

d. Estimate which addition financial resources the Condominium could collect from the owners.

e. Estimate how the maintenance fees could be increased:

Annex 4. List of key legislation (1990-2009)

1. The Law on Property (1990-99).
2. The Land Code (1991-2001).
3. The Law on the Privatization of State and Public Housing (1993).
4. The Law on Land Taxation (1994).
5. The Law on Real Estate (Property) Taxation (1995).
6. The Law on Real Estate (1995-99).
7. The Law on Condominium (1996, amended in 1998, was in force until May 7, 2002).
8. The Civil Code (1998, put into force from Jan. 1, 1999, with important changes related to the housing and real estate from November 2005).
9. The Law on Registration of the Rights to the Property (1999).
10. The Law on the Gratis Privatization of Apartments in the State Housing Stock (2000).
11. The New Land Code (2001).
12. The Law on the Legalization of Unauthorized Buildings and Land Occupation (2003-07).
13. The Law on Local Self-Government (adopted in 1996, amended in 2002).
14. The Law on Condominiums (2002).
15. The Law on Multi-Apartment Building Management (2002).
16. The Law on the Legal, Social and Economic Guarantees of Persons Deported from the Republic of Azerbaijan during the 1988-1992 Period and Having Received ROA Citizenship (2002).
17. The Law On Ratification of the EQZ Comprehensive Recovery Program (2001).
18. The Law on Appraisal Activities of Real Estate.
19. Law on Covered Mortgage Bonds.
20. Law on Assets Securitization and Assets Backed Securities.
21. 1 Resolution of the RA Government No. 1161-N, 4 October 2007.
22. Law “On Energy” and “ON Energy Saving and Renewable Energy”.
23. The National Program of energy saving and renewable energy was adopted in 2007 and Government Action Plan for implementation of this Program was adopted in 2010.
24. The Concept of Program of Harmonization of current urban construction norms with European Standards was adopted in 2010, etc.

Annex 5. Comments ON THE grounds of acquiring ownership rights to the residential real estate and on other legal issues

According to the RoA Civil Code all citizens, legal entities and the Republic of Armenia can acquire a property (including residential real estate) with ownership right. **Grounds for acquiring ownership rights are specified in the Article of 172 of RoA Civil Code.**

1. The right of ownership to new property made or created by a person for itself with an observance of a statute and other legal acts is acquired by this person.
The right of ownership to fruits, products, and incomes received as the result of the use of property may be acquired on the bases provided by Article 144 of the present Code.
2. The right of ownership to property that has an owner may be acquired by another person on the basis of a contract of purchase and sale, of barter, of gift, or on the basis of another transaction for the alienation of this property.
3. In case of the death of a citizen the right of ownership to property belonging to him shall pass by inheritance to other persons in accordance with a will or by a statute.
4. In case of reorganization of a legal person the right of ownership to property belonging to it shall pass to the legal person (or legal persons) that are the legal successor of the reorganized legal person.
5. In cases and by the procedure provided by the present Code, a person may acquire the right of ownership to property that does not have an owner, to property, the owner of which is unknown, or to property that the owner has abandoned or to which he has lost the right of ownership on other bases provided by a statute.
6. A member of a housing, vacation-home, garage, or other cooperative, and other persons having the right to share accumulation, who have fully made their participatory share contribution for an apartment, vacation-home, garage, or other structure, provided to these persons by the cooperative acquire the right of ownership to this property.

The ownership right to the newly created real estate arises at the moment of its state registration (RoA Civil Code, Article 173): The ownership rights to the property are registered based on the RoA Law # 295 on State Registration of Rights to the Property as of April 14, 1999. Particularly, Articles 21 and 24 of the aforementioned law specify the procedures of implementation of state registration and the list of documents necessary to submit to the territorial sub-division of the real estate cadastre for that purposes.

Article 21. Cadastre Files Compiled For Each Real Estate Unit

Cadastre Files compiled for each real estate unit include documents evidencing rights and encumbrances to particular real estate unit, as set below.

- a. On plots allocated to subjects of real estate as well as allocated with the right of ownership or use (homesteads, horticultural (dachas), for construction and service of residential dwellings, for running

peasants' and peasants' collective farms, as well as for urban development) and buildings and constructions;

- b. Agreements on real estate alienation (acquisition), lease, sublease, use, mortgage, exchange and servitude as well as court decisions with regard to the servitudes;
- c. Decisions or agreements on transferring lands or buildings and constructions for permanent use;
- d. Agreements on the land boundary consolidation, subdivision or modification;
- e. Decision and agreements on the encumbrances to the real property use;
- f. Decisions, sentences and verdicts on termination of the right of ownership to the real estate;
- g. Decision and sentences on termination of the right of use or lease to the land, building and construction;
- h. Decisions on renunciation of real property or a part of it by the owner;
- i. Documents evidencing ownership rights to real property and encumbrances of rights, origination, conveying, modification and termination thereof.

Article 24. Implementation of State Registration

For the purposes of state registration subjects holding rights to the real property shall submit documents stipulated by Article 21 of this Law together with the application to the local subdivision of the State Register of Real Property.

Local subdivisions of the state register verify the conformity of the submitted documents with the legislation of the Republic of Armenia.

In the event of unconformity, the submitted documents shall be returned with compulsory comments on drawbacks within five days after the receipt. Returned documents, with relevant additions and corrections, shall be submitted again within 5 days from the day the documents were returned to the owner (user).

Cadastral file on real property is compiled after checking the documents and registered in the real property state registration unified registry with the appropriate changes in the cadastral maps.

Rights to the property shall be considered registered from the moment of registration in the Registry.

Information on the registration of rights to the property shall be transferred to the Information Center of the state register of real property within twenty four hour time (this provision shall be valid from the year 2001).

The state registration shall be carried out within 15 days from the date the documents are submitted to the local subdivision of the State Register of Real Property.

Rights to personal property are subject to state registration in cases envisaged by Law.

Regulations on the state registration of rights to personal property shall be defined by the Government of the Republic of Armenia.

Annex 6. References

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