



Residential Energy Efficiency for Low Income Households (REELIH)

SURVEY OF CONDOMINIUM CAPACITY IN YEREVAN CITY

November 26, 2013 – March 15, 2014

Final Report

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USAID
FROM THE AMERICAN PEOPLE



REELIH
RESIDENTIAL ENERGY EFFICIENCY FOR
LOW-INCOME HOUSEHOLDS

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1. Introduction

The pilot project of Residential Energy Efficiency for Low Income Households (REELIH) was initiated by Habitat for Humanity Armenia (HFHA) and financed by USAID. The project team of the Urban Foundation for Sustainable Development (UFSD) implemented the Yerevan city condominiums survey within the framework of the 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 organizational effectiveness within Yerevan city condominiums. The survey seeks to determine if condominiums function in a cohesive manner and sought to specifically determine whether the condominiums were prepared to undertake an investment project that will focus on private and common spaces. The survey findings will directly feed into the preparation of a training curriculum for condominium heads, administrative staff, and owners.

The list of 32 condominiums was assigned by the Habitat for Humanity Armenia (HFHA) (Annex 1). However, only 22 of these condominiums were surveyed by the UFSD. Ten of the condominiums didn't complete the questionnaire. The condominiums gave the following reasons for why they failed to participate in the survey:

- Two condominium heads (“Lilit” and “Nzhdeh” of Shengavit administrative district) pointed out that HFHA project staff had already approached them with a request to fill out a similar questionnaire.
- Two condominium heads (“Sasuntsi David” and “Aresh” of Erebuni administrative district) said that it is not worth filling out the submitted questionnaire because they have discussed the issue of renovation investment projects with their residents and have found them to be reluctant to participate in these kinds of projects because of their insolvency.
- Six condominium leaders simply refused to participate in the survey.

A list of these additional 10 condominiums was offered so they may be surveyed by HFHA on February 14th, 2014. (Annex 2).

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

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

2. Condominiums' local legislation

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

Since independence, Armenia has 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 housing legislation.

The privatization of housing stock started from 1989 and was finalised on June 23, 2000 when it Article 29 of the “Law on the Privatization of the RA State and Public Housing Stock” was amended. Article 29 stated 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's law “On Privatization For Free Apartments in the State Housing Stock” was adopted to allow free privatization among the Armenian citizens that lived in the apartments that were considered state property (rented out to citizens).

Privatization was executed as a simple deal with a simple transfer of title. As a consequence of the transition from a system of publically owned property to private ownership, the communally-owned property was recklessly neglected. The common use of commonly owned infrastructure does not work without contractual or legal agreements between all owners. This was not attended to in the process of privatization. In retrospect, it is difficult to identify the reasons for this neglect. It is likely that, at the time, it was considered 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 the government urged for quick results. Solving the complicated problem surrounding the common spaces 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, the owners should have had the option to remain tenants (possibly connected with some disincentives).

In 1996, the “Law on Condominiums” was adopted. It was amended in 1998. This law established 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 non-residential constructions, roofs, attics, and 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 was to be carried out by local authorities in compliance with urban development regulations. In addition the work must comply with the unified maintenance and operational, restoration and servicing regulations regarding the housing stock.

The enactment of the Civil Code on Jan. 1, 1999, constituted an important step in providing a well-defined 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 privilege to possess, use, and dispose of property. Many articles deal with the origin and termination of the right of personal ownership, legal guarantees for the protection of the given right, and 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: the need for shelter. 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 leaves gaps in the legal framework. For example, rental housing is not adequately addressed. The Civil Code provides only basic regulations and procedures for establishing contracts between landlords and tenants. Beyond these, the Civil Code relies on individual contracts to regulate all details. In practice, those individual contracts are often not concluded at all. 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 who have received housing through housing allocation. The lease is subject to further 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 concerning 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 of the law On Unauthorized Buildings and Unauthorized Land Occupation in 2003. This law provides a basis for bringing a 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 following laws finalized adoption of the laws regulating housing stock: 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. In 2008, two new laws were adopted: “On Covered mortgage Bonds” and “On Assets Securitization and Assets Backed Securities.”

Further reform was accomplished in the area of apartment building management and maintenance by adopting laws including a law "On Apartment Building Management" (2002) and new laws "On Condominiums" and “On Local Self-Government” (2002). Reforms broadened the options for apartment building management by introducing, apart from condominiums, the option of authorized managers (proxy managers) that have been designated by owners and the option of a trustee manager’s institute that is established when an owner delegates his or her management and maintenance responsibilities.

The Law on Apartment Building Management (2002) and a Government resolution (2007) regulates the use of commonly-shared property. However, for both, enforcement is lagging behind. This is chiefly caused by a lack of funding. Ownership relations and the utilization of courtyards is unclear until current day. During 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 which are used as garages. They are erected informally on public land and most do not meet building regulations. Yet, they often contribute to maintenance funding of the condominium. The non-registry of common property and courtyards is regarded as a major legal deficit by many experts.

However, transitioning to a new management system 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 are many obstacles to overcome including a lack of resources, poor service provision, a lack of competition, nonpayment of apartment service fees by local governments, lack of knowledge, a lack of information among 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 the later development of condominiums. The zhek structures informed the condominiums' size, the mean representation of tenants in management decisions, the kind and quality of services, and even staffing decisions.

Multi-apartment buildings require that all owners be represented for management and maintenance of commonly owned property. Today, this is neither achieved 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. The owners had no input on the merger of condominiums. Today, most condominiums are nothing but housing maintenance organizations, following the model of zheks. The only difference is that they are technically not owned by the state. Effectively, they aren't owned by anyone. With this development, the idea of a condominium has been discharged from the original meaning. Owners' representation should be reestablished. It is not sufficient to depend on volunteers to take responsibility for commonly shared property.

The Law "On Multi-Apartment Building Management" defines the "assembly of (all) owners" as the highest governing body of the management of commonly shared property (Art. 11). In contrast, the Condominium Law defines the general assembly of the condominium members (\neq all owners) as the highest governing body of condominium management (Art. 14). In reality, neither of these institutions has real power. In these cases, the general assembly does not consist of individual owners or members of the condominium. Instead, it consists of one representative per building. Individual requests from owners have to be presented in writing and are answered in the same way. Instead of a clear structure where owners hold the majority of power, a wish-wash of decision-making power has taken place. No wonder that condominiums complain about the difficulty of getting consent from the owners in question.

As mentioned above, in 2005, the legislative package was 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."¹

However the Armenian government has not yet formulated its policies on the development of a comprehensive national housing strategy that addresses all housing problems effectively. It is important to legally announce government obligations to socially vulnerable groups. It is also important to announce ways of solving their housing problems by using a public-private

¹ Armenia Housing Study (Prepared by: Hayastan Stepanyan, legal expert and Armen Varosyan, housing expert, UFSD, 2009)

partnership model. There are many relationships that are not regulated by the Civil Code or laws “On Management of Multi-apartment Building” or “On condominiums.” This includes 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. It also includes the assessment criteria definitions, needs-assessment methodology, and the criteria for 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 that were occupied during the Soviet era and have not been properly maintained. 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 housing field are:

- (1) The lack of housing strategy development and clear policy on state/LG responsibilities to vulnerable groups;
- (2) Clear separation of responsibilities among state and local authorities;
- (3) Private-sector involvement in housing industry and finance;
- (4) 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
- (5) The implementation and enforcement of acting laws and regulations in the field of multi-apartment building maintenance and management.

Other Problems include:

- (1) A weak capacity for building management, project development, financial planning and management, fund-raising, human resources, reporting and customer/member relations;
- (2) Poor creditworthiness due to their new status, slow development, failure to collect service fees, and failure to conduct creditworthy accounting, bookkeeping and reporting;
- (3) Difficulty securing the necessary number of votes for strategic decision-making with respect to heat supply issues;
- (4) The situation is exacerbated by the growing number of autonomous apartment-level solutions) and the significant share of absentee households (~20%);
- (5) The need, often, to sign individual loan repayment and service supply contracts with each household due to mistrust and a lack of experience purchasing utility services from the intermediary.

It is necessary to build homeowners capacity:

- (1) To manage the commonly shared property in multi-apartment buildings in compliance with regulations;
- (2) To represent and protect the common interests of property (apartment) owners within multi-apartment buildings when interacting with state, local self-governing, judicial, and other relevant bodies, in cases provisioned by the law;
- (3) 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 the Armenia Housing Study (prepared by UFSD experts in 2009) are:

- (1) Support projects for the management and maintenance of multi-apartment buildings.
- (2) Upgrade communal infrastructure in multi-apartment buildings; monitoring communal services (service provider-customer) in the buildings.
- (3) 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 and examine the results of both current projects and those from the past 15-20 years. Then, they should 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 major 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 from authorities. This requires regulations that are related to the public understanding of fairness. Good governance also requires the participation of large sections of the population, legislative transparency, and public trust in the authority of state institutions and other political leadership. Legal regulations should be written in a way that is most useful for the recipient. Laws targeting individuals (e.g. on condominiums) must fulfill quite different criteria of tangibility compared to laws affecting larger entities, e.g. company law, which regulates economic units. The former have to be brief and easily understandable. More importantly, the legal requirements must be achievable using a USUAL level of effort. Legal enforcement can be improved dynamically if it is combined with economic incentives. A carrot and stick strategy is recommended in most cases. Citizens usually try to follow the rules especially if they are enforced. They will do so more willingly and easily however, 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 Governmental Decisions should be amended as well and should be merged into 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

The 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 regulates management relations between owners of commonly shared property within multi-apartment buildings. This law defines management procedures that provide guidance for owners of multi-apartment buildings including advice on 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-governing body and organizations. However, in reality, the buildings are hardly managed by anyone and the state of commonly shared property remains poor.

Legally, the commonly shared property of multi-apartment buildings belongs to all apartment owners within the building. Yet, no right to the property is registered at the Real Estate State Registration Office and no records exist in the Ownership Certificate that is 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 commonly shared property to another party without having the consent of residents.

Many issues related to further management of multi-apartment buildings and improvement and renovation of commonly shared property, occur because the rights to the common property are not registered. In addition, relations between the apartment owners of the building are generally not established through contractual relationships because of the absence of enforcement mechanisms, lack of clarity, and deficiencies in the laws regulating this area.

The highest body of commonly shared property management and the General Assembly of the Owners of the Buildings, have the right to solve any issue that occurs in the field of managing commonly 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 needs to be involved (irrespective of the number of persons having the right of the ownership to the

apartment). In some cases, the Management Body/Condominium makes decisions that are not within its jurisdiction.

A number of studies have proven that commonly shared property within multi-apartment buildings is controlled without the consent of other owners of the building, particularly as 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 is provided to a first floor resident or other person who is not a tenant of the building. No prior written consent is required by the owners of the building. First, they designate the commonly shared property to any particular person. The Management Body makes no decision and does not have any particular attitude towards the multi-apartment building.

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

As a result of the above deficient multi-apartment building regulations, as well as an absence of competent supervision, a collective management culture, and a lack of necessary skills to maintain the communally owned property of multi-apartment buildings, the owners rely on their own discretion when dealing with reconstruction/reinforcement, renovation, and modernization projects on their property and communally owned property. In doing so, they ignore construction norms and standards, as well as the rights and legitimate interests of owners and users.

Current RoA legislation, which is not clearly defined, regulates the construction industry. It is true that there is no Construction/Building Code in Armenia that would regulate construction activities in multi-apartment buildings. However, RoA Urban Development Law, along with a number of other laws and by-laws controlling urban development, regulates a number of areas. For instance, the laws provide for: (1) the receipt of demolition/construction permits; (2) the progress of design-drawing documentation (planning, estimation) in conformity with construction standards; (3) the technical inspections of construction projects; (4) the implementation of construction based on this inspection; and (5) the certification/documentation of the construction projects' completion. The RoA Ministry of Urban Development's website permanently maintains a list of Urban Planning Normative Documents (the last one for 2013.01.01 - 2013.12.15 period) with which the, renovation, reconstruction, rehabilitation, heating, fire protection and other uses of all buildings should comply. (<http://www.mud.am/lows/files/Cankipop2013.pdf>)

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

Developers are required to carry out construction in conformity with the law, based on approved architectural and construction design. They must also obtain a construction permit (except for the

activities not requiring a permit for construction activities set out in Article 23 of the law). They can obtain specifications on engineering and infrastructure design from the local self-government bodies. This ensures that the design-drawing documents undergo technical examination and are designed in accordance with the procedures that were established by the Government of Armenia.

The developers are required to complete the construction by the estimated deadline for the construction of buildings and structures. This deadline is also set by the construction permit and provides 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 commonly 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 commonly shared property, or by its use). If such actions do not weaken load-bearing points of the building and, do not hinder the operation of engineering communications (infrastructure), mechanical, and other building equipment. They also do not result in the infringement of the common property rights of owners to possess, use, or operate their buildings.

Basically, the owners perform the above-mentioned actions without permits and approval documents, disregarding construction codes and standards. This is done because they are entitled to do it by Law on Multi-apartment Building Management. It is worth mentioning that receiving a permit is time consuming and is sometimes impossible and expensive.

At the same time, management practice of commonly shared spaces by all types of Management Bodies (condominium, trusty management, proxy management, management by municipality) is not properly studied yet. In addition, 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

Commonly shared property within multi-apartment buildings is possessed and used by the owners of residential and non-residential structures 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).

A committee that is comprised of all owners of the structures (hereinafter referred to as Meeting) is the highest governing body of the management of commonly shared property. The Meeting shall have the right of final decision on any issue related to management of commonly shared property within 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 on behalf of the others. This is done with the consent of all the owners. If the structure is held with the right of commonly 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 who has been authorized by the others may participate in the Meeting (Law on MABM, provision 11).

The 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. It must also be certified by a notary when it is envisaged by legislation or the statute of the governing body.

The following activities are under the jurisdiction of the Meeting of the owners of the multi-apartment building structures:

- Coordinating and conducting substantial transactions;
- Adopting decisions on building up or amending the entirety of commonly shared property or a part thereof;
- Define the payment procedure and deadlines for payments, other than the obligatory charges that are charged to owners (Law on MABM, article 11, clauses g, j, o).

Although the law on MABM does not refer to partial repair/reconstruction, it is clear that building up and modifying either the entirety of commonly shared property or a part of it is covered by the law. This also includes any type of repair, modernization, or reconstruction. Thus, it can definitely be said that such a decision should be taken by all building owners together or by their representatives pursuant to the stipulations of the law.

Decisions on construction or modification of commonly shared property or any part of it, as well as decisions on the management of commonly 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). A vote is required unless more stringent conditions are defined by the charter of the governing body.

Every owner of commonly shared property shall share, to the extent of his/her interest, expenses, taxes, duties and other payments directed at performance of binding norms and requirements as

well as 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 within a multi-apartment building have decided to repair, reconstruct, or modify commonly 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 commonly shared property (decisions shall be made in the above-mentioned order).

Step 2 - The architectural design task formulation, which includes establishing technical conditions. The first step in construction procedure is receipt of architectural design tasks (or planning permissions). The real estate property owner (or the user authorized to modify it) submits an application form (form N1) to the Mayor in order to get the task. This is only required if a construction permit is required for the planned activities.

The architectural design task defines binding requirements of the development of planning documents, demands and restrictions connected with construction activity in the given area, as well as developmental stages of planning documents. It also defines necessary baseline data and technical design conditions of the engineering infrastructures (water supply and sewerage, power supply, etc.) within the construction unit. The task and technical conditions are an integral part of the process and 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 which is based on a signed agreement between the licensed organization and the client (RA Government Decree No. 812 dated 21.12.1998,. It is also based on inspection of architectural designs 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, who has a license to carry out design activities, pursuant to the stipulations of RA Law on Procurement. The client submits the following tasks to the contractor:

- a. Architectural design tasks, including technical conditions for the engineering infrastructures (water supply and sewerage, power supply, etc.) of the construction unit. This is 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 that were prepared according to the procedure stipulated by RA Government Decree No. 346 dated October 30, 1996;
- d. Engineering and geological survey materials.

The designer shall bring baseline materials together. They may only include the materials that are covered in points c) and d) of this step, as well as develop additional materials if it is necessary for creating the design activities. The subcontract stipulates what is needed. (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 within multi-apartment buildings require simple inspections (examination). Simple inspection is intended for those design documents, which are excluded from the lists of documents for construction units and are subject to special comprehensive inspection. The 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 with 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"). The 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. The permit explains the administrative boundaries of the community construction (demolition) permit to the developer (owner or an authorized person). This document is provided by the Mayor. The head of the community gives a permit or denies it. If the permit is denied, the developer is notified in writing the grounds of the refusal. Permit construction activities can only be held in the units classified at low risk (grade I) (RA Government Resolution No. 91 dated 02.02.20024, confirmed by Appendix 2, clause 1, b).

Step 5 – Construction is implemented in accordance with the subcontract that exists between the client and the licensed (construction) organization (RA Government resolutions No. 91, dated 02.02.2002; No.626 dated 05.08.2003).

Technical inspection to oversee the quality of the work is being carried out during the construction process. Technical inspection is based on the RA MUD Order on Providing Technical Inspection of Construction Quality No 44 dated 28.04.1998. The primary issues with technical inspection are: provision of required quality construction-repair work, compliance 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. They are also required to act in compliance with requirements for the 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. The inspection lasts approximately 1 day.

When the construction is completed, the RA State Inspection of the RA Ministry of Urban Development carries out inspection and participates in activities provided by the Commission. These activities encourage acceptance of 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 (RA Government decree No. 626-N dated March 8, 2003 On Approval of Order of Documentation of Completed Construction Commissioning)

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

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

A statement of commissioning (form N1) shall document every acceptance. When all planned activities are completed in compliance with the approved design documents and construction subcontract, the builder hands the completed construction over to the developer in conformity with the law and requirements that have received the developer's approval.

The mayor approves the commissioning results from the completed construction. The handover-takeover statement is signed by both the builder and the developer. The commissioning statement (form N2) is issued by the Acceptance Commission and ensures conformity between the completed construction unit and the approved design and quality technical control documents. This is justified by performance documents, as well as by 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 the commissioning statement is received, the completed construction state registration of ownership right to the construction unit shall be carried out. With this purpose in mind, the developer shall submit an application to the State Committee of the Real Property Cadastre.

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

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 survey methodology 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 a list of subjects for 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 an active part in the process of arranging interviews with condominium leaders and authorized staff members. The UFSD interviewers visited the condominiums' offices after Mr. Zeynalyan's 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 condominium leaders and/or 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. These directions also clarified many of the questions. The interviewed people were asked to fill out a table which contained data on buildings maintained by each condominium. They were also asked to provide the financial information on condominiums. This was a laborious process that required a great deal of time. Therefore, a second visit was made by each of the UFSD experts to each condominium office to complete tables and financial indicators.

5. Review of Condominiums' survey results:

The survey assessed thirty-two condominiums and considered the following main aspects of condominium activity:

- (1) The financial condition of the surveyed condominiums;
- (2) The condominiums' experience in undertaking renovation investments projects;
- (3) The managerial skills of administrative staff to function in a cohesive manner
- (4) The subjects of the curriculum on further training of condominium leaders, 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 the collection of the condominiums' monthly revenues. (Table 1) The financial condition also considered the answers to questions ## 1-5 and 24 on the Questionnaire (see Annex 3).

As Table 1 shows, all the surveyed condominiums lack 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)	Monthly Collection discrepancy %	Manner of fees collection	Ownership of Real Estate (RE) and movable property (MP)
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	39%	Frequently payment, through agents visit to the owners' apartment	No RE & MP
2	Nor Nork 1/7	30	20 or 67 %	10 or 33 %	2000	104 936	82 309	18	2181200	875750	60%	Frequently payments	No RE & MP
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	11%	Monthly payment	No RE & MP
4	Nor Nork 8	43	43 or 100 %	-	1892	117 996	76 937	13	1475000	1030250	30%	Through the staff members of Condo	No RE & MP
5	Nor Nork 7/5	25	25 or 100 %	-	1062	82 400	48 900	10	895800	450500	50%	Through the visit of Condo agent	No RE & MP

6	Kaym 11	63	39 or 62 %	24 or 38 %	2382	207 270	167 657	17	2850200	1450400	49%	Daily payment, through the owners visit to the Condo office and banks, as well as Condo agents visits	No RE & MP
7	Sevak	25	6 or 24 %	19 or 76 %	1228	94 374	77 762	15 and 25 (for buildings with elevator)	1324800	944400	29%	Daily payment, through the Condo agents	Office, office equipment
8	Haghtanak	38	21 or 55 %	17 or 45 %	1690	109 070	108 234	No data	3100000	2423000	22%	Daily payment	Office, office equipment
9	Davtashen 1/4	21	21 or 100 %	-	1051	70 000	70 000	20	1400000	840000	40%	Daily payment	No RE & MP
1	Davtashen 1/1	14	14 or 100 %	-	648	55 000	27 000	20	1100000	642400	42%	Monthly payment	No RE & MP
1	Davtashen 2/1	26	26 or 100 %	-	1189	118 370	94 422	20	1649000	958000	42%	Monthly payment	No RE & MP
1	Shenqeri karavarum	322	-	-			Data is not provided	10 and 20(for buildings	Data is not provided ²	Data is not provided	Data is not provided	Monthly payment	truck

²Financial 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.

						No data		with elevator)						
1	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	Data is not provided	Monthly payment	No RE & MP	
1	Ajapnyak 1	28	27 or 96 %	1 or 4 %	1596	68 960	49 546	15	1320000	1106000	16%	Daily payment, through the owners visit to the Condo office and banks, as well as Condo agents visits	No RE & MP	
1	Manushak	17	-	17 or 100 %	748	30 974	20 604	14	492000	442000	10%	Monthly payment	No RE & MP	
1	Rusanna	15	10 or 67 %	5 or 33 %	580	39660	21 813	15	595000	508500	15%	Daily payment, through the agents	No RE & MP	
1	Rosanna	12	4 or 33 %	8 or 67 %	600	42000	23 100	15	630000	346666	45%	Daily, through the agents	No RE & MP	
1	Armine	35	-	35 or 100 %	1659	99300	66 531	15	1233000	888666	28%	Daily, through the agents	No RE & MP	

1	Anushik	37	36 or 97 %	1 or 3 %	2305	179870	93 532	15	2635000	1623250	38%	Daily payment	No RE & MP
2	Argishti	24	11 or 46 %	13 or 54 %	1421	103571	72 500	15 and 20 (for buildings with elevator)	1454000	1030000	29%	Monthly payment	No RE & MP
2	Sebastia-2	62	51 or 82 %	11 or 18 %	3279	236 562	236 562	15	3563000	2717600	24%	Monthly and annually payment	Tools and welder
2	Lchap	14	9 or 64 %	5 or 36 %		62442	53 075	20	1376158	963000	30%	Daily payment, through the agents and banks	No RE & MP
2	Zeytun 98	53	45 or 85 %	8 or 15 %		172834	152128	15 and 27 (for buildings with elevator)	3 142 000	2 042 000	35%	Daily payment, through the agents and banks	No RE & MP
2	Kars	31	30 or 97 %	1 or 3 %		80574	67 144	14	1 000 000	692 500	31%	Daily payment, through the agents and banks	No RE & MP
2	Artsakh 4	10	5 or 50 %	5 or 50 %		38842	26 775	15	661 000	461 000	30%	Daily payment, through the agents and banks	No RE & MP
2	Lilia	40	40 or 100 %	-		121375	121 375	15	1 867 900	1 226 000	34%	Daily through agents and	No RE & MP

												banks and visits to Condo office	
2	Ejmiadzin	25	25 or 100 %	-		11200	47 831	15	1 431 250	987 500	31%	Daily payment, through the agents and banks	No RE & MP
2	Arsen	31	31 or 100 %	-		87520	46 065	15	1 300 000	1 082 750	17%	Daily payment, through the agents, banks and visits to Condo office	No RE & MP
2	Kentron	391	97 or 25 %	294 or 75 %		129084 4	1060000	15 and 20 (for buildings with elevator)	28 617 000	27 451 416	4%	Daily payment, through the banks	1 car, 3 trucks
3	Kentron 1	234	61 or 26 %	173 or 74 %		780000	693 223	15 and 20 (for buildings with elevator)	19 167 000	16 292 000	15%	Daily payment, through the agents, banks and visits to Condo office	1 car, 2 trucks
3	Avan	18	18 or 100 %	-		51540	42 876	17	890 000	890 000	0%	Daily payment, through the agents and	No RE & MP

												banks	
3	Avan 4	46	46 or 100 %	-		143629	78 170	17	2 516 000	2 480 000	1%	Daily payment, through the agents and banks	No RE & MP
	<i>Average</i>										28%		

Most of condominium leaders or authorized staff members (23 people or 72 %) (*Hereinafter is referred to as respondents*) indicated roofs, basements, and staircases as the most common commonly-shared spaces. 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 within 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' opinions, the existence of closed and/or empty apartments negatively affects the monthly revenue collection and creates difficulties for making plans for the following year. While making plans for collection, condominium leaders must consider the 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), and debt repayment as per written or verbal agreement or court's judgment. However, it doesn't affect the decision making process regarding the repair and renovation of commonly used spaces.

Only one respondent out of thirty-two stated that maintenance fees are being collected once a month by the authorized condominium staff member. A significant portion of respondents (28 respondents or 88%) answered that fee collection is a daily process. Some respondents stated that residents themselves come to condominium offices to make monthly maintenance payments. Despite not all respondents indicating that they are knowledgeable of the actual data on monthly fees collection, all of them (excepting "Avan" condominium) stated that there is a debt in fees payment (see Table 1). The average debt percentage is 28%.

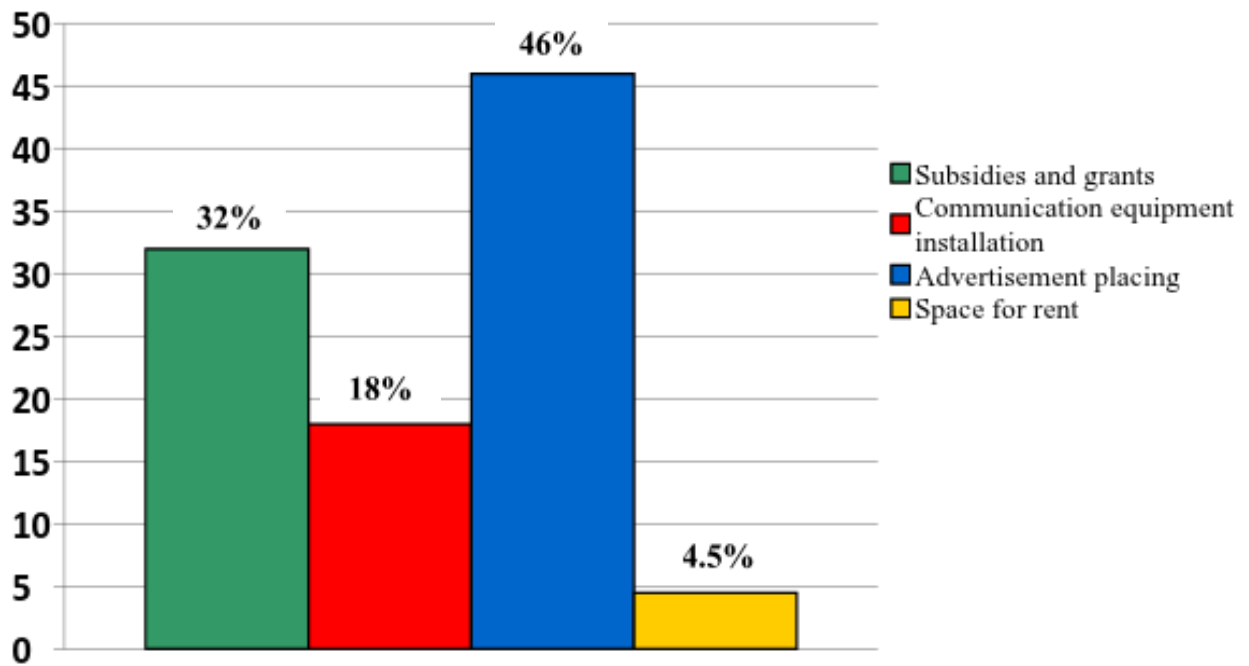
Twenty-eight respondents (87%) said that there are other sources of condominium revenue than residents' monthly fees. Only four respondents pointed out that they have no other sources of revenue. The following revenue sources were mentioned by respondents (Figure 1):

- Subsidies and grants (7 persons)
- Communication equipment installation (in the majority cases it is a satellite antenna installation on the building's roof) (6 persons)
- Advertisement placed in elevator booths (15 persons)
- Rent of spaces (1 person)

Only six respondents mentioned that all expenditures are in correspondence with the condominium budget. Respondents mentioned the following expenditures:

- Planned maintenance works and repairs of 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 the question "Whether the condominium has other revenue sources than residents' monthly payment?".



The personal information regarding each condominium's revenue 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	Expenditures 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 works and repairing in the buildings	Condominium administrative staff remuneration (salary, taxes)	Mandatory norms provision
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 Table 3 shows, the majority of respondents stated that there is no possibility of collecting additional resources from the owners. There is also no possibility of increasing the amount of fees paid by owners considering the 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 discussion with people”	“no possible now”
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	“not possible”

		covered by owners”	
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 covered by owners”	Could be increased with 5 AMD
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

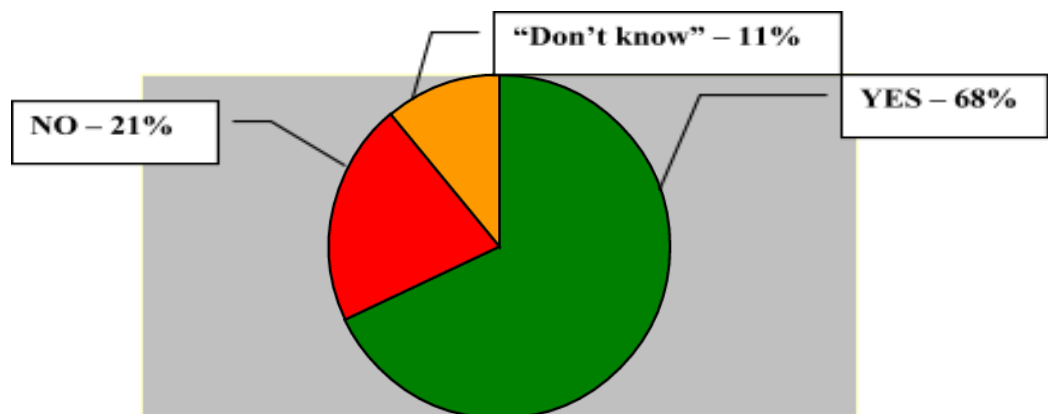
5.2 Condominiums' experience in undertaking investments projects

Most of the surveyed condominiums (22 respondents or 69%) have no experience managing loans or credit projects on behalf of condominium owners. Ten respondents (31%) stated that they have experience in this area. Particularly, the following investment projects have been managed by the condominiums:

- The condominium “Kaym 11” has borrowed two hundred thousand AMD (200,000 AMD) from the bank 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)
- In 2000, the condominium “Ajapnyak 1” renovated five buildings using the “Food Green” Canadian fund and 50% residents' contribution.

Twenty-two respondents (68%) indicated that a few owners (no number was mentioned) from their buildings had taken bank credits for the renovation of their apartments or other purposes (daily living needs, medication, education, etc.). This money was never used for maintenance or repairing commonly used spaces (Figure 2).

Figure 2: Breakdown of the respondents' answers to the 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) stated that they implement planned maintenance activities regularly. The breakdown of answers to the question “How often are planned maintenance activities being conducted by the Condominium?” is presented below:

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

Only two respondents (“Ajapnyak 1” and “Kentron 1” condominiums) mentioned that maintenance companies were selected through a tender to implement some repairs or other maintenance work. Most of the respondents said that all of the technical repairs were performed by the technical personnel of the condominium or that the condominium hired workers to complete specific work (common space repairs, maintenance, equipment fixing or installation). These workers are compensated in the following ways:

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

Sixteen respondents (50%) mentioned that their condominiums have implemented large projects, specifically renovation of the roof, which was co-financed by the Municipality.

All respondents indicated that the buildings' residents are actively involved in the process of making decisions about repairs. The residents propose their suggestions one of the following ways: verbally, in writing, by phone, at a condominium office visit, or during the condominium general meeting. In response to the question “Whether condominium or residents are planning any construction projects or works for further implementation in the buildings? “(# 25c of the Questionnaire), most condominiums (27 respondent answers or 84%) showed they are planning some building work or construction project based on resident proposals. Only three respondents answered “NO” to this question and two respondents answered “I don't know” (Table 4). Specifically, the following projects are planned:

- Capital renovation of the entrance (14 respondents)
- Capital renovation of the sewer system (4 respondents)
- Roof capital renovation (8 respondents)
- Replacing windows on the staircases (6 respondents)
- Capital renovation of engineering internal lines (sewer, water system) (5 respondents)

- Elevator repair (3 respondents)

Table 4. Planning Construction Projects

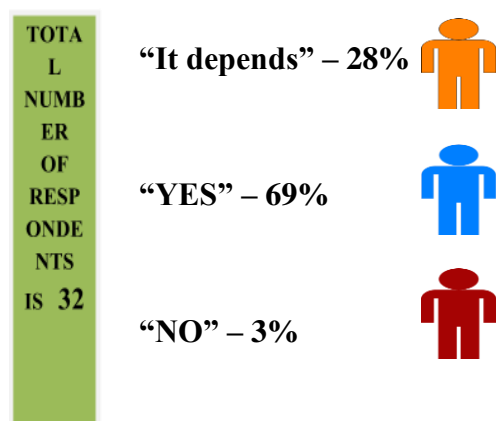
##	Condominium name	Whether Condominium or residents are planning any construction projects or works for further implementation in the buildings?	If YES, what they are planning? Describe the planned project, decision making process.	Deadlines and financial arrangements
1.	Nor Nork 1/8	yes	Capital renovation 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 entrances. Decisions are made together with	According to the schedule

			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 fact that the majority of respondents had mentioned planned building projects, only one respondent (“Sevak” condominium) mentioned that the renovation project would be financed by the residents. The remaining respondents did not know how the renovations projects would be financed.

Twenty-two respondents (69%) out of 32 were definitely sure that residents of their buildings are satisfied with the quality of the maintenance in their condominiums. One respondent answered “I don’t know” and the remaining nine respondents answered “it depends” (Figure 3). When they are satisfied with maintenance in their buildings, the residents express their gratitude to the condominium management body, which strengthens ties between residents and the management body.

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



Residents mentioned the following causes for their discontent:

- Impossibility to meet residents' needs completely because of a lack of collected revenue,
- Owners' expectations of high-quality maintenance despite inaccuracy of fee payments,
- Legislative shortcomings
- Impossibility to make capital renovation because of limited sources
- The elevators are not modern

The answer to the question "Whether the residents are charged for some additional maintenance fees?" only one respondent ("Kaym 11" condominium authorized staff member) said "YES". In answer to the question "Whether the residents are satisfied with the size of the monthly fee?" a little more than half of the respondents (20 respondents or 62%) said that residents are satisfied. Four respondents said "NO;" two respondents said, "It depends;" six respondents avoided giving an answer.

5.4 Managerial skills of condominiums' administrative staff and ability to function in a cohesive manner

The survey showed that there is active communication and strong interaction between the condominiums' management body and the residents. All respondents stated that there are many visits from both sides including condominium staff members and residents. Most of the respondents stated that the management visits on a daily basis.

The residents mentioned visiting for the following reasons:

- Taking of different kind of references
- Making monthly payments
- Applying for urgent repair needs
- Complaints and recommendations
- Seeking help to solve conflicts in the community

The condominium managing staff visited residents because of:

- Control over implementation of mandatory norms (control of building cleaning level, disinfestation, disinfection implementation, garbage removal)
- Collection of monthly fees
- Communication with the residents because of some domestic conflicts or emergencies
- PR for condominium activity
- Elevator 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 example, the school's hall in "Ejmiadzin" and "Kentron 1" condominiums) during the cold season. In answer to the question, "Do the residents actively participate in the condominium's general meetings?" different answers have been done by respondents.




Specifically, 17 respondents answered “YES”; 11 respondents answered “NO”; and 4 respondents answered “It depends.” Respondent answers are presented in Table 5 below.

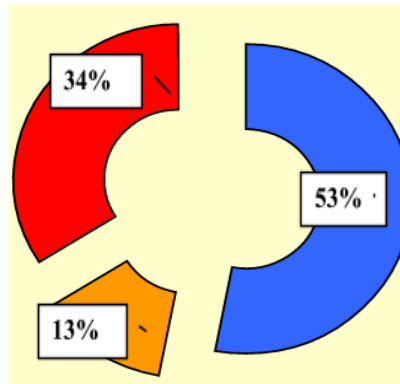
Table 5. Participation in common meetings

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

-  YES
-  NO
-  "It depends"



Experts' Observations

When discussing the common meetings of homeowners, many of the respondents identify this process with the condominium's board meetings. The rest of the homeowners stated that despite their efforts to ensure the homeowners' participation in common meetings by different means (posting information on billboards, with the help of board members, through most active residents), participation cannot be ensured. Article 15 of the RoA Law on Condominiums defines procedures for inviting homeowners to common meetings. A 5 day prior written notice reminding residents of the invitation, an agenda, and a reminder of the day, venue, and time should be sent to each member of the condominiums at their home addresses. This should be done unless another address is given to the head of the condominiums. This procedure is not being followed by any of the respondents.

Articles 13 and 14 of the RoA Law on Multi-apartment Building Management (07.02.2002) allows the management to make decisions about how they will invite homeowners to meetings. It also allows them to make decisions about how they will let residents know what issues were discussed during the meetings. This is a possible way to overcome when residents do not attend meetings, However, this will not solve the issue of the lack of homeowners' full participation in the management of the condominiums. It is no coincidence that during the survey, while talking about residential energy efficiency for low-income households, few condominium leaders acknowledged needing to discuss the issue with homeowners in the common meeting. Even when the heads of condominiums mentioned that they were discussing serious issues with the residents, they meant that they were discussing issues with a limited number of homeowners from each building. We did not witness an established "community", where homeowners are the real decision makers.

Having limited financial resources and an ineffective highest governing body, the condominiums consider the local government to be a supervising body rather than a supporting body. As a result, they do activities which are beyond their duties. They spend a lot of resources on them, including both money and people (e.g. care, maintenance, operation of the courtyards, etc.) It can be stated that the condominiums are turned into a helpline service for dealing with utility issues and accident recovery activities. Feedback from the residents is necessary to obtain an objective evaluation of the quality of their work and the costs.

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

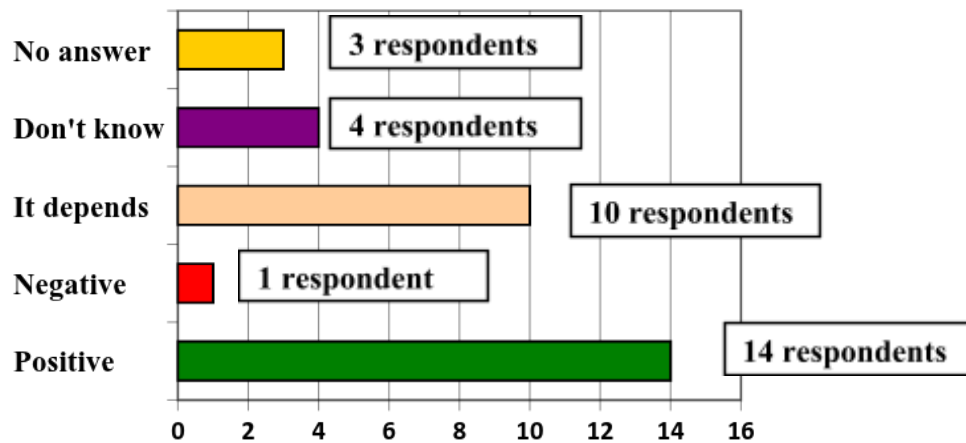
The following responses were provided in answer to the question, "Whether the absent owners are informed on the decisions made during the condominium's general meeting?" Twenty-nine respondents (or 90%) said that the condominium management staff members provide information about community decisions to absent owners (residents). Only three respondents said "NO" (absent owners are not informed). Residents stated that absent owners are informed in the following ways:

- 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)

The following responses were provided in answer to the question, "Whether the mechanism for selecting condominium buildings' residents complaints and proposals works?" Only one (from "Avan" condominium) respondent indicated that they are not aware of any mechanism being in place. The rest of the respondents said that they have a registration book for residents' complaints and suggestions. The activities of the condominium management staff 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 the question, "What is the residents' opinion on condominium activity?"



Respondents stated that 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

In answer to questions which concerned the organizational structure of condominiums, 14 respondents (43%) out of 32 gave correct answers. However, in some cases the answers were incomplete.

The following section discusses the answers to questions which relate to the following topics: "Details on the experience of undertaking grants, loans, or other funds", "the level of condominium awareness on energy efficiency in the buildings", and "the information on 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 knew the benefits that residents could receive as a result of implementing energy efficiency projects. Fourteen respondents (43%) noted that they are concerned about implementing a residential energy efficiency project within the building because many of the residents were insolvent. Only three (9%) ("Lchap", "Haghtanak", "Avan 4") respondents showed no concern regarding the implementation of these kinds of projects. The rest of the respondents (15 respondents) gave no answer to this question. Eleven (34%) respondents noted that their condominiums are currently involved with energy

efficiency renovations Window glazing and replacing of windows and doors were the most common. Respondents' awareness of residential building energy efficiency issues is demonstrated by the answers shown in Table 6.

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

- Condominium management body structure
- Responsibilities of the Condominium management body
- Theory and practice of the decision making process
- Loan/credit project management skills
- Residential building energy efficiency
- Benefits that residents receive from investing in renovation projects aimed at increasing energy efficiency.

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 following conclusions and recommendations are based on the results of a survey which focused on the capacity of thirty-two condominiums within the city of Yerevan:

1. In order to get a more objective picture of the capacity and management skills within the surveyed condominiums, survey takers questioned residents on many different areas. For example, residents were asked whether they currently participated in condominium general meetings; whether the condominium management staff visited the buildings' residents; whether technical maintenance work was performed by the condominium regularly and carefully; and whether residents were satisfied with overall condominium maintenance, maintenance fees, etc.
2. Most of the condominiums are not experienced in managing investment projects. However, further education on mutual trustful relationships between condominium staff and residents could become a strong supporting element for investment in residential energy efficiency projects.
3. The financial resources for most of the condominiums are limited because of residents' insolvency. This could impede residents' ability to undertake residential energy efficiency investment projects.
4. The condominium management staff must strengthen its capacity through the enhancement of knowledge and fundraising skills.
5. The condominium management staff and residents need to be trained before initiating any investment projects 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 a Condominium management body
 - Theory and practice of the decision making process
 - Loan/credit project management skills
 - Residential building energy efficiency
 - Residential benefits that come from investment in energy efficiency related renovation projects
 - Fundraising for investment in renovation projects that are aimed at raising the residential building's energy efficiency.
7. There are 117 proxy managers in Yerevan who also carry out the management of multi-apartment buildings. In this case, the law allows for the lowest rate of participation of homeowners in the management of the governing body. The proxy manager is primarily involved in skilled management. A similar survey will identify the strengths and weaknesses of that form of management. This information will be compared to current condominium management with the goal of finding solutions for more efficient functioning within the governing body.
8. We recommend that the next phase of Residential Energy Efficiency for Low-Income Households, utilize project condominiums that currently have more than 60% fee

collection and consist of panel/monolithic type buildings. The condominiums must also have managers that understand: 1) the importance of development projects for their residents and 2) the positive impact that development projects can have on the reputation of the condominiums. The condominiums should also utilize buildings where the effective implementation of the work will increase the size of the fees. The following condominiums meet the recommended standards: Sebastia 2, Lilia, Echmitsin, Ajapnyak 1, Ruzanna, Anushik, Zeytun 98, Argishti, Kentron, Avan 4, Avan, Lchap.

9. During the meetings, almost all the leaders of above-mentioned condominiums indicated that The Laws on Multi-Apartment Building Management and on Condominiums should be amended so that they consider the current state of condominium structure. Only one condominium leader (Kentron 1) stated that the law is fully justified and allows for effective management.

Annex 1. List of Yerevan City Condominiums surveyed

	Condominium Title	Head/authorized staff members	Address	Phone numbers
	Nor Nork Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative District			
23.	Sasuntsi David 11	Sargsyan Vera	20 Artsakhi	093 32 77 42 43 86 32
24.	Aresh	Khachatryan Andranik	13 Atoyanyan	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	Atoyanyan 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	Living space, m ²	Description of common using space/ m ²
1							
2							
3							
4							
5							
6							

1. Describe common using spaces and their ownership registration:

2. Whether the closed apartments existing affects on the Condominium decision making process?

YES _____ NO _____ Difficult to answer _____

3. If YES, describe how it effects?

4. Whether the existing of closed apartments affect on the decision making process regarding to investments for common using spaces maintenance?

YES _____ NO _____ Difficult to answer _____

5. If YES, describe how it effects?

6. Condominium organizational structure

a. Structure of Condominium management body

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.

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