

BACKGROUND

The general economic reforms in 1993 started with privatization of the housing stock. In the phase of transition from centralized planned economy to free market economy the reforms in housing sector were among highest priorities. The main idea of reforms in this sector was to transfer the management functions from the National Authorities to the local governments and non-governmental organization. The next and one of the most important reform measures was initiating the process of establishment of condominiums parallel to privatization of the housing stock.

Condominium Facts & Figures

There are currently 826 registered condominiums or home owner associations (HOA) in Armenia (608 of which are in Yerevan), which include about 7,900 multi-apartment buildings (4,479 of which are in Yerevan) with 324,622 (about 220,000 of which in Yerevan). These condominium managed buildings represent 77.8 % of the total housing stock of the Republic.

Commonly services provided by condominiums

Mandatory sanitary services (~100%)	Repair and maintenance of common areas (25%)
Garbage removal (~70% of HOAs)	Water networks maintenance (<1%)
Cleaning of common areas (~25% HOAs)	Heat supply services (<1%)

Financial status of HOAs

The building “management service fees” in HOAs vary from 6 to 20 AMD for a square meter of living space. The selection of the service fee tariff is usually based on the population’s ability to pay. The level of collection for public utilities and management service fees ranges between 40 to 80 percent. Surveys indicated that the residents are willing to pay more for the type of “visible” services (such as garbage collection) taking into account, that this type of services are provided by condominiums more properly- more often and regularly.

Condominium/HOA Activity

Today, 20% of the total number of registered condominiums do not operate. Among the main

reasons for such a standstill are the poor social conditions. Nearly all condominiums have about 10% members, who are unable to pay or and are exempt from all the service fees by the decision of the General Meeting of the Condominium’s House-owners. Part of these socially vulnerable citizens compensates the granted exemptions by doing some free work for the condominium.

Condominium problems and issues

Aging housing stock under HOA management	Low consciousness of residents
Poor condition of common spaces and infrastructures	Empty/closed apartments
Lack of own resources and flexible outside financing mechanisms	Low level of awareness on energy efficiency measures and heating improvements
Insufficient heating options	Different income level

Needs in technical assistance and investments

According to the results of Condominium survey implemented in five Armenian cities by the Alliance, condominium needs in EE field are as follows:

Study tours to learn from foreign innovative experience	Rehabilitation the heating system
Organization of heating by the condominiums themselves	Automatic control of lighting in building staircases
Installation of small boilers for heating and hot water	Use of modern weatherization methods
Hot water supply	Roof repairs

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Brief Overview of Condominium Development and Housing Sector Reform in Armenia

The history of the reform and condominium establishment is summarized in the table below:

#	Date	Legal acts and number of condominiums registered
1.	1995	The Cabinet Decision No 295 of May 30, 1995 According to the Decision the establishment of condominiums residential blocks where more than 50% of the flats are privatized should be completed by the end of 1995.
2.	1996	60 (with 300 residential blocks with about 1600 flats) Those condominiums were mostly composed of small groups of residential blocks which had common territories (shared one yard), common infrastructures (shared the same mains for water-supply, heating and electricity supply) and other common facilities that made them very attractive for common management.
3.	1996	The Law on Condominiums According to the Law a condominium could not include more than one residential block. Problem: decreased interest of house-owners to form condominiums; reasons: service fee collections from one block are not enough to cover even minimum personnel costs, and in case of a shared yard it is difficult to determine the exact share of each condominium in public works related to cleaning and improvement of the territory
4.	1998	354 condominiums registered (with 650 blocks with 42,583 flats) which represented 10% of the total housing stock of the Republic.
5.	1998	Amendments in the Law on Condominiums which allowed to include more than one building with shared territories in a condominium; any building formerly included in a condominium to separate from that condominium with a purpose of joining another existing condominium or forming a new one.
6.	2001	602 (with 4,035 residential blocks with 170,969 flats) which represented 41 % of the total housing stock of the Republic
7.	2002	Multi-Apartment Building Management Law and amended Law on Condominiums
8.	2004	608 registered condominiums / home owner associations (with more than 5,300 residential blocks with 280,000 flats) which represented 50 % of the total housing stock of the Republic of Armenia
9	2005	826 registered condominiums / home owner associations (with 7887 residential blocks with 324,622 flats) which represented 77.8 % of the total housing stock of the Republic of Armenia