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ENABLE – Empowered Civil Society for a Sustainable and Efficient City

BRIEF VERSION OF THE ANALYTICAL REPORT

Assessment of the housing stock modernisation in Kazakhstan



This project is implemented:

Housing Initiative for Eastern Europe
(IWO e. V.)
Alt-Moabit, 101A
10559 Berlin, Germany
Tel.: +49 (0)30 20 67 98 02
Email: info@iwoev.org
<http://www.iwoev.org/de/home>

Delegation of the European Union
to the Republic of Kazakhstan
62, Kosmonavtov str., 7th floor
Astana 010000, Kazakhstan
Tel: +7 (7172) 97 45 40

Email: delegation-kazakhstan@eeas.europa.eu
<https://eeas.europa.eu/delegations/kazakhstan>

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Introduction

Kazakhstan's housing stock is one of the key elements of urban infrastructure and the quality of life of citizens. However, against the background of high rates of urbanisation and building deterioration, the country faces systemic problems in housing modernisation. More than half of multi-family apartment buildings (MFABs) are in unsatisfactory condition, most of them built before the 1990s.

Capital repair programmes launched in the 2010s have yielded positive results, but remain limited in scope, scale and effectiveness. The difficulties are related to the lack of a comprehensive approach, underdeveloped control mechanisms, poor transparency of processes and low involvement of tenants.

Data sources for analysis

The analysis was based on information from:

- information system of centralised data collection E-Shanyrak;
- websites of city authorities (akimats) and housing management organisations;
- of the Bureau of National Statistics of the Republic of Kazakhstan (2023);
- written enquiries and interviews with representatives of local authorities and utility operators.

The E-Shanyrak system covered 89.6% of the housing stock (over 48,000 houses acquired passports). However, the system was suspended due to the lack of a long-term financing model, and the quality of integration with other systems remains low.

Akimats' websites provide fragmentary data, mostly not updated since 2021-2022. The exception was Astana, where more complete reports on completed repairs are published.

Condition of the housing stock

According to various sources:

- There are 54.5 thousand MFABs in the country, of which about 18,000 have reached the end of their service life (25 years and more);
- 82% of all MFABs were built before 1990 and 91% were built before the introduction of energy conservation standards in 2004;
- only about 3.5 thousand houses have undergone capital repairs (data for 2022).

Thus, the need for repairs is several times higher than the actual volumes. If the pace does not change, it will take more than 50 years to cover all MFABs in need. The lack of a single verified

database on the housing stock remains a problem – existing estimates differ between the local authority's data and national statistics.

Regulatory framework

Since 2011, Kazakhstan has had several regulatory frameworks in place for the modernisation of the housing and utilities sector:

- Housing and Utilities Modernisation Programme (2011-2020);
- Orders of the Ministry of Construction from 2020 regulating capital repairs;
- Concept for the development of the housing and utilities sector for 2023-2029.

Today, uniform rules are in place that define the responsibilities of all participants, such as homeowners, housing management companies (OSIs, CSCs), housing modernisation operators and local authorities. Despite this, significant gaps remain:

- No requirements for mandatory modernisation;
- minimum qualification requirements for contractors;
- low level of control and accountability.

A positive development was the introduction of repayment mechanisms: tenants repay repair costs in instalments (up to 15 years), but this mechanism is not sufficiently scaled up in the regions.

Work of modernisation operators

The assessment was carried out on the example of LLP "Ørken Kala" (Astana) and LLP "Housing Service of Petropavlovsk". Both operators are working according to the same model by receiving budget funds at 0.1% for 7 years and organising capital repairs with repayment through residents' payments.

However, the differences are significant:

- In Astana, more than 200 buildings have been repaired, and 272 lifts have been replaced. But the level of the funds return is low, there are also complaints about the quality of work and transparency of tenders.
- In Petropavlovsk, 218 houses have been repaired, tenants' debt is 3.8 billion tenge, covering more than 1 thousand flats. The financial condition of the operator is weak.

Both operators are lacking qualified professionals, technical supervision, and suffer from a limited tenant participation in overseeing the repair process.

State modernisation programmes

Large-scale programmes have been implemented in the country since 2010:

1. Housing and Utilities Modernisation Programme (2011-2015) - 877 billion tenge.
2. Nurly Zhol (2015-2019) - 2.2 trillion tenge, of which 150 billion for housing and utilities.
3. Nurly Zher (2020-2025) - 5.3 trillion tenge.
4. "Strong Regions" National Project (2021-2025) - 7.6 trillion tenge, 1.3 trillion for housing and utilities.

General trend: financing has been increased, but weak implementation of energy efficient solutions remains. Modernisation is not actually a priority, and the results of capital repairs are partial and uneven.

Regional agenda and results of capital repairs

Almaty:

- More than 1,070 houses were repaired, and 2,155 lifts were replaced.
- In 2024, repair 100 houses and 100 lifts (in process).

Petropavlovsk:

- Out of 1197 MFABs, 210 are recognised as dilapidated, and 28 as in emergency.
- For 2024, the plan was to repair 7 houses for 563 million tenge.
- The high proportion of low-income tenants makes repayment difficult.

Astana:

- 3309 MFABs, out of which 206 are in emergency.
- In 5 years, 34 new houses were built to replace those demolished.
- For 2024, 1,047 million tenge to repair 16 houses and 10 lifts were allocated.

Common problems: debts of tenants, poor quality of work, failure to fulfil warranty obligations, formal control by operators.

Survey of house boards

Survey of managers and chairmen of houses in Almaty (10), Petropavlovsk (25) and Astana (7) was conducted with the following results:

- The quality rating on average is "satisfactory"; there are many times more positive reviews than negative ones;

- Modernisation is reduced to individual elements (roof, lift) and there is no integrated approach;
- State programmes are expensive for tenants: independent repairs are 2-5 times cheaper;
- Quality control is formal, the housing management companies are not qualified;
- Contractors are appointed by the operators without input from residents;
- The warranty period is only 2 years, whereas tenants are asking for an extension to 5 years.

The residents of northern cities support modernisation to reduce costs and improve comfort. In Almaty, they support modernisation for the sake of higher housing costs.

Conclusion and recommendations

Key Findings:

- Capital repairs in Kazakhstan are progressing, but slowly and unevenly;
- There is no mass deployment of energy efficient technologies;
- Information systems are underdeveloped, and E-Shanyrak system is frozen;
- Citizens are poorly involved, no influence on contractors, low level of control;
- Repair programmes lack an emphasis on modernisation and transparency, as well as participation of MFAB residents.

Recommendations:

1. Introduce comprehensive modernisation as a mandatory component of all renovations.
2. Ensure equitable distribution of resources between regions.
3. Raise requirements to contractors, introduce open tenders.
4. Update and launch the E-Shanyrak system with transparent governance.
5. Develop public scrutiny and involve the housing management companies.
6. Launch targeted subsidies and loans for MFAB modernisation.
7. Educate tenants and housing managers on energy efficiency and renovation.

European Union project ENABLE

Project Goal

Strengthening the capacity of civil society organisations (CSOs) to increase their participation in decision-making to support the development of sustainable housing with a focus on energy efficiency of buildings.

Project Objectives

- to improve the knowledge of CSOs on sustainable housing
- to increase the capacity of CSOs to educate and inform citizens to raise public awareness
- to improve co-operation between CSOs and local authorities in the field of sustainable housing, in particular energy efficiency in buildings and energy-efficient modernisation of multi-family buildings (MFBs)

Implementing Partner in Germany

Housing Initiative for Eastern Europe (IWO e. V.), Berlin, www.iwoev.org

Implementing Partners in Kazakhstan

Almaty City Association of Apartment Owners' Coop-eratives (ALMATY ASSOCI-ATION), Almaty, <https://gkhsp.kz>

Kazakhstan Parliamentary Development Fund (KPDF), Astana, <https://clck.ru/38Ui8y>

Петропавловская региональная ассоциация КСК, г. Петропавловск, <https://clck.ru/QtEDY>

Current information on the website: <https://enablepro.kz/>

