



PROMHOUSE - Promoting professional housing management in
Kazakhstan and Uzbekistan
PROMHOUSE - Профессионализация управления жилищным фондом в
Казахстане и Узбекистане



Summary:

**Analyse of professional management capacity
housing stock in the economy of Kazakhstan**

2021



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The views expressed in this publication do not necessarily reflect the views of the European Commission*

Table of abbreviations

'Shanyrak' Association	'Shanyrak' Association of Management, Service and Energy Service Entities in the Housing Sector, Kazakhstan
Atameken	'Atameken' National Chamber of Entrepreneurs (NCE)
SGES	State General Education Standard
HCSBK	Housing Construction Savings Bank of Kazakhstan
HUS	Housing and utilities sector
SFH	Single-Family Home
FOC	Flat Owners' Co-operative
CS MNE RK	Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan
MDU	Multi-dwelling unit
LEA	Local executive authorities
MIID RK	Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan
MES RK	Ministry of Education and Science of the Republic of Kazakhstan
MNE RK	Ministry of National Economy of the Republic of Kazakhstan
NQS	National qualifications system
POA	Property owners' association
PS	Professional standard
CIS	Commonwealth of Independent States
TVE	Technical and vocational education

Table of contents

Table of abbreviations	1
Introduction.....	3
I. Structure and main trends in the residential sector.	4
1. General statistics in the housing sector	4
1.1 Housing stock broken down by multi-dwelling units	4
1.2 State of the housing stock in the Republic of Kazakhstan.....	5
1.3 Analysis of housing market development with reference to urban development, including in the framework of the 'Nurly Zher' State Housing Program for 2015-2019	6
1.4 The situation with the housing modernization in the country. Energy modernization of the housing stock.....	6
2. Main trends in the housing sector	8
2.1 Population growth and migration from rural to urban areas	8
2.2 Housing construction.....	9
2.3 Investment in housing	11
2.3.1 Volume of mortgage loans by top 3 banks in Kazakhstan.....	11
2.3.2 New 'Affordable Housing 2020' Program	12
2.4 Solvency of the population.....	12
II. The field of housing management against the general background of the housing and utilities sector	13
1. Statistics on housing management	13
1.1 Estimating the number of condominium units.....	13
1.2 Forms and number of housing management organizations	14
1.3 List of professions for employees of management companies and owners' organizations.	14
2. Characteristics of the organizations that manage the housing stock	15
2.1 Legislation for the operation of MDU owning and managing organizations, including self-management	15
2.2 The main problems of property managers.....	16
III. Description of the training and retraining system for housing managers	18
1. Current situation in the housing management sector	18
IV. Initiating formal accreditation of the property manager training program/college grants	22
1. The process of approving curricula and standards	22
2. Funding of vocational training places in colleges in the new specialty by the state	24
ANNEXES.....	25

Introduction

In recent years, in Kazakhstan and Uzbekistan the need for professional management of residential real estate has increased significantly with the renewal of housing management legislation, which obliges homeowners to choose and implement a management method for their building. In both countries there is an acute shortage of qualified professionals for this area of housing management. *The PROMHOUSE project 'Professionalization of Housing Management in Kazakhstan and Uzbekistan'* has set itself the task of satisfying this need by piloting the 'MDU Manager' and 'Maintenance Supervisor' qualifications in vocational colleges and by developing an advanced training service in the partner associations of housing managers.

The aim of this analysis is first of all to find out the evidence for the need to increase the number of housing managers (both self-employed and management companies) and to improve their professional training. For this purpose, an overview of the housing stock in the partner countries is made – *Chapter I. Structure and main trends in the residential sector.*

Chapter II. The field of housing management against the general background of the housing and utilities sector presents the situation in the property management market. This chapter elaborates on the problems of all stakeholders in the residential property management market – managers of management organizations, flat owners, and utility service providers. Problems on the part of the regulatory side are also discussed.

Chapter III. Description of the training and retraining system for housing managers describes what training and advanced training opportunities for professionals involved in building management have existed so far in the partner countries. The description of the baseline situation will help specify the project objectives and the development of curricula for both vocational training and advanced training and take into account current topics of particular relevance to the property manager. These are, for example, topics such as energy modernization of buildings, digitalization of building management, etc.

In chapter *IV. Initiating formal accreditation of the property manager training program/college grants*, the partners gathered information important for their work concerning procedures that exist in Kazakhstan for introducing a new training program in vocational education. The mechanism for the distribution of the state educational order is also described. Understanding this mechanism is important for the project partners to implement the training of young specialists in new professions.

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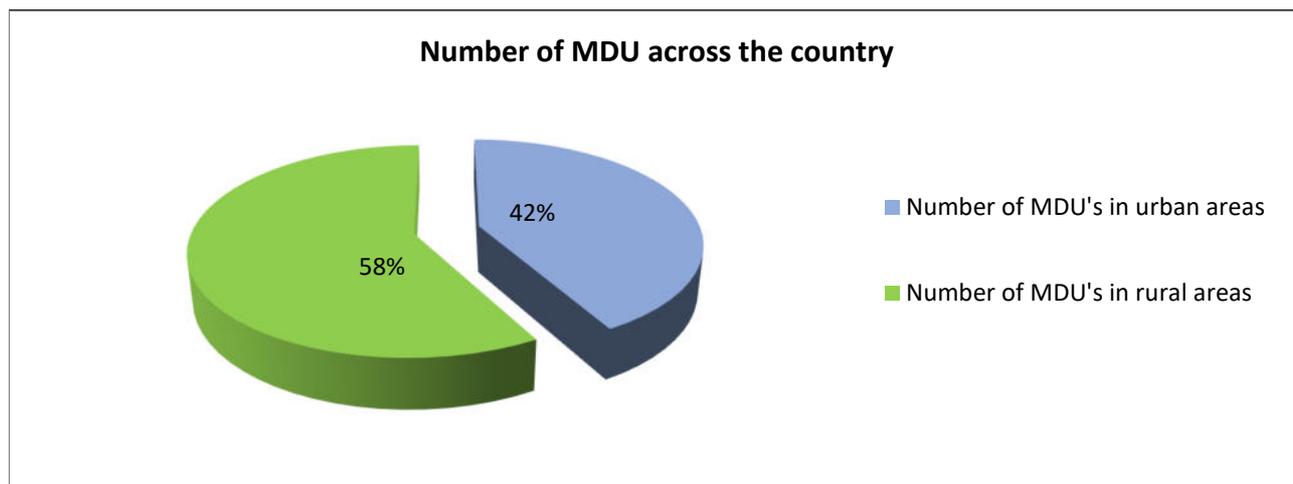
I. Structure and main trends in the residential sector.

1. General statistics in the housing sector

1.1 Housing stock broken down by multi-dwelling units

According to the Committee on Statistics, the number of multi-dwelling units in the country is **314 172**, of **which in urban areas** there are 131 613 units or 41,9%, and in rural areas there are 182 559 units or 58,1%. The number of MDUs in urban areas is 42% of the total housing stock, while in rural areas it is 58% (*Figure 1*).

Figure 1: Distribution of MDUs in urban and rural areas



Source: CS MNE RK

According to local executive authorities (LEAs), the total number of multi-dwelling units is **79 613**, with a total area of 156 354,347 thousand square metres. 18 120 MDUs are to be overhauled, with a total area of 26 534,892 thousand square metres or 22,8%. 1 383 multi-dwelling units or 1,7% of all MDUs are in a dilapidated condition.

As the analysis shows, the difference between the data of the Committee on Statistics and the data of local executive authorities is 234 559 MDUs (Annex 1). This discrepancy in figures is related to the method of data collection. For example, statistics collects data on MDUs when two or more flats have independent exits to common premises in a building. Local executive authorities collect data for multi-storey buildings, but do not count single-storey, and two-storey buildings with two or more exits, although these are not individual houses.

As a result, the balance of MDU data does not match. This indicates that local executive authorities do not have reliable information on the number of MDUs, their years of construction, their technical condition, and the number of buildings in a dilapidated condition.

In order to exclude such discrepancy, the following definition has been adopted within the framework of the Law of the Republic of Kazakhstan 'On Housing Relations':

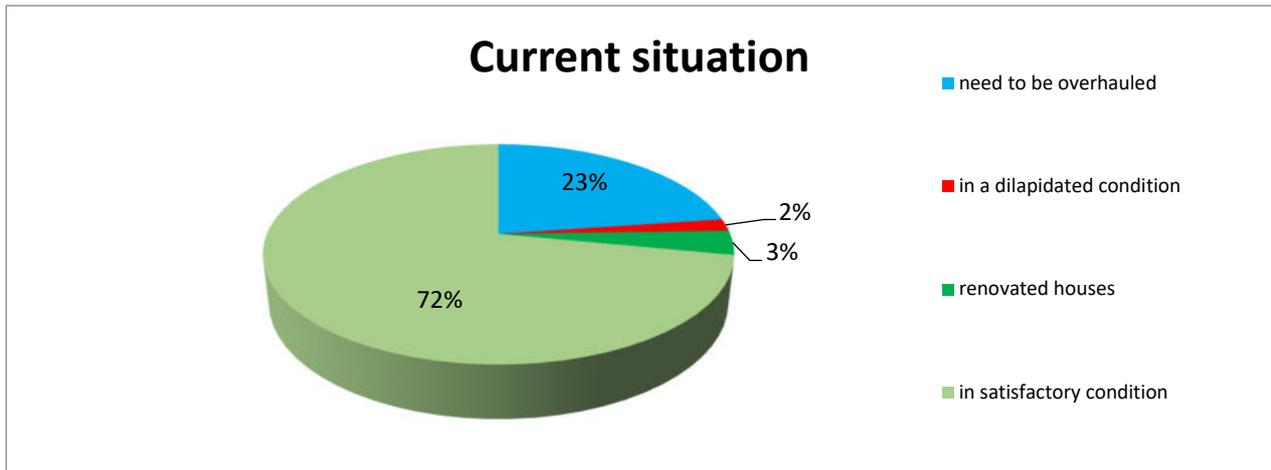
Multi-dwelling unit is a detached building with a single foundation on a single undivided plot of land, consisting of the common property of the condominium, which is in common ownership, and consisting of two or more flats or non-residential premises in common ownership, which have independent access to the land adjacent to the apartment building or to other parts of the common property of the condominium.

1.2 State of the housing stock in the Republic of Kazakhstan

According to the local executive authorities, 72% of the housing stock is in satisfactory condition, 23% needs to be overhauled, 2% is in a dilapidated condition and 3% has been renovated (*Figure 2*). According to the Committee on Statistics, a total of 3 441 multi-dwelling units are in a dilapidated condition, representing 1,1% of the total number of multi-dwelling units.

Multi-dwelling units by wall materials (*Annex 2*).

Figure 2: Condition of the housing stock, %



Source: LEA

On the basis of the Resolution of the Government of the Republic of Kazakhstan of 2 November 1998 No. 1118 'On Norms of Consumption of Electricity, Heating, Hot and Cold Water and Other Communal Services by Budget-Funded Organizations', the number of houses that need to be overhauled is determined by the LEA.

In order to reduce the number of houses that need to be overhauled, under the Law of the Republic of Kazakhstan 'On Housing Relations', owners of flats and non-residential premises are obliged to accumulate funds for complete overhaul of common property of the condominium. Thus, they are obliged to transfer money monthly to a savings account in an amount not less than 0,005 monthly calculation index established for corresponding fiscal year by the law on republican budget per one square meter of useful area of flat and/or nonresidential premises belonging to them. Besides that, owners of flats and/or nonresidential premises have right to renovate houses within the framework of realized programs.

In order to restore the performance characteristics in accordance with modern requirements and to increase the energy efficiency of the housing stock, the Program for the Development of the Regions until 2020 was adopted. This Program was approved by the Resolution of the Government No. 728 of 28 June 2014; it incorporated five previously existing documents - the 'Affordable Housing 2020', the Program for Modernization of the Housing Sector for 2011-2020, 'Ak-Bulak', the Programme for Development of Monocities for 2012 – 2020, and the Program for the Development of the Regions. In 2011, under the program, work began on the overhaul of MDUs. A total of KZT 33,6 billion was allocated from the national budget in 2011-2015 for the repair of residential buildings; a total of 2 839 MDUs were repaired, including 501 MDUs repaired for KZT 6 569 million from repayable funds. Overhauls in 2011-2015 within the framework of the Program for the Development of the Regions (*Annex 3*).

It should be noted that in order to participate in the program, owners of flats and non-residential premises had to decide at a meeting to overhaul the common property of the condominium facility; the condominium management bodies had to open current and savings accounts; and the MDU had to be registered as a

condominium. However, mistakes were made during the complete overhauls both by LEAs, as repairs were performed in some buildings without the consent of their owners, without contractors' approval and the design and construction documents, and by condominium management bodies, in terms of poor organization of overhauls and lack of professional approach in interaction both with flat owners and local executive authorities, contractors and subcontractors.

At present, due to insufficient funds from the republic budget, overhauls of MDUs in the regions are carried out only with repayable funds. As part of the President's message 'Constructive Social Dialogue is the Basis of Stability and Prosperity in Kazakhstan', at least KZT 30 billion will be allocated to the regions within two years in the form of budgetary loans for the modernization and repair of MDUs. In 2020, overhauls of the common property of the condominium will be carried out under the new 'Nurly Zher' State Housing and Communal Development Program for 2020-2025, approved by Resolution of the Government of the Republic of Kazakhstan No. 1054 of 31 December 2019.

1.3 Analysis of housing market development with reference to urban development, including in the framework of the 'Nurly Zher' State Housing Program for 2015-2019

According to the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan, the number of SFHs and MDUs by year of commissioning (*Annex 4*) is as follows: as the analysis of housing commissioning shows, there are a total of 2 363 618 dwellings, of which there are 2 049 446 SFHs, and 314 172 MDUs. Within three years (2017-2019), **3 371 MDUs and 76 321 SFHs** were commissioned.

As part of the 'Nurly Zher' State Housing and Communal Development Program for 2020-2025, approved by Government Resolution No. 1054 of 31 December 2019 (*Annex 10*), in Kazakhstan it is planned to build 14,1 million sqm in 2020; 15,2 million sqm in 2021; 16,4 million sqm in 2022; 17,7 million sqm in 2023; 19,1 million sqm in 2024; and 20,7 million sqm in 2025.

The development of Kazakhstan's regional policy is envisaged in the state Program for the Development of the Regions for 2020-2025, approved by Resolution of the Government of the Republic of Kazakhstan No. 990 of 27 December 2019 (hereinafter, the Program).

Currently, in Kazakhstan, agglomerations with centers in the cities of Nur-Sultan, Almaty, Shymkent and Aktobe are defined as 'first-tier' cities. Emerging urban agglomerations concentrate more than a third of the total population of the country.

The 'second-tier' cities include 14 cities of regional significance, which are the administrative centers of the regions. The population of 'second-tier' cities (excluding Aktobe) as of the beginning of 2019 was 4 006 500, which is 21,8% of the total population of the country or 37,4% of the country's urban population. In all 'second-tier' cities, an increase in population is observed, which is connected with both natural population growth and the positive net migration rate.

1.4 The situation with the housing modernization in the country. Energy modernization of the housing stock.

The 'Nurly Zher' State Housing and Communal Development Program for 2020-2025 (hereinafter referred to as the Program) was approved by the Resolution of the Government of the Republic of Kazakhstan No 1054 of 31 December 2019. The Program is an instrument for the implementation of the Strategic Development Plan of the Republic of Kazakhstan until 2025. The Program consolidates all measures of state support in the sphere of housing construction, provision of housing to citizens, modernization and development of the housing and utilities system. In order to create comfortable living conditions for the population, a set of measures will be continued to modernize (reconstruct and build) the public utilities sector, primarily the water and wastewater supply and power supply systems.

The modernization of the housing and utilities sector, as well as overhauls and renovation of the housing are also important objectives of the Program. The achievement of this objective will be measured by the following performance indicators:

Table 1: Indicators for modernization of the housing and utilities sector - target 1

Outcome indicators*	Source of information	Measurement unit	Responsible for the achievement	2018	2019	2020	2021	2022	2023	2024	2025
				(fact)	(estimate)						
1. Deterioration of heating networks	LEA	%	MIID, LEA of regions and the cities of Nur-Sultan, Almaty and Shimkent	61	60	59	57	55	53	52	50
2. Level of instrumentation of the heat and water supply sectors	data of LEA	%	MIID, LEA of regions and the cities of Nur-Sultan, Almaty and Shimkent, AO Kazcenter for Housing and Utilities Sector	60	66	75	84	96	96	97	100

*the achievement of the indicators is determined by the level of funding for the respective financial years

Table 2. Indicators for overhauls and renovation of the housing stock – target 2

Outcome indicators*	Source of information	Measurement unit	Responsible for the achievement	2018	2019	2020	2021	2022	2023	2024	2025
				(fact)	(estimate)						
1. Number of repaired MDUs	data from LEA	number of MDUs	MIID, LEA of regions and the cities of Nur-Sultan, Almaty and Shimkent	92	40	222	444	40	40	40	40
2. Coverage of the assessment of the technical condition of the housing stock	AO Kazcenter for Housing and utilities sector	%	MIID, LEA of regions and the cities of Nur-Sultan, Almaty and Shimkent, AO Kazcenter for Housing and utilities sector	28	8	65	7	100	-	-	-

*the achievement of the indicators is determined by the level of funding for the respective financial years

The UNDP Small Grants Program of the Global Energy Efficiency Fund in Kazakhstan has greatly contributed to modernization. Projects implemented under this program include activities aimed at preserving the country's secondary housing stock. Sources:

<https://www.gov.kz/memleket/entities/miid/documents/details/24913?lang=ru>

<https://gkhs.kz/pervyj-unikalnyj-proekt-dobivshijsya-41-ekonomii-energii-v-mzhd/>

According to AO 'Kazcenter for Development and Modernization of Housing and Utilities', 341 energy efficient houses were commissioned in 2018, of which there are 24 houses of 'A' class (very high), 54 houses of 'B' class (high), and 263 houses of 'C' class (normal). According to the Law of the Republic of Kazakhstan

'On Housing Relations', an energy-efficient MDU is an apartment building constructed using resource- and energy-efficient technologies and materials that meet one of the energy efficiency classes.

Total floor area of residential buildings, by wall materials and year of commissioning (thousand sq.m.) (*Annex 5*).

The analysis shows that the number of energy efficient MDUs has been increasing in recent years and efficient management of such technologically complex buildings will require managers with high qualifications.

At the same time, there are a total of 512 377 people on waiting lists for public housing.

In order to optimize the number of people on waiting lists, there are plans to create a unified national system for registration of those on the waiting lists for rental housing and for preferential housing loans under the 'Baqyty Otbasy' program.

2. Main trends in the housing sector

The main trends in the development of the housing sector in Kazakhstan are as follows:

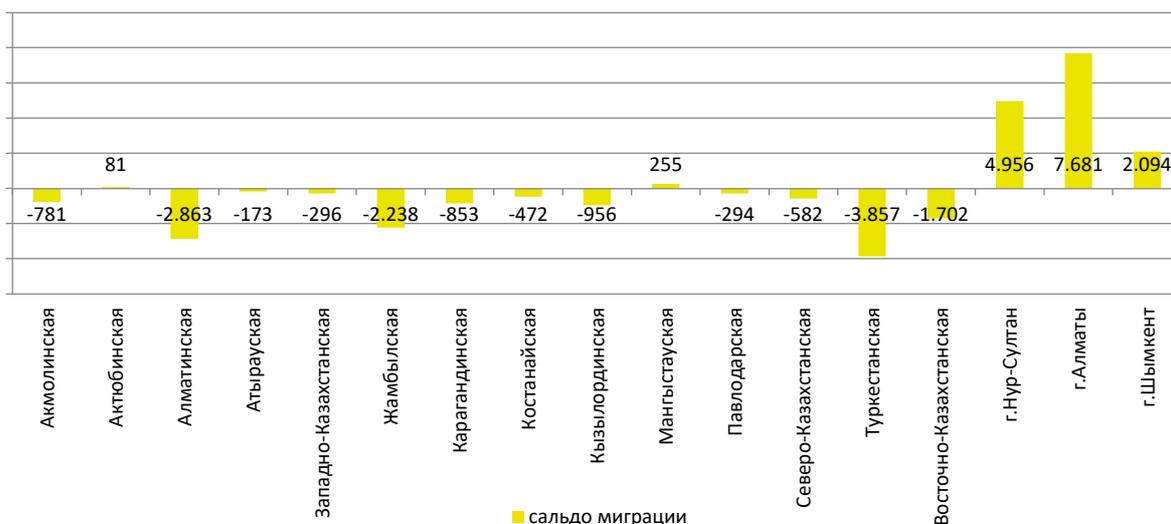
- State support for the construction of housing.
- Construction of social housing.
- Construction of MDUs in cities and district centers to provide housing for internal migrants from rural areas.
- Support for modernization of external heat, water and sewage networks with budgetary funds or through public-private partnerships to reduce loss caused by accumulated deterioration.
- Transition to professional management and maintenance of MDU

2.1 Population growth and migration from rural to urban areas

According to the SC MNE RK, the population of Kazakhstan increased by 1,3% in 2019 (minimum for the period under review) to 18,6 million people. By territorial breakdown, the largest increases in population (in absolute terms) happened in the following regions: Shymkent (+6.0%) – 1 009,09 thousand people; Almaty (+2.9%) – 1 854,7 thousand people; and Nur-Sultan (+4.6%) – 1 078,4 thousand people. In total, there are 3 942 100 residents in these cities, or 21,4% of the total population of Kazakhstan.

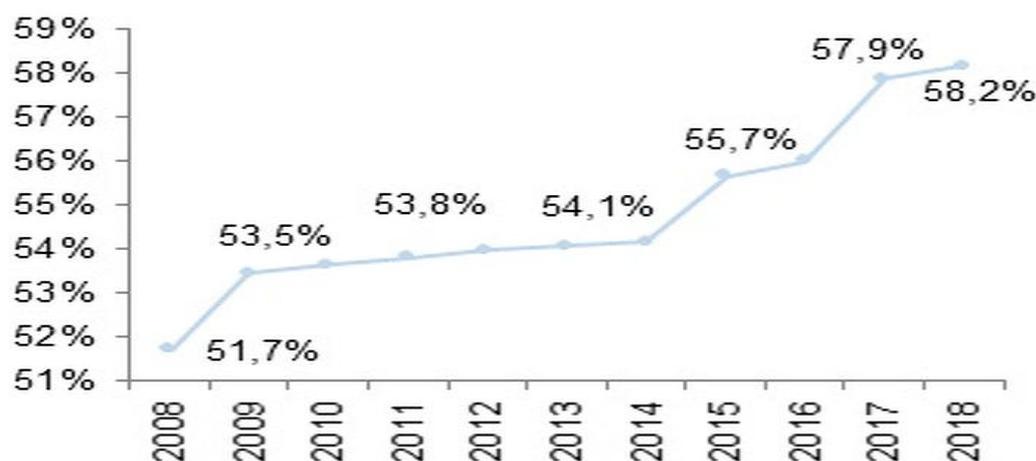
In January-February 2020, compared to January-February 2019, the number of arrivals to Kazakhstan increased by 45,7%; the number of departures from Kazakhstan increased by 2,5%. The main migration exchange of the country takes place with the CIS countries. The share of arrivals from CIS countries and departures to these countries amounted to 69% and 89,8% respectively. The number of migrants moving within the country increased by 22,9%.

Figure 3. Internal migration in January-February 2020



Source: SC MNE PK

Figure 4. Urban population growth dynamics, %



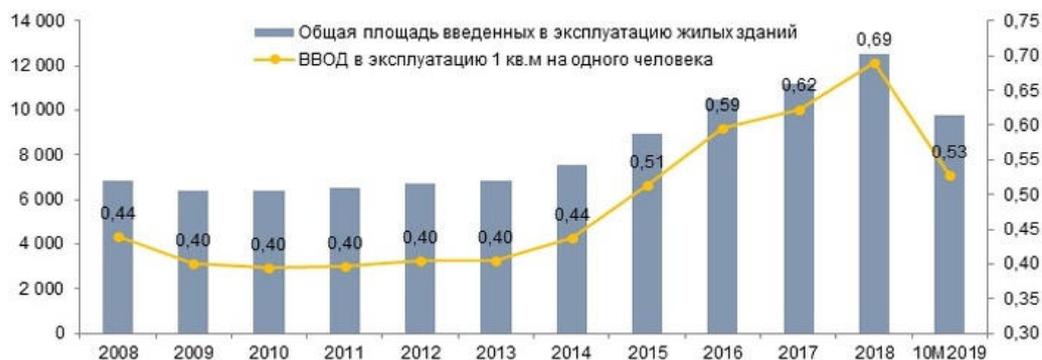
Source: SC MNE PK

Meanwhile, the country's urbanization rate rose to an all-time high last year, reaching 58,2% compared to 57,9% in 2017. The urban population increased by 29,4% to 10 698 000 from 2008 to 2018, while the rural population, in contrast, decreased by 0,2% to 7 697 000. The upward trend in the share of the urban population is expected to continue, and the urbanization rate in Kazakhstan is expected to rise to 60% by 2025.

2.2 Housing construction

The Government is now actively promoting the recovery of the real estate market in Kazakhstan. The Government's 'Nurly Zher' program, which aims to increase the affordability of housing for the population and encourage private developers to increase housing construction, is driving the growth of the industry. The financial cost of the program is envisaged by the national budget, as well as private investments, including quasi-public sector entities, and other funds raised in the capital market, including the ENPF pension fund. The program funding is projected to reach 1,541 trillion tenge by 2021, of which 802,8 billion will come from the quasi-public sector. Extra-budgetary funds are mainly represented by bond issues of quasi-public sector entities (KZT 720,7 bn). In January-March 2020, KZT 282,9 billion was allocated for housing construction.

Figure 6. Residential buildings commissioned, sqm



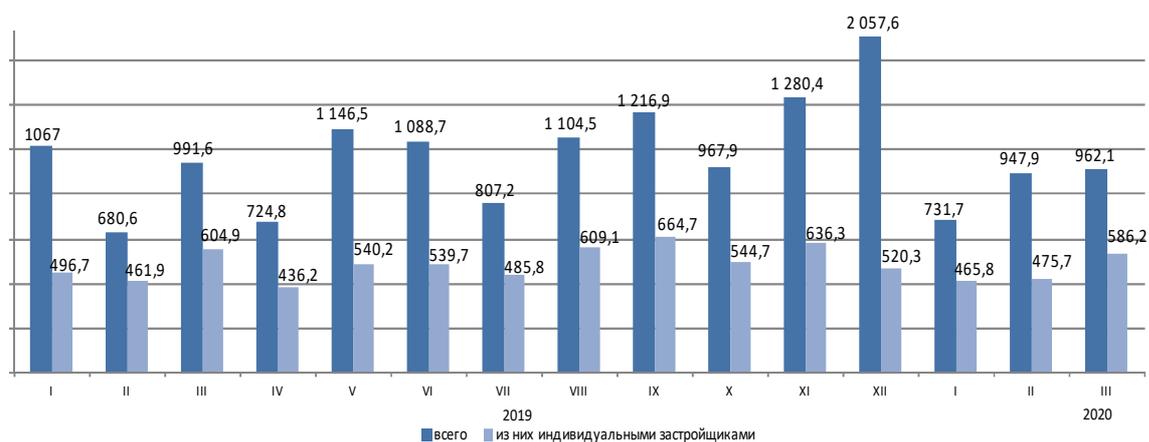
Source: SC MNE PK

Total floor area of commissioned residential buildings

Commissioning of 1 sqm per person

Number of housing starts (SFH, MDU, dormitories) according to the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan, 2016-2018. (Annex 6).

Figure 5. Housing construction, including by individual developers, thousand sqm

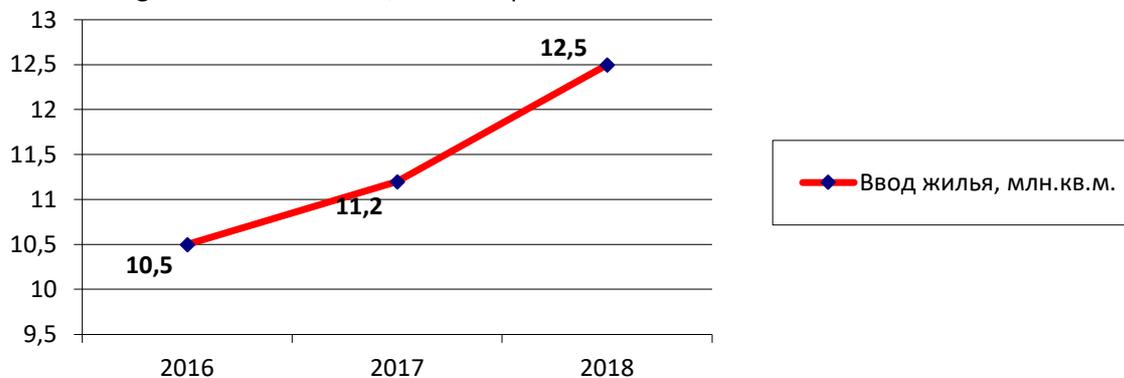


Source: SC MNE PK

total

by individual developers

Figure 6. Housing starts in 2016-2018, million sqm



Source: SC MNE PK

Number of housing starts according to the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan (Annex 6).

2.3 Investment in housing

Figure 7: Investment in residential construction, billion KZT



Source: SC MNE PK

Investment in residential construction

Change

The cost of real estate in Kazakhstan continued to rise. The price per sqm on the primary housing market rose from KZT 147,500 per sqm in 2008 to KZT 292,900 per sqm in November 2019. The price in the secondary market increased from KZT 100 800 per sqm to KZT 199 500 per sqm in the same period.

2.3.1 Volume of mortgage loans by top 3 banks in Kazakhstan

The total volume of mortgage loans issued by the top three largest banks in Kazakhstan in terms of assets amounted to KZT 524,7 bn at the end of the third quarter of 2019, compared to KZT 489 bn at the end of last year. The largest increase in mortgage loans was recorded by Kazakhstan branch of Sberbank, which increased its mortgage loan volume from KZT 82,1 bn to KZT 198,9 bn since 2016. Source: 'Kazakhstan Real Estate Market Review': https://forbes.kz//process/property/obzor_ryinka_nedvijimosti_kazahstana/

According to the MIID of the Republic of Kazakhstan (Ministry of Industry and Infrastructure Development), as of 1 January 2020, there were more than 540 thousand people in need of better housing conditions on the waiting lists, including 212,5 thousand state employees, public sector employees, and military personnel; 120,5 thousand representatives of 'single-parent-families' category; 60,8 thousand orphans; 43,5 thousand people with disabilities of category 1 and 2; 47,8 thousand large families; 21,1 thousand representatives of families with children with disabilities; 18 thousand pensioners; and 16 thousand representatives of other categories.

The lion's share of mortgage lending was concessional lending, as part of state support programs. So, in 2018, 6,5 thousand Kazakhstani people applied under the '7-20-25' program of concessional lending; 4 thousand of them became participants of this program. The total amount of loans for the year exceeded 47 billion tenge. More than 12 million square meters of housing were built in the country. The most active participants in the '7-20-25' program were residents of Astana, Almaty and Mangistau Region. It is in these regions that the most flats have been provided. The conditions of the program give a chance to obtain a mortgage loan at a historically low rate of 7% with a down payment of 20%, and a record loan term of up to 25 years.

In 2020, during the crisis associated with the pandemic and the fall in oil prices, citizens who have an income not exceeding two subsistence minimums (62 400 tenge) per each family member will be able to receive

housing at an interest rate of 2% under the 'Baqyty Otbasy 2-10-20' program. Citizens with an income of up to 3,1 subsistence minimums (96.7 thousand tenge) per each family member will be provided with housing under the new '5-10-20' program. The State will allocate 390 billion tenge for this purpose. The terms of the new '5-10-20' mortgage project will be as follows: interest rate of 5%; down payment of 10%; maximum term of 20 years. Kazakhstanis who have an income of more than 3,1 subsistence minimums per each family member will participate in the second-tier bank '7-20-25' programs.

2.3.2 New 'Affordable Housing 2020' Program

This program provides for the implementation of 2 tracks through the housing savings (housing construction by LEA):

- 1) Implementation of the program for all categories of the population, including the possibility of long-term housing rental with subsequent buy-out;

The first track assumes that housing built by LEA will be purchased by residential savings depositors using the bank's loans (housing loans, bridging loans, pre-loans) and accumulated savings. In case the client has insufficient solvency to purchase the home, but sufficient solvency to save and pay the rent, the constructed home will be made available to him/her on a long-term lease (up to a maximum lease term of 8 years). During this period, the tenant will accumulate housing savings in order to be able to take out a low-interest housing loan in the future to buy this home. The possibility of obtaining housing for rent with subsequent repurchase within this track will be implemented, as noted in the program, from 1 January 2013.

- 2) leasing out the housing for young families with subsequent buy-out.

The second track envisages that the LEA will build rental housing for young families (both spouses must not be older than 29 years), which young families will rent on a long-term basis and then buy out. While living in the rental accommodation for up to 8 years, the young families will accumulate housing savings to later obtain loans for the purchase of the home. It is important to stress that saving is to an established level an obligation for the tenant in this case. If the tenants have not saved in due course, they must move out of the rental accommodation, because if they have not saved in due course, they will not be able to take out a housing loan to buy the property. In order to move into rented accommodation, the tenants must pay a security deposit into their housing savings account equal to six times their monthly contribution to the deposit. These rental conditions will also apply to the participants of the first track of this program.

2.4 Solvency of the population

There is still considerable differentiation in income across the country's regions. The significant income stratification of households determines a very heterogeneous situation in terms of the population's ability to pay.

Thus, the low-income group, with an average per capita income of up to 50,000 tenge, comprises 52 per cent of households, accounting for 65% of the population; thus, most of the population has a low solvency in the housing market. The group with average per capita income between 50,000 and 100,000 tenge comprises 39% of households, accounting for 30% of the population. That is a group with average solvency. Only 9% of households, accounting for 5% of the population, have an income of more than 100,000 tenge.

According to the HPI housing affordability index, 20% of the population have high housing affordability; 40% of the population find it very difficult to buy housing; and 40% of the population find it unaffordable.

According to the HAI housing affordability index within the '7-20-25' program, segmentation of the population based on their solvency (their ability to buy housing on the mortgage market) also gives a similar picture: 20% of the population have high housing affordability with the mortgage; for 40% of the population, housing purchase is seriously complicated; and for 40% of the population, housing purchase is not affordable. Thus, only 20% of the population are solvent enough to purchase housing at market value in the mortgage market (under the '7-20-25' program).

The creation of the HCSBK has helped attract depositors' money into housing construction deposits. Between 2010 and 2017, there was an annual positive growth in both the total amount of savings in savings accounts (deposits) and the total amount of mortgage loans issued. Individual deposits at second-tier banks are also growing in nominal terms: between 2007 and 2017, growth was about 14 times. However, as a result of two

devaluations, constant inflation, and low interest rates of bank deposits, the real value of HCSBK deposits and bank deposits is declining.

The insolvent demand can be judged by the number of citizens in need of better housing conditions on the waiting lists for public housing – in 2018, there were 473 019 residents of Kazakhstan on these lists. According to the data of LEA on the number of people on the waiting lists and those who have received housing, only 1-4% of those on the waiting lists receive housing.

Housing affordability indicators show that currently only 20% of the population has the necessary purchasing power to buy housing, while the vast majority (low-income, most socially vulnerable group) – 80% - cannot afford housing, even under the favourable terms of the new '7-20-25' mortgage program. And this part of the population needs more support from the state in terms of implementing measures to ensure housing affordability.¹

General conclusions of chapter I:

The reviewed indicators on the quantitative and qualitative components of the housing stock in the Republic of Kazakhstan, the rate of new construction as well as information on the demographic situation suggest that the profession of housing manager will be in demand in the coming years.

The high growth of large cities implies an increase in the number of MDUs. MDUs are complex technical systems. In recent years, digitalization has been extensively embraced by the management of housing. All of this means that the management of residential properties requires specialist knowledge, a variety of skills and high qualifications.

The housing stock built between the 1960s and 1990s, which is home to 70% of the population, is still not modernized and is in need of renovation to make it more comfortable and energy efficient. Residential buildings account for 30-40% of the total energy consumption of the countries. On average, heat consumption in apartment buildings is two to three times higher than in comparable European buildings. Modernization of this stock is inevitable, as new houses are unaffordable for the majority of the population. And replacing the old stock with new buildings is difficult for this reason. Modernization/energetic modernization of buildings is a big modern challenge, which property managers are the first to face. Knowledge and professionalism are also needed here.

II. The field of housing management against the general background of the housing and utilities sector

1. Statistics on housing management

1.1 Estimating the number of condominium units

According to the Law of the Republic of Kazakhstan 'On Housing Relations' (Law), in MDUs with no more than 20 flats, the owners of premises/apartments (owners) have the right to manage the building without forming a legal entity. According to statistical data, there are 288 727 such houses in the Republic of Kazakhstan.

In MDUs with more than 20 flats, according to the Law, the owners must choose one of the forms of condominium management. According to the statistics, the number of MDUs with more than 20 flats is 33 263; in other words, at least 33 263 condominiums should be expected to be registered.

In reality, there is a significant discrepancy in the number of registered condominiums, at least for the reason that there is no precise and unambiguous information on the number of MDUs (see chapter I.). According to the local executive authorities, the number of registered condominiums in the justice authorities is 22 580, and according to the Ministry of Justice of the Republic of Kazakhstan, the number of condominiums registered in the justice authorities is 35 685.

There are also certain problems in registering condominiums, the main ones being as follows:

- 1) Lack of funds to re-produce the lost technical passport for the condominium. Often the technical passport and other documents are not handed over by unscrupulous managers of the condominium management body (PMB) when this body changes;

¹ HP Residential real estate market analysis of the Republic of Kazakhstan, Applied Economics Research Centre, 2017

- 2) The reluctance of some managers of condominium bodies to pay taxes because according to Article 388 (9) of the Tax Code, a land plot that is part of a condominium facility is subject to land tax in proportion to each owner's share of the common property that is part of the condominium facility.

1.2 Forms and number of housing management organizations

Forms of management of MDUs are regulated by the Law of the Republic of Kazakhstan 'On Housing Relations'. Until 1 July 2022, there is a transition period in Kazakhstan, according to which previously established forms of management operate in parallel, and new ones (Associations of Property Owners and simple associations) are created. On 30 March 2020, by the Resolution of the Minister of Innovation and Infrastructure Development, all bylaws necessary for the creation of the new management forms are approved. At present, given the quarantine and the ban on meetings, the process of establishing new management forms is proceeding very slowly. In total, no more than 50 homeowners' associations with new forms of management have been established.

In most cases, **previously established forms of management** are in place.

- First form: **direct joint management by all owners**, if their number does not exceed twenty. This form of management is applied to 288 727 houses, which is 89,7% of the total (*CS MNE RK*). At the same time, according to the LEA, only 5 883 MDUs are self-managed. The discrepancy in house counts is explained by the fact that the LEA, unlike the Committee on Statistics, does not count single-storey two- and four-family houses as MDUs (see chapter I. for details).
- Second form: **flat owners' cooperative (FOC)**. According to the Statistical Committee, there are 2 034 FOCs registered in the country. At the same time, according to the LEA, the number of FOCs is 2 970. The difference in the counting is explained by the fact that the Committee on Statistics counts management bodies that provide statistical reports at the time the information is requested, while the LEA counts management bodies registered with the justice department (including those that are no longer active, but have not been duly liquidated).
- Third form: management of the condominium unit by third parties: elected or hired individuals or legal entities. According to the Committee on Statistics, there are 1 061 legal entities and natural persons registered in the country, whose main activity is the management and maintenance of MDUs. At the same time, according to the LEA, the number of such entities is 428.
- Fourth form: Other forms not contradicting the legislation of the Republic of Kazakhstan. According to the Committee on Statistics of the RK, there are 4 683 such organizations of this category (housing and construction cooperatives, production cooperatives, consumer cooperatives, etc.); according to the LEA, this number is 3 858.

Thus, according to the Committee on Statistics of the Republic of Kazakhstan, there are 7 780 registered legal entities in the country, with the main activity being the management and maintenance of MDUs. The LEA estimates that there are 7 256 such organizations in the country.

1.3 List of professions for employees of management companies and owners' organizations.

A sustainable management organization must have the following staff:

- Manager
- Public events organizer, PR manager
- Accountant
- Financial planner
- Bookkeeper
- Lawyer
- Dispatcher
- Programmer
- Driver
- Cleaner

The individual housing manager and/or the team working under the direction of the individual entrepreneur must have the following **competencies and abilities**:

- communication skills (rhetoric, conflict mitigation).
- ability to present the technical and financial aspects of MDU maintenance to the owners in a popular way.
- to develop an estimate for management, maintenance and repair of the building.
- to make preparations for the meeting, to organize the voting and the execution of the results.
- to organize the scheduled maintenance of the house.
- to organize emergency maintenance of the house.
- to supervise the work of the service providers.
- to be able to work with technical documentation; to draw up sketches, plans, schedules.
- to keep records.
- to have basic knowledge of accounting, statistics, tax reporting, administrative and civil legislation.
- to have basic knowledge of fire safety, health and safety engineering.
- to keep records of the quality and quantity of the provided public utilities.
- to interact with utilities dispatch and emergency services.
- to conduct pre-trial and court proceedings with defaulters.
- to manage staff, conclude contracts, accept repair works, and conduct claim work.
- to carry out visual inspections with drawing up of acts; to develop defect lists and aggregate estimates of repair works.
- to carry out selection and to conclude contracts with organizations on development of design and estimate documentation; and also to conclude contracts with the contractors on carrying out of major repairs.
- to prepare reports on the technical condition of the building, results, management, maintenance, repairs and financial and economic activities.
- to apply software and modern information technology.
- to introduce, update and keep technical and other documentation on maintenance and operation of engineering systems and structural elements of residential and non-residential buildings.
- to organise energy audits of residential buildings.
- to know the normative acts in the field of housing and communal services.

2. Characteristics of the organizations that manage the housing stock

2.1 Legislation for the operation of MDU owning and managing organizations, including self-management

The main legal acts in the field of housing are as follows:

1. **Civil Code of the Republic of Kazakhstan** defines the basis of ownership of housing, its legal status, and its management as a condominium object.
2. **Tax Code of the Republic of Kazakhstan** provides that income of a non-commercial organization, including contributions of condominium participants is not subject to taxation. It also determines what is recognized as condominium contributions and defines the procedure for taxation of the land plot which is part of the condominium facility.
3. **Code of the Republic of Kazakhstan 'On Administrative Offences' (CAO)** provides for administrative liability for violation of the requirements of the housing legislation of the Republic of Kazakhstan by management bodies of the condominium only in two cases: 1) violation of the terms of opening current and (or) savings accounts for the condominium in the second-tier banks in cases provided for by the housing legislation; and 2) violation of the terms of submission of the quarterly report on condominium management.
4. **Land Code of the Republic of Kazakhstan** defines the legal status of the land plot as common property of the condominium.

5. **Civil Procedure Code of the Republic of Kazakhstan** provides simplified procedure for proceedings in the court of first instance on claims for recovery of debt from the owners evading participation in mandatory expenses for maintenance of the common property of the condominium approved by the Law of the Republic of Kazakhstan.
6. **Law of the Republic of Kazakhstan 'On Notary' Chapter 14-1 Art. 92-1** where it is stipulated to issue an enforcement inscription on debts for housing maintenance expenses.
7. **Law of the Republic of Kazakhstan 'On Housing Relations' (hereinafter the Law)** - Housing relations in the Republic of Kazakhstan are regulated by this Law, the norms of the Civil Code and other legislation of the Republic of Kazakhstan issued in accordance with it. The Law is the main piece of legislation in the field of housing and consists of six main sections. Together with the other sections, **Section 3**, which deals with condominiums, is very important:
 - 1) Chapter 6 of this Section deals with general provisions on condominiums (formation and termination of the condominium, registration of the condominium facility, individual premises owners' shares in the common property, rights and obligations of the owners in the condominium, compensation for damages caused to the common property or other premises, alteration of premises in the condominium, changes of boundaries between premises as well as between the premises and the common property;
 - 2) Chapter 6-1 on State Control in the Field of Housing Management stipulates competencies and powers of housing inspection officers, their main rights and duties;
 - 3) Chapter 7 deals with the issues of condominium management, forms of condominium management, procedure for conducting meetings of owners of premises (flats), conducting written surveys, formation of co-operative of owners of premises (flats), its management bodies, their competence and authority, reporting to members of the co-operative, and termination of activities of the co-operative of owners of premises (flats).
8. **Law of the Republic of Kazakhstan 'On State Registration of Rights to Immovable Property'** provides for general provisions of state registration of a condominium object.
9. **Rules of state registration of a condominium, approved by Resolution No. 241 of the Acting Minister of Justice of the Republic of Kazakhstan dated 24 August 2007** regulates the procedure for state registration of a condominium, the list of documents to be submitted for the registration, and the procedure for issuing them. These rules are in force but under review.
10. **Procedure for Allocation of a Land Plot to Condominium Premises' Owners (Participants) approved by Resolution No. 1813 of the Government of the Republic of Kazakhstan dated 22 December 1997** regulates relations connected with the allocation of a land plot. This procedure is in force.
11. **Rules for the provision of housing assistance approved by Resolution No. 2314 of the Government of the Republic of Kazakhstan dated 30 December 2009** and developed in accordance with the Law define the procedure for allocating housing assistance to low-income families (citizens).

2.2 The main problems of property managers

In order to assess the current situation in MDU management, a survey was conducted in 2019 by Kazcenter for Housing and Utilities Sector specialists among the heads of condominium management bodies as well as premises/flat owners in most regional centers in Kazakhstan. The survey identified a number of key issues.

Problems on the part of heads of management organizations

- Most of the heads of management bodies work on the basis of a protocol of a meeting or joint agreement.
- Heads of management bodies have higher (53%) or vocational secondary education (47%), but no specialized education.
- Training in professional development courses is limited, because there is only a small number of such courses. Within the framework of the budget program 017 'Professional development of housing specialists', Kazcenter for Housing and Utilities Sector conducted such courses from 2013 to 2016.
- In 85% of cases, several MDUs are under management at the same time; very rarely only 1 house is under management (15%).

- According to 70% of the heads of management bodies, the main problem are the arrears for MDU maintenance by the owners of premises and flats. In many management bodies of condominium objects, the arrears are as high as 80%. In most cases, the arrears are the result of dissatisfaction of the owners of premises and flats with the quality of the maintenance services provided in the building.
- The low maintenance tariff for the MDU does not allow for the proper execution of the scope of works and services in the house.
- Besides that, the heads of management bodies believe that the owners of premises and flats are not aware of the norms of the housing legislation.
- Problems with natural monopoly entities. One of the most problematic issues in concluding contracts with resource supplying organizations is the delineation of the so-called operational responsibility of the parties and determining its boundaries.

Problems on the part of the owners of the premises/apartments

- The performance of the heads of management bodies of condominium objects is often assessed negatively.
- The owners do not have access to the management documents; there is no defined procedure for reviewing these documents. On the other hand, the majority of the owners of the premises/apartments are not interested in the affairs of the management bodies; they are not interested in what the funds charged to them are used for.
- The owners rarely attend the meetings.
- The owners consider poor communication, imperfect housing legislation, and low solvency of the population to be the main problems in house management.
- The most owners assess the technical condition of the MDU as unsatisfactory.
- They consider that the managers of MDU do not fulfil the tasks to implement the decisions of the owners and do not care about implementation of the rules of order in the house.
- The owners note that there is no plan for any repair works for the coming years; even if there is such a plan, it is made according to the opinion of the head of the management body, but not according to the results of technical inspection by the specialists.
- It is considered as a shortcoming that repair work on technical equipment (heating, ventilation, lifts) is rarely performed or not performed at all.

Thus, the survey showed that two subjects of housing and communal services: owners and managers, who should cooperate closely, in fact, are extremely dissatisfied with each other.

Experts working in the sphere of housing and communal services name the following among the most significant reasons of conflicts between owners and condominium management bodies:

- lack of awareness among the owners on the condition of the building and the activities of the management body;
- lack of confidence among the owners in the activity of the management body;
- Significant number of non-payers.

Problems on the part of utility providers

- High percentage of deterioration of the engineering infrastructure.
- In some cases, lack of a back-up electricity cable to the building.
- Underestimated quality parameters of utilities (not in line with the design of the building).
- Lack of a written contract with the owner for supply of utilities.

Problems on the part of regulatory framework

- Tens of thousands of management organizations (FOCs and consumer cooperatives) need to change their form of legal entity. FOCs as a form of legal entity will be liquidated after the end of the transition period on 1 July 2022 and cannot continue to operate in any capacity. FOCs consisting of several houses will have to go through a liquidation procedure and register a POA or create a simple association in each house.

- High voting barrier in making major decisions by the owners. Main decisions (amount of contribution, decision on capital repairs, decision on spending of savings) require at least 2/3 of the owners to vote and the decision is taken by 2/3 majority of the total number of owners in the building.
- Problems with POA registration when there are no owners wishing to become a chairman. According to the official response of the authorized body, for POA registration there should be a chairman. A provision needs to be made to allow an external manager to register the POA in the building and manage its bank accounts.
- Unwillingness of owners to be elected to the House Council and to participate in decision making.
- Failure to ensure consensus in decision making by the owners in a simple association.
- There is no rule regulating access to an empty flat in case of an accident.
- Difficulty in collecting debt through notary inscription.
- No status of common property of several condominium facilities in maintaining and using common yard area.
- Difficulty in liquidation procedure of FOC consisting of several buildings.
- Lack of centers for verification of qualification of MDU managers.

Problems on the part of law enforcement

- Lack of evaluation of the quality of management and maintenance of the building, which could stimulate efforts of the building manager and the Board of Directors to improve the situation.
- Illegal storerooms in the basement and stairwells make access to utilities difficult and pose a fire risk.
- Lack of real estate support for small business development in building management.

Conclusions:

- The significant number of MDUs in the Republic of Kazakhstan and the housing trends create a base for the development of professional management.
- Due to mass chaotic privatization, casual citizens, mostly with no special education or experience, have come to manage the housing stock.
- A large proportion of the managers are in their 70s and 75s and continue to work only because there is no one to hand over their houses.
- The current level of contributions (which the owners do not allow to increase) limits the development of professional management.
- The position of a head of the management body is neither prestigious nor well paid in Kazakhstan.
- A large part of the owners has a negative stereotype of the condominium management body.
- In the absence of good employment prospects, there might be difficulties in recruiting students as managers of residential property.
- It is necessary to introduce professional development courses for current managers and specialists in MDU management in parallel with the establishment of a vocational training system.

III. Description of the training and retraining system for housing managers

1. Current situation in the housing management sector

Key legislation related to POA, training and certification:

- Law on Housing Relations of the Republic of Kazakhstan;
- General Classifier of Economic Activities (OKED);
- Unified Tariff and Qualification Reference Book of Works and Professions of Workers;
- Classifier of Higher and Postgraduate Education Specialties of the Republic of Kazakhstan;
- Classifier of Technical and Vocational Education of the Republic of Kazakhstan;
- Sectoral Qualifications Framework 'Communal Services';
- Sectoral Qualifications Framework 'Operation of Buildings and Social Infrastructure Facilities'.

In 2019, professional standards within the Sectoral Qualifications Frameworks 'Communal Services', 'Operation of Buildings and Social Infrastructure Facilities', including the professional standard in the field of housing management 'Management of Residential and Nonresidential Buildings' (*Annex 7*) were developed. The Law of the Republic of Kazakhstan 'On Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on Housing and Communal Services', which entered into force on 1 January 2020, provides for the creation of new forms of condominium management: Property Owners' Association (POA) and simple association (SA). It is planned that each MDU will need to have a professional property manager with an appropriate level of professional education and skills.

In view of the above tasks, the MIID RK, together with interested bodies, NGOs and associations, has developed methods and forms of condominium management that allow residents to manage their building independently or by engaging a management company or MDU manager on a contract basis, as reflected in the amendments to the law 'On Housing Relations'.

The first method is independent management by the flat and non-residential premises owners in the form of a property owners' association (POA) and a simple association (SA). First of all, at the meeting, the owners have to elect the members of the House Council, who will represent their interests in the management and maintenance of the common property of the condominium object. The owners also have to choose the form of management of the condominium object or delegate the authority to the House Council to choose the form of management. This form can be either POA as a legal entity formed by owners of flats and non-residential premises, or SA, which means direct joint management by all owners of flats and non-residential premises without formation of a legal entity. Both forms of management will operate according to the principle 'one house – one association or simple association – one account'.

At the meeting, the chairman of the POA or a proxy in the SA and the auditing committee (auditor) are elected. The chairman of the POA (or the proxy of the SA) is elected from among the owners of the flats and/or non-residential premises of the MDU. This person performs management functions and enters independently into service contracts with service entities.

The second way is to transfer the management function to the MDU manager or the management company. If the owners of flats and/or non-residential premises decided at the meeting to transfer the management function, they must decide to choose a MDU manager or management company or also delegate such powers to the House Council. Provided the meeting delegates this authority, the House Council will decide on the choice of the MDU manager or management company, on the conclusion of a contract for management services for the condominium (*Annex 8*) for one calendar year, and on the amendment or cancellation of this contract.

The law envisages transition from quarterly to monthly reporting on management and maintenance of the condominium to the owners by the management bodies.

In order to fully reflect costs and revenues, a monthly MDU management report form will be approved by the authorized body (ministry) with additions disclosing each type of expenditure.

It should be noted that according to the law, the establishment of a POA in each house does not automatically lead to the dissolution of the FOC, as the transitional provisions stipulate a deadline for its dissolution until 1 July 2022. This gives efficient cooperatives an opportunity to reorganize into management/service companies and to continue their house maintenance activities in the new status, but only if they are chosen by a POA or a simple association and only on the basis of a signed contract.

A number of regulations have been approved to implement this document:

- 'Rules for Decision-Making on Condominium Management and Maintenance of the Common Property of a Condominium and Model Forms for Meeting Minutes' dated 30 March 2020;
- 'Model Form of Contract for Condominium Management and Maintenance of Common Property of Condominium and Monthly and Annual Report Forms for Condominium Management and Maintenance of Common Property of Condominium' dated March 30, 2020; dated April 3, 2020;

- 'Rules for the formation, processing and centralized collection and storage of information in electronic form, including the operation of informatization facilities in the field of housing relations and housing and communal services' dated 31 March 2020;
- 'Model forms of contracts between a POA or a simple association with a MDU manager or management company or service entities' dated 30 March 2020;
- 'Qualification requirements for a MDU manager' dated 30 March 2020.

The Program for Modernisation of the Housing and Utilities Sector to 2020 analyses the strengths and weaknesses of the current situation in the housing and utilities sector, where one of the problems is the lack of highly qualified staff.

'Qualification requirements for MDU manager' (Annex 9) of 30 March 2020 contain information on education, work experience, knowledge and skills, and a document confirming his/her qualification to perform functions of condominium management.

In particular, paragraph 1 includes the following educational requirements: 'higher or postgraduate education in following specialties (bachelor's and master's degrees): law or social sciences, economics and business or humanities (international relations, history, cultural studies, philology) or technical sciences and technology. This requirement, at the initial stage of formation of the MDU management system, is too high, as specialists with more experience and knowledge, but with secondary, rather than higher, education would not be able to manage MDUs.

Paragraph 5 of the Qualification Requirements requires a certificate of someone 'who has undergone training or self-training and received a document confirming qualification to perform the functions of condominium management, issued by an accredited organization in the field of conformity assessment or by centers providing independent certification of qualifications of specialists'. Having a certificate is the right decision, but, in our opinion, the requirement to have at least five years of experience in management positions in an organization or to have at least three years of experience in condominium maintenance or housing and communal services is overstated.

The housing and utilities sector, like any other, needs qualified staff. The key issues of education and training are, above all, to improve the quality and achieve conformity with international standards.

The introduction of modern methods of efficient management and maintenance of the multi-apartment housing stock, achievement of maximum energy savings, promotion of energy-saving technologies, awareness-raising among the population and flat owners of the need for careful maintenance, repair and thermo-modernization of the housing stock are key to the successful implementation of the 'Nurly Zher' State Housing and Communal Development Program for 2020-2025.

The National Qualification System (NQS) provides a framework for the timely acquisition and improvement of advanced knowledge and skills and answers three main questions:

- what professionals need to know and be able to do
- what and how they should be trained
- and how they should be qualified.

NQS can indeed become a bridge between the training system and productive employment in the economy. Important components of NQS are occupational standards, educational programs and an independent qualifications assessment and award system. NQS represents a unified scale of qualification levels of general professional competences for the development of Sectoral Qualifications Frameworks (SQFs) and professional standards.

In December 2019, 480 professional standards in 13 priority sectors have been approved in the republic. One of the topical areas in the field of Construction and Housing and Communal Utilities is the 'Operation of Buildings and Social Infrastructure Facilities', under which the professional standard 'Management of Residential and Nonresidential Buildings' has been developed. This professional standard includes the following qualifications:

- manager of residential and non-residential buildings

- MDU manager
- maintenance supervisor.

This standard defines the requirements for the level of education, qualifications and competence of specialists, and the content, quality and conditions of their work.

- The maintenance supervisor should meet NQS/SQF level 3, which implies basic secondary education as well as technical and vocational education or general secondary education and practical experience and/or vocational training;
- The MDU manager should have a general secondary education as well as technical and vocational education (secondary level specialist) and practical experience - this is NQF/SQF level 4;
- The manager of residential and non-residential buildings corresponds to NQF/SQF level 5 and should have post-secondary education (Applied Bachelor) and practical experience; at least two years of undergraduate study or three years of higher education and practical experience are required.

The professional standard 'Management of Residential and Nonresidential Buildings' is new to the industry and contains requirements for residential property managers. This standard is the basis for certification and occupation (*Annex 12*).

The introduction of the new professional standards will contribute to the modernization of the education system and will be the basis for the development of educational standards, educational programs and curricula for certification courses and advanced training. Educational institutions will have to form professional competences together with the theoretical training. Besides that, professional standards contribute to creating a balance in the labor market by setting uniform requirements for both employees and employers. On 20 February 2020, a Memorandum of Understanding was signed between MES RK and the Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan in order to implement these objectives (*Annex 13*).

In order to create favorable prerequisites for the reform and modernization of housing and communal utilities sector, in 2018, the Committee on Construction, Housing and Communal Services and Land Resources Management of the Ministry of Energy of the Republic of Kazakhstan has identified AO 'Kazakhstan Centre for Modernization and Development of Housing and Communal Services' (KazCentre) as the main implementer of the budget program 017 'Professional development of housing specialists'.

Within the budget program 'Advanced training of housing specialists', KazCentre has organized the following advanced training courses:

- 'Energy saving in residential buildings: efficient management and application of energy saving technologies' (three-day course)
- Organisational, legal, financial and energy saving aspects in managing the common property of a condominium facility (five-day course)
- 'Energy management, energy audit and energy saving in the housing sector' (ten-day course)

The following groups of people were identified as the target audience:

- Heads and specialists of condominium management bodies;
- Heads and specialists of local executive authorities in charge of housing management; representatives of departments and divisions of housing inspection, energy, housing and communal services;
- Specialists of communal enterprises (heat, water and electricity supply) and service companies interacting with condominium management;
- Specialists of design organizations and other organizations providing services for the housing sector, including servicing activities;
- Specialists of sectoral public organizations (associations, unions, associations of legal entities) whose activities are related to housing sector.

The main aim of the advanced training courses is to address the following topical issues:

- Training in effective management and interaction of housing management actors;
- Practical training of employees in the housing sector in the use of new resource-saving technologies, materials, and technical and managerial solutions;

- Training of housing management staff in the use of new technical regulations and normative acts in the field of housing relations.

At present, training in professions and occupations in the sphere of housing and communal services is provided by 26 educational institutions of technical and vocational education, including 21 vocational lyceums and 5 colleges. The total number of trainees is 2 113, of whom 1 363 are on state-requisitioned places.

*In 2018, the qualification 'Condominium Facility Manager' was included in the Classifier of Vocational and Professional Post-Secondary Education, but this qualification **was not included** in the curriculum of colleges in the Republic in the academic year 2019-2020. Therefore, based on the professional standard 'Management of Residential and Nonresidential Buildings' developed in 2019, which includes the qualifications 'manager of residential and non-residential buildings'; 'MDU manager'; and 'maintenance supervisor', it is necessary to develop curricula and introduce them in colleges. This will make it possible to finally establish such necessary modern professions in Kazakhstan. Besides that, this will give a big boost to the development of the housing management market.*

Conclusion:

The key issues in education and training are, above all, to obtain and improve sufficient professional qualifications, competitiveness in the labor market, compliance and international competitiveness. And in a market economy, only companies staffed with highly qualified personnel, promptly responding to ongoing changes in technical equipment and the emergence of new technologies can meet modern requirements. In this context, the system of training for housing and communal services needs to be updated and improved in some educational programs, systems and learning paths. In particular, the certification system is not developed in the republic; the activities for professional training and retraining of personnel in the field of housing and communal services have been implemented as one-off actions.

IV. Initiating formal accreditation of the property manager training program/college grants

1. The process of approving curricula and standards

The Working Curriculum is the main document developed on the basis of model curricula for technical and vocational education and post-secondary education in accordance with the Resolution of the Minister of Education and Science of the Republic of Kazakhstan of 31 October 2017 No 553 'On approval of model curricula and model education plans for technical and vocational education specialties'. The working curricula for specialties provide for the implementation of professional educational programs for the training of specialists with secondary vocational education.

The Education Program (EP) includes the following parts: a working curriculum, working programs of academic disciplines, curricula and subject plans, perspective plans, programs of training and internships, schedule of educational process, ensuring the implementation of appropriate educational technologies. The EP is focused on the implementation of competence-based approach to learning in accordance with the vision of the college and is aimed at the establishment and development of basic, professional and social competences in students. The content of the educational programs includes theoretical and practical training, practical and professional practice, as well as a defence of a diploma thesis (state examinations). The EP covers disciplines that take into account employers' requirements as well as students' personal needs and individual capabilities. The EP should contain modules, disciplines, content of on-the-job training, choice of professional qualifications, which should be discussed with the employing partner (training customer); in our case it is the 'Shanyrak' Association.

According to the State Compulsory Standard for Technical and Vocational Education and Training of 31.10.2018. № 604, when developing and implementing working curricula and programs on the basis of

model curricula and programs of technical and vocational education, the following actions shall be undertaken:

1. to change up to 50% of the amount of teaching time devoted to mastering the training material for cycles; up to 50% for each discipline and (or) module; and up to 60% (up to 80% in dual training) for on-the-job training and professional practice, while maintaining the total number of hours for compulsory training;
2. to change the content of curricula by up to 50% (up to 80% in case of dual training) for each discipline and on-the-job training, including disciplines integrated (included) in modules; and by up to 60% (up to 80% in case of dual training) for the professional module;
3. to introduce additional disciplines (professional modules) at the request of employers while maintaining the total number of hours for compulsory training;
4. to choose different learning technologies, forms, methods of organization and control of learning process;
5. to choose the forms, procedure and frequency of current control and interim certification of students.

EP must be flexible and responsive to changes in innovative technologies in the industry market, so the State Compulsory Standard for Technical and Vocational Education and Training gives academic freedom in the content agreed with the employers' opinion!

In accordance with the Standard, by Resolution No 604 of the Minister of Education and Science of the Republic of Kazakhstan of 31 October 2018, the development, approval and updating of educational programs (EPs) is carried out by the structural units under the supervision of the Deputy Director of the College for academic work. The opinion of internal and external stakeholders is taken into account by the developers in the process of drafting and approval of EPs.

On the basis of the model curricula and educational training programs for the specialty, a working curriculum is prepared.

The procedure for developing, approving and updating curricula for specialties:

- When developing the working curricula, it is necessary to be guided by the 'Methodological recommendations for the development of working curricula on the basis of updated model curricula and programs for the specialties of technical and vocational education', as well as 'Methodological recommendations for the development of working curricula within a module', provided by the non-profit joint-stock company NAO 'Talap' ('Kasipkor Holding');
- Agreeing on the structure and content of the working curriculum for the '*MDU manager*' and the '*Maintenance Supervisor*' with the institutional partner; *in our case the client is the 'Shanyrak' Association.*
- Consideration of the working Study Plan (SP) for the specialty by the Methodological Council of the College and adoption of a protocol decision;
- Approval of the working Study Plan by the college Director in coordination with the industry enterprise; *in our case, it is the 'Shanyrak' Association.*

After approval and endorsement of the SP, the College should obtain a Licence from the Committee for Control in the Field of Education and Science of the Ministry of Education and Science of the Republic of Kazakhstan.

The Committee is the licensor for licensing activities in the field of education for the provision of general secondary education, as well as technical and vocational education within qualification based on the Resolution of the Government of the Republic of Kazakhstan No. 934 of 21 November 2015 'On the definition of licensing in the field of education'.

The licensing procedure shall be carried out on the basis of the Resolution of the Minister of Education and Science of the Republic of Kazakhstan No. 391 of 17 June 2015 'On Approval of Qualification Requirements for Educational Activities and the List of Documents to Confirm Compliance with these Requirements'.

The main criterion for the completion of the educational process is the assignment of a qualification.

The process of assignment and confirmation of qualification is described in the regulations on the basis of the Resolution of the Minister of Education and Science of the Republic of Kazakhstan from March 18, 2008

№ 125 'On approval of the Standard rules of the current control of progress, interim and final attestation of students'.

2. Funding of vocational training places in colleges in the new specialty by the state

Financing of the state educational organizations shall be carried out at the expense of the republican and local budgets, on the basis of the norms of financing, approved by the Government of the Republic of Kazakhstan, determined per one student, for each type and sort of educational organizations. The 'Methodology of per capita normative financing of technical and professional post-secondary education' (official term) is developed for calculation of size of per capita normative financing. The calculations are carried out by AO 'Finance Centre', which fulfils the governmental tasks of providing financial support to citizens of Kazakhstan who wish to receive education and improving the living conditions of student youth.

Mechanism for the placement of the state educational order:

- To participate in the competition, the college submits the 'Competitive Documentation' for the provision of the public service 'Acceptance of documents for the competition for the placement of state educational order for training specialists with technical, vocational and post-secondary education';
- In Nur-Sultan Akimat, the Commission on placement of state educational order for training specialists with technical, vocational and post-secondary education is created;
- A meeting of members of the Commission on the formation of the state educational order in the technical and vocational education organizations of Nur-Sultan is held, which is attended by representatives of interested departments, public organizations, 'Nur Otan' political party, the Special Monitoring Group of the Anti-Corruption Strategy, the regional Chamber of Entrepreneurs, as well as Maslikhat deputies and heads of enterprises in the capital;
- During the meeting, members of the commission consider the compliance of potential participants to the requirements established by the Rules of placement of state educational order and allocate places on professions demanded in the labor market.
- The admission plan for 'Preparation of personnel with technical and vocational education under the state educational order for the academic years 2018-2022 ' is approved;
- Admission under the state educational order by profile of education (specialty) for each year is formed based on the analysis of labour market needs, expected graduation and gap(s); this document is approved by the Akimat;
- Commission on placement of state educational order for training specialists with technical and vocational post-secondary education distributes places among colleges by a protocol decision;

The college's financial activities are based on the principle of efficiency, transparency, separation of all types of budgets, i.e. local budget, national budget, and own funds; these activities take place in accordance with the legislation of the Republic of Kazakhstan and the approved Financing Plan. The college has an 'Accounting Policy' approved by the Director, which was developed in accordance with the Law of the Republic of Kazakhstan 'On Accounting and Financial Reporting', and IFRS (International Financial Reporting Standards). It discloses full, reliable information about the college's activities for internal and external users, and determines the financial sustainability of the college's economic activities. Planning of the college budget is carried out both for the short-term period, i.e. for the calendar year by preparing a budget request with a monthly plan of funding receipt by cost items, and for the long-term period, i.e. for 5 years, in accordance with the planned Development Plan. These documents are approved by the Nur-Sultan Education Department. The revenue part of the college budget consists of the following financial revenues: 1. State order (Local Budget and Republican Budget); 2. Paid educational services.

Conclusion:

The PROMHOUSE project requires an application to the Akimat of Nur-Sultan city for approval of the state educational order for staff training and a grant for the specialty (profession) 'MDU Manager' and 'Maintenance supervisor' in order to finance the project for the training of specialists in this new specialty.

ANNEXES

the Russian-language document 'Analysis of the capacity of professional housing management in the economy of Kazakhstan' has the following annexes:

1. Number of Multi-Dwelling Units (MDU) (according to local executive bodies)
2. Multi-dwelling units by wall materials (according to the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan)
3. Overhauls in 2011-2015 within the framework of the Program for the Development of the Regions until 2020
4. Number of SFHs and MDUs by year of commissioning (according to the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan)
5. The total area of residential buildings, by wall materials and year of commissioning (thousand sq. m.)
6. Number of houses starts (according to the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan)
7. Association of individual entrepreneurs and legal entities 'Shanyrak Association of service and energy service management entities in the sphere of housing'
8. On approval of standard forms of contracts between the association of property owners or homeowners association with the MDU manager, management company or subjects of service activity
9. On approval of Qualification requirements for the MDU manager
10. On approval of the 'Nurly Zher' State Housing and Communal Development Program for 2020 - 2025
11. On approval of the State Regional Development Program until 2020
12. Professional standard 'Management of Residential and Nonresidential Buildings
13. MEMORANDUM on mutual cooperation between the Ministry of Labour and Social Protection of the Republic of Kazakhstan and the Ministry of Education and Science of the Republic of Kazakhstan
14. On amendments and additions in the Resolution of the Minister of Education and Science of the Republic of Kazakhstan of October 31, 2017 № 553 'On approval of model curricula and model study plans for specialties of technical and vocational education'.
15. On approval of model curricula and model study plans for specialties of technical and vocational education
16. On approval of state obligatory standards for all levels of education
17. Methodical recommendations for development of working curricula on the basis of updated model curricula and programs for technical and vocational specialties.
18. Resolution of the Government of the Republic of Kazakhstan of 13 November 2018, No. 746 'On approval of the Yenbek State program for the development of productive employment and mass entrepreneurship for 2017-2021'
19. Standard curriculum for technical and vocational education on speciality 'Construction and operation of buildings and structures'
20. On approval of the state educational order for technical and vocational post-secondary education for the academic years 2018-2022
21. Resolution of the Government of the Republic of Kazakhstan of 13 November 2018, No. 746 'On approval of the Yenbek State program for the development of productive employment and mass entrepreneurship for 2017-2021'



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	<p>EU Regional programme CENTRAL ASIA INVEST (started in 2007) supports private sector development in the five countries of Central Asia, with a particular emphasis on the growth of Small and Medium-sized Enterprises (SMEs). A healthy private sector requires a reliable network of Business Intermediary Organisations (BIOs), which can support its members and act as a reliable source of the diverse private sector.</p> <p>The Central Asia Invest Programme has the following objectives: 1) to support private sector development in the region through reinforcement of the role and capacity of BIOs, whilst increasing their number; 2) to improve the business environment for SMEs by promoting and supporting policies that strengthen competitiveness, facilitate investments and access to finance, open new markets and reduce red tape.</p>
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