

The way forward for reforms in the housing sector:

empowering grass root homeowners' associations in Azerbaijan,
Belarus, Georgia, Moldova and Ukraine

The General Concept of the Urban Housing Systemic Reform in Georgia (Policy Recommendations)

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Introduction

The past three decades have been considered the age of challenges and reforms in Georgia. In many areas of public sphere, this is truly the case; moreover Georgia has achieved extraordinary success in some fields and has been viewed as a leader of reforms in the post-Soviet countries. However, we cannot say the same with regard to the housing sector, which was previously called "housing and utilities economy". Additionally, this is the sphere where the general situation is perceived as a long, deep and systemic crisis that is acknowledged by the authorities as well, nevertheless, there is no adequate response to the necessity of the systemic reform. Community of experts and NGO sector do not share such a submissive position.

The main purpose of this publication is based on such a publicly-approved postulate that a systemic challenge should be tackled only with a systemic response. This publication is an attempt to offer such a response. It is given in the form of the recommendations based on the analysis of various aspects of housing problems and the required steps from the side of various levels of governance. These aspects are structured into chapters of the publication; each of them is elaborated by different depths and volume. Each chapter is followed by recommendations.

This publication has three reservations:

- (1) An analytical part includes only urban housing, mainly condominiums, or multi-dwelling houses;
- (2) The commercial housing is given less attention, because this segment of housing is mainly governed by market forces;
- (3) The historical retrospective of formation of urban housing in Georgia is left out of consideration.¹

Considering these three conditions, the structure of the present publication follows as listed below:

1. Identification of the problematic situation;
2. Statement of the political will;
3. Development of concepts and terminology toolkit;

¹ Regarding this, see: V.Vardosanidze, Hundred years of upheavals of urban housing stock – from the Russian Empire to the Independent Georgia, in *Tbilisi during the epoch of changes. Socio-cultural dimensions of urban space and urban planning*. Tbilisi State University Publishing, Tbilisi, 2010.

4. Improvement of the legislative-normative base;
5. Optimisation of the institutional structure;
6. Scientific-methodological base;
7. Informational accompanying and monitoring;
8. Urban management;
9. Financial and economic support;
10. Urban Planning and design;
11. Socio-psychological aspects living environment.

1. Identification of the problematic situation

Georgia's settlement system has radically changed after declaring independence. The previously inhibited internal factors during the Soviet repressive regime have been intensively reactivated. The obligatory registration practice was cancelled; the center-oriented migration intensified, and the external migration has been strengthened; The majority of the country's regions, especially the mountainous regions, dramatically declined due to the depopulation; the catastrophic natural phenomenons has generated waves of eco-migrants; armed conflicts in the territory of Georgia have internally displaced 300 000 persons.

These processes developed under the conditions of economic hardships and their influence is still visible today. Vulnerable population groups, including homeless people have appeared. Due to the absence of culture of monetary-credit relations, the "housing issue" was exacerbated by the legal evictions, the indebtedness by the "financial pyramids" in the construction industry, lost apartments with gambling addiction (ludomania) and etc.

Till today, no government has taken responsibility for national housing crisis management.

Moreover, the populist actions of the government in the sphere of housing, were only to exacerbate that crisis and to cover it up. Such a completely irresponsible policy, led to the resolution # 107 of 1 February 1992 of the Cabinet of Ministers of the Republic of Georgia "on the privatization (free of charge transfer) of homes in the Republic of Georgia. A new class of real estate owners that appeared with one signature, quickly acquired the rights of the homeowner, but the understanding of the homeowner's obligations still has not been widely comprehended.

In this period, in the meantime, the categories of the population that were previously unknown to the late Soviet society have appeared. Thus, "The first national Census of 2002" officially reported 788 homeless households with 2531 members, mainly in Tbilisi. In fact, this number has been progressing with every year. But, the general description of the population of 2014, throughout the country, registered only 58 homeless households with 89 members, among them, respectively, in Tbilisi - 17 and 28. These data do not reflect reality and require a better exploration. On this issue, the charity foundation of the Roman Catholic Church "Caritas Georgia" has been reacting since 1994 up until today by establishing homeless shelters and creating social programs for them. In parallel with homelessness, the problem of social housing is becoming increasingly urgent, and only foreign or international organizations have been active about that issue. At the initiative of the Swiss Development and Cooperation Agency (SDC) and other organizations, in 2007 within the framework of the pilot project - "Social Housing in a Positive Environment", a few 2-3-storey social houses were built in Varketili, Tbilisi. According to 2013 data, social houses were built in 7 cities of Georgia and there functioned 19 multi-family residential houses of this category: in Tbilisi - 6 houses with 52 individual flats; 2-2 houses in Kutaisi, Gori and Zugdidi and one house in Rustavi and Bolnisi. As for today's statistics in the capital, at the Municipal Service of Health and Social Services of the City Hall, in 2010-2016, there have been registered 17500 applications of social housing seekers.² In the same period, in Kutaisi, this number is equal to 1694.³ At the same time, in Batumi, 2.320 applications have been registered⁴; here, in the houses built at the initiative of the Swiss Development and Cooperation Agency (SDC) in 2010-2013, 14 families of IDPs and 15 socially vulnerable households were satisfied.

² Tbilisi municipality legal service #17/63, 29.03.2017.

³ Kutaisi municipality city hall administrative service letter # 01/9339, 10.04.2017.

⁴ Batumi municipality city hall health and social protection service letter #6167, 07/04/2017.

2. Statement of political will

Conceptual political document should precede the systemic and results-yielding development of different spheres of public life; this method is universally proven. In this direction, several concept papers defining sector policies (public policy documents) have been published in Georgia in recent years, which should be followed by the next steps - appropriate strategies and action plans. Below are some of the selected concept documents:

- "Georgia's Regional Development Concept" (2006);
- "National Forest Concept for Georgia" (2014);
- "The Concept of Culture Policy of Georgia" (2013)⁵;
- "Georgia's Long-Term Economic Development Concept" (2013);
- "Physical Education and Sport Development Concept" (2012);
- "Georgia's Demographic Safety Concept" (2016);
- "National Security Concept of Georgia"

Despite the increasing number of sectoral conceptual documents, among them one cannot find a special political document related to housing. This topic is still left behind the attention of the decision-makers, for example, the abovementioned "National Security Concept of Georgia" contains 14 points regarding the "national interest" among them "Social Security and Health Policy"; Housing is not even mentioned in it. ⁶

The topic of the housing is dealt in the political document – “National Strategy of Human Rights for 2014-2020.” The corresponding chapter of the "Strategy" is cited below:

" 21. Ensure the right to adequate housing and the duties arising from this right.

Goal

Objective

Fulfillment of state duties related to the right to provide adequate housing and shelter, and the reduction of homelessness.

⁵ This concept was followed by the "Culture Strategy - 2025" developed by the Ministry of Culture and Monument Protection of Georgia in 2016

⁶ It is notable that the 73-page document dedicates only 16 lines to this point.

Tasks

- a) Consolidate resources available to the state to maximize the provision of adequate housing and shelter;
- b) Ensure the right to adequate housing without discrimination;
- c) Implement effective measures to ensure access to adequate housing and shelter for vulnerable groups;
- d) Introduce new state housing legislation, compliant with international standards and accommodating of the interests of all relevant parties;
- e) Create a database for the registration of all homeless persons;
- f) Guarantee minimum conditions and standards of housing.

Even though this strategy was adopted in March 2014, „<...>Human Rights Protection Governmental Action Plan (2014-2015) did not envision any specific measures and the entities in charge of their execution of the tasks set out in the strategy.

Sadly, the Government's Human Rights Protection Plan (2016-2017) has not included the above discussed issues either <...>.⁷"

In general, indifferent attitude towards housing problems in Georgia has been transferred as a legacy from one government to another. However, it should be said, that during the presidency of E. Shevardnadze, political or normative documents had been created in the housing sector, which, for a number of reasons, were far from being executable.

After the "Rose Revolution", the problems of housing sector had acquired a new impetus of and a political perspective. The reorganized Ministry of Infrastructure and Development developed the draft *Georgia's Target Program "Fundamentals of Housing Policy of Georgia"* in 2004. The conceptual document stated: "The core fundament of the program is: setting up the goals and objectives of the housing policy as one of the principal fields of the country's socio-economic development and establishing an appropriate action

⁷ Public Defender of Georgia, *Report on the State of Human Rights and Freedom Protection in Georgia, 2016*, pp. 709-710.

program for arranging the housing environment; promotion of the right to decent and affordable housing for citizens of Georgia. <...>⁸.

But, in the same year 2004, after the coming to power of the new leadership of the Ministry with libertarian views, the problem of housing was left to the market economy, where the level of the fair competition still has to be achieved. The systemic analysis of the housing issue was deemed to be forgotten. It can be said that nowadays in Georgia there is no uniform, analyzed, and purposeful state housing policy.

Against this backdrop, the active position of the Public Defender of Georgia is promising: the document published in March 2017 - "*Public Defender's Report on the State of Human Rights and Freedom Protection in Georgia, 2016*" is considerable. The document notes, that on March 22, 2016, the Public Defender's Special Report - "Right to Proper Housing" was discussed in Tbilisi City Assembly. The report emphasized that the central government did not take steps to solve this problem. The Public Defender's report provides several recommendations addressed at the Parliament of Georgia; Government of Georgia; Government of Adjara; Ministry of Economy and Sustainable Development of Georgia; Ministry of Labor, Health and Social Affairs of Georgia, and Local self-government bodies.

Recommendations:

- *The Government of Georgia must recognize the housing problem as one of the priorities for the country's development, with all respective outcomes;*
- *A high level political document is to be developed – the "National Concept of Housing" (any other title as required);*
- *On the basis of the approved concept, the „Strategy“ should be elaborated*
- *The "Strategy" should be further complemented by the "Strategic Goals" and "Action Plan".*

⁸ The draft of the document is kept in the personal archive of the author.

3. Development of concepts and terminology toolkit

It is hard not to agree with Rene Descartes: "Define the meaning of words and you will save humanity from half of its errors". This is especially important at the stage of social changes that Georgia has been undergoing and that have been naturally characterized by the introduction of barbarisms (anglicisms instead of russicisms). The housing field is in such condition, where not only the new concepts and terms appear, but there are also the real events, processes, and specific types of objects behind them.

These challenges need timely, thoughtful, and balanced response. Back in time, the Georgian society was in a similar situation during the building of the first republic (May 1918 - February 1921). The best indicator of this is the creation of Georgian technical terminology glossary with the attempt of the technical elite.⁹

A bulk of English-language terms regarding housing sphere require the professional approbation and linguistic adaptation. It is required to find their Georgian equivalent term or to abandon them. Some of such terms are:

- Suburbanization;
- Hinterland;
- Condominium;
- Informal settlement;
- Slums;
- Overcrowding
- Metropolitan area;
- Commuter;
- City/Municipality Profile;
- Universal (inclusive) settlement;
- Developer;
- Gentrification;
- Squatting;
- Gated community;

⁹ Russian-Georgian Technical Dictionary (Glossary), Tfilisi, National Publishing House, 1920.

- Available housing;
- Social housing;
- Municipal housing;
- Shelter;
- Homeless;
- Homelessness;
- Penthouse;
- Loft; etc.

Recommendations:

- *The State Commission for Establishing Georgian Technical Terminology must be restored / formed ;*
- *The approved terms should be published in the format of technical regulations;*
- *The bilingual (Georgian-English) explanatory dictionary of urban and housing sphere should be issued.*

4. Improvement of the legislative-normative base

It is generally recognized that the housing-related requirements are the basic requirements for human beings, because they are closely linked to the human life and health protection from unhealthy environment, social and technological impacts. There are no institutions or goods that could substitute housing or its consumer properties.

That is why, that right to the housing is imperatively established by the "Bible" of the modern socio-economic life the Universal Declaration of Human Rights under its article 25, paragraph 1: “ Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.” Therefore, it is not surprising, that the current constitutional changes in

Georgia also touched the theme of the housing.¹⁰ As a result of the efforts of NGOs and individual experts, in the Article 5 of the revised Constitution, "Social State" entered a note of the historical significance: "<...> The state is concerned about the provision of the decent housing for its citizens" (p.4). This norm echoes the famous analogues of Post-socialist countries; let's take a few examples¹¹.

The Constitution of Ukraine, Article 47: "Everyone has the right to housing. The state creates conditions that enable each citizen to build, purchase, or rent a house".

Constitution of the Republic of Poland, Article 75: "Public authorities shall pursue policies conducive to satisfying the housing needs of citizens, in particular combating homelessness, promoting the development of low-income housing and supporting activities aimed at acquisition of a home by each citizen. Protection of the rights of tenants shall be established by statute."

The Main Law of the Republic of Hungary, Article XXII: "Hungary seeks to ensure decent living conditions for every person <...>".

The first steps of the housing reform were contained in the "Civil Code of Georgia" (1997), which declared the Soviet period "Housing Code" (1983) void and replaced it by the fourth chapter of the "Civil Code" - "Ownership in the Multi-Unit Houses". The new concept of "Homeowner Association" (Article 216) and common ownership management mechanisms were introduced. Ten years later, the issues of multi-dwelling houses were codified in a separate law of Georgia "On Homeowner Association" (2007), which has important gaps, according to expert views.¹²

It is noteworthy, that the original text (2008) of the Law "On the Capital of Georgia - Tbilisi" contained a promising statement, according to which Tbilisi City Assembly, together with its other competences prescribed by law, was responsible for creating a housing and non-resident stock, and for determining the

¹⁰ See.: V. Vardosanidze. *Reflecting the Issues of the Right to Decent Housing in the Constitution of Georgia* (manuscript. 2017). www.emc.org.ge Writing of this document was started in April 2017 when the public campaign of the constitutional changes discussion had been announced

¹¹ Unofficial translation by the author.

¹² Regarding this see the survey by the Centre for Development and Democracy (CDD), Homeowner Associations in Georgia, Tbilisi, 2015.

rule of their administration (Article 12.1.). This subsection has been removed from the next editions of the law.

Only one type of housing was found in the Organic Law of Georgia "Local Self-Government Code" (2014), between the local self-government's own powers, it includes "Providing shelter and registration of homeless people" (Article 16, paragraph 2).

Recommendations:

- *To reflect the right to decent housing among other fundamental human rights in the final edition of the "Constitution of Georgia";*
- *Development of the Housing Code;*
- *Development of technical regulations and standards for the design and construction of the housing projects.*

5. Optimisation of the Institutional Structure

The housing management in Georgia is overtaken by complete uncertainty, functional duplication and collective irresponsibility. The best example of this is the problem of homeless people in recent years. After several cases of homeless citizens freezing on Tbilisi streets, on December 13, 2013, the Government of Georgia took an ordinance #1946 regarding "The urgent measures to be implemented in 2013-2014 for the purpose of helping the homeless people". The execution of such measures in Tbilisi was ordered at the same time to 9 (!) agencies and institutions, including Tbilisi City Hall.

After the "fire emergency" was resolved, there was a hope that the Government would thoroughly prepare for the upcoming winter and clearly define the responsible institution. But on August 15, 2014, the Decree of the Government of Georgia # 1454 was issued, based on which the "inter-agency temporary commission" was established. The commission consisted from 14 members of 10 state agency representatives. And this happened when, from 5 February 2014, the Organic Law of Georgia "Local Self-Government Code" had

already been enacted that defines the concept of "own authority" of the local self-government¹³ and the circle of such powers, it also granted "Provision and Registration of Homeless Shelters" (Article 16, paragraph 2) to the local self government.

Following this example, it is clear that the implementation of the institutional reform of the housing is an urgent necessity. Such reform will simultaneously affect several institutions and levels of governance.

The Parliament of Georgia. Among the spheres of action of the 15 Committees of the eighth convocation of the Georgian Parliament there were no places for housing problems. In accordance with the not completely irreproachable tradition introduced in the Parliament, at first glance, the closest to the housing sector, in comparison with other Committees, is the Committee for Sector Economics and Economic Policy.

Among the declared fields of this Committee there are 16 "priority areas" - "Waste management", "Development of the transport system and infrastructure", etc. - there is no clearly articulated housing sphere. In the current system of **the central executive power**, the situation is similar. In the Ministry of Regional Development and Infrastructure "in the field of own activity" and in the "tasks" housing is not even mentioned, otherwise, the housing is the most important and complex type of infrastructure - it combines social, technical, economic, ecological, urban planning or sectoral features and interests of other infrastructures.

Decree # 70 of the Government of Georgia of February 11 of 2016 "*On Approval of the Statute of the Ministry of Economy and Sustainable Development of Georgia*", in the "Objectives and Competence" of the structural subdivision of the Ministry of Economy and Sustainable Development of Georgia – the Spatial Planning and Construction Policy Department, lists only two aspects of the housing area: "<...> *In order to improve the living conditions, developing proposals and recommendations based on appropriate research; creating housing sector's indicators <...>*".¹⁴ That is all.

It seems, that we are dealing with a legal collision, or with some uncoordinated approaches, because the Minister of Economy and Sustainable Development of Georgia later approved "Statute of Spatial Planning

¹³ „A municipality's own powers shall be the powers determined under this Law, which the municipality exercises independently and under its own responsibility”, (Article 15.2.)

¹⁴ The Decree of the Government of Georgia of 11 February 2016 #70 “On the Approval of the Statute of the Ministry of Economy and Sustainable Development of Georgia “

and Construction Policy Department of the Ministry of Economy and Sustainable Development of Georgia" by its Decree # 1-1 / 514 of 7 December 2015, in which it mentions additional "Main tasks and powers" of the Department, described in the extract given below:

Article 2. Main tasks and responsibilities of the Department

1. Main tasks and responsibilities of the Department are:
 - a) <...> Development, coordination and management of housing policies;
 - b) <...> Development of state programs and projects of the housing sector and participation in state programs and projects;
 - c) Research on the situation in the housing sector and identification of problems based on their analysis, setting up ways to solve these problems, and participate in developing of the proposals and recommendations;

Article 4. Structural units of the Department and their functions

3. The functions of the Urban Development Division are:
 - a) Coordination of the basics of state housing policies, development of state programs and projects in the housing sector;
 - b) Participation in the development of various targeted projects and coordination of ongoing projects with the purpose of promoting housing and development of the housing sector based on cooperation with municipalities;
 - c) Participation in the development of various targeted projects and coordination of ongoing projects with the purpose of promoting housing and development of the housing sector based on cooperation with municipalities;

Relationship between the two normative acts mentioned above, in terms of strength, is resolved in favor of the resolution of the Government of Georgia - both hierarchically and chronologically. Thus, the functions and powers of the department should be revisited.

The Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia among its many functions and tasks lists the following: "Considering the political, socio-economic and demographic situation of the country, IDPs, (Internally Displaced Person), asylum seekers, persons with refugee or humanitarian status, repatriates, regulation of migratory flow caused by emergency situations (natural disasters, epidemics, etc.), their temporary or permanent resettlement, creation of adaptation and

integration and social protection." ("regulation" of the Ministry Article 2.B). Structural subdivisions of the Ministry:

- Department of IDP issues;
- Department of Migration, Repatriation and Refugee Issues;
- Department of Eco-migrants Issues.

In the central executive power system, another actor in the area of housing is the *Ministry of Labor, Health and Social Affairs of Georgia*. LEPL (Legal Entity of Public Law) "Social Service Agency" has been established under the Ministry's system. In general, a specific subject of the housing is covered by one of the social programs of the Agency - "Providing shelter for people with mental disabilities" (the program is intended for 100 beneficiaries at the same time).

In addition, the ministry is operating several sub-programs, approved by the Government Resolution # 138 of March 30, 2015, among them:

- "The emergency support subprogram to families with children living in crisis conditions" (beneficiaries are provided by "housing or apartment rent");
- "Small family-type homes subprogram";
- Subprogram "Providing Homeless Children with Shelters".

The evidences brought above show that at the level of central legislative and executive power, the complex problem of housing is not well-studied; it is impossible to talk about uniform management of the sphere today. Under these conditions, local self-governance covers only the issue of providing homeless shelter.

What is the situation in the institutional structures of other countries? Below are examples of several countries, the names of the relevant institutions of central government (As of 1 November 2016):

- Israel - Ministry of Construction and **Settlement**;
- France - Ministry of Ecology, Transport and **Housing Construction**;
- Norway - Ministry of Local Self-Government and Regional Development (The **housing policy** is included in the competences of the Ministry);
- Lithuania - Ministry of Environment (The Ministry is responsible for territorial planning, construction and **housing**);
- Belarus – Ministry of **Housing**;
- Ukraine – Ministry of Regional Development, Construction and of Housing;

- Even in a country with a liberal or market ideology, like the United States of America, the Department of **Housing** and Urban Development appears among the Departments (same as the Ministries).

Back in time, a national organization from the UN system, Habitat-Georgia, functioned in Georgia, working on the problems of urban development and housing. Despite the fact that the maintenance of this organization did not require a large budget, after the "Rose Revolution" it was abolished and has not yet been restored. Therefore, since 2005, Georgia has been disconnected from the ongoing processes in the world in the field of urbanization and housing.

Recommendations:

- *The Regional Policy and Self-Government Committee of the Parliament of Georgia shall form a structural unit working on settlement arrangement, spatial-territorial development and housing problems;*
- *Adding the sphere of the affordable (social) housing to the competence of the Ministry of Regional Development and Infrastructure of Georgia or the legal entity of public law created under its system ¹⁵;*
- *Delegation of the development of an affordable housing, territorially analysed, decentralized settlement system to the local self-government, which to a certain extent will reduce the tendency of centripetal migration;*
- *Engagement in UN HABITAT PROGRAM activities not as individual enthusiasts but at the state level;*
- *Restoration of Habitat-Georgia;*
- *Initiation of establishment of the Urban Observatory network in Georgia.*

6. Scientific-methodological base

The scientific-methodological understanding of the housing begins with a clear and unequivocal classification, which significantly simplifies the effective management of this sector. The primary outline of the structure of the universal classifier of housing is given below according to multiple marks;¹⁶

¹⁵ The author has addressed the Prime Minister of Georgia, Mr. Giorgi Kvirikashvili with the respective proposals on 2 November 2016; the letter remained unanswered.

¹⁶ The proposed draft Universal Classification of the Housing terms does not have a claim to perfection; therefore the positions (rubrics) of the classifier are given with various details - only the name of this or that rubric rather than their detailed exploration.

- Technical passport;
- Insurance status;
- Natural-anthropogenic context - relief, prevailing winds, orientation, the highway, existing development, landmarks, spots, scenery;
- Urban design composition - irregular, single (individual), accented (dominant), rhythmic-composite, etc;
- The urban morphology homestead, blocked, town-houses, group, terrace, tight - low floor, patchy, quarterly (perimetral), "Tbilisian yard-house", point, sectional, house-screen, communicational;
- Internal planning - sectional, corridor, galleries, duplex, triplex, combined, otherwise;
- City planning zone - according to Land Use General Plan or Development Regulation Plan;
- Compliance with urban planning documentation: it is appropriate, needs a zone agreement, it is incompatible;
- Current (existing) coefficients K -1, K -2, K-3 - according to the real situation;
- Aesthetic look of the building – expert evaluation;
- Garden yard and greenery – expert evaluation;
- Underground parking lots – there is (quantity), there is not;
- External sanitary conditions - insolation, natural lighting, aeration;
- Monument protection status - cultural Heritage Monument, an object with a monument mark, background object, neutral, building-parasite;
- Economic status - commercial, not profitable (social);
- Planning typology - individual house, isolated apartment, the unfit house used for living, hotel, hostel, holiday home, common housing, institutional (including shelter), other housing;¹⁷
- Functional profile - only for housing, mixed, with developed services;
- Number of floors - 1-2, 3-4, 5-9, 10-16, more;
- Number of apartments (units) - single-family house, two-unit house, apartment building (multi-dwelling house);
- Management form (in case of multi-dwelling house) – Homeowners' association, invited manager, managing organization on a contractual basis;

¹⁷ In this position (rubric) the forms of housing listed in the questionnaire of the general population survey of Georgia of 2014 has been used unchanged.

- Adaptation to persons with disabilities - not adapted, only the first (ground) floor adapted, adapted fully;
- Engineering-technical equipment;
- Energy saving quality - compliance with standards;
- Legal form of use - private, HOA, municipal, state, religious, other;
- The possibility of movement - stationary, mobile;
- Operational housing fund;
- Construction period / date¹⁸
- Building class - I, II, III, IV, V;
- Fire safety class –
- Normative life cycle –
- Type of access for the external visitors - gated community, freely available;
- Constructive scheme - mounted walls, frame, mixed, other;
- Building materials and constructive elements –
- Technical condition for: foundation, bearing structures, interfloor overlappings, roof, communications;
- Amortization percent;
- The market price of 1 square meter of the total area of the apartment (Fixer-upper: so-called "Black frame", or ready to move-in, so called "white frame") - requires special researches or expert evaluations;
- Interested persons or beneficiaries category - free market subjects, eco-migrants, refugees, affordable and social housing seekers, homeless people, young people aged 18 years from institutional education organization, foreign migrants, and other.

Based on practical goals, today it is particularly important to separate the categories of homeless people from the principally different categories of social housing seekers. There are many organizational and managerial challenges that can be created by accommodating these two communities together,¹⁹ which was evidenced on the case of Tbilisi (Varketili district) settlement. In this regard the study supported by the *Swiss Agency*

¹⁸ Please see below more about this indicator of housing

¹⁹ In this regard, it is notable to observe that such an important report as “Millenium Development Goals in Georgia, National Report 2014”, in the chapter “Social and Economic Rehabilitation and Civic Integreation of the Internally Displaced, Conflict and Natural Disaster Affected Persons” shows the photos of the homeless and not of the mentioned category (pp. 27 and 29).

for Development and Cooperation that tried to research and understand the concept of social housing is considerable.²⁰

Besides, between the researches of the purposeful sociological studies of the housing in Georgia, is distinguished the several researches conducted by the Institute for Social Research and Analysis, supported by the Swiss Agency for Development and Cooperation: "Social housing, social parameters research in different target groups" (2013); "Research on needs of housing of different target groups in Adjara region" (2014) and more.

Another important aspect of the Universal Classification of Housing is the classification of all types of housing on the construction period, which reflects the construction of a building, concrete and variable political-economic context. In this case, the chronological classifications of housing in Georgia are not distinguished with accurate detail. For example, one of the fundamental monographs²¹ contains the next "age" classification of the house:

- Housing of the period before the Sovietization of Georgia (which means, until 1921);
- Early Soviet period housing (1920-1950 years);
- Late period Soviet Union massive housing construction (1960-1980 years);
- Post-Soviet housing construction (1990-2010 years);
- Individual housing construction for different periods (In our view, this category is dropped out from the chronological order 3.3. – V.V.).

One of the most authoritative international research organizations in the study of the housing market in Georgia uses the following chronological order:

- until 1920;
- 1920-1939 years.;
- 1940-1959 years.;
- 1960-1979 years.;
- 1980-1989 years.;

²⁰ E. Darjania, V. Vardosanidze, "Social Housing – Georgian Reality in the Context of the International Experience". Swiss Development and Cooperation Agency Publishing, Tbilisi, 2013 (manuscript). It is essential that this research has developed the "Social housing urban planning and architectural standards" that were placed on the website of the Ministry of Economy and Sustainable Development of Georgia.

²¹ The State of European Cities in Transition, 2013. Taking Stock After 20 Years of Reforms. UN Habitat, 2013, p.220.

- 1990-1999 years.;
- 2000-2009 years.;
- Unknown date.²²

Form of the 2014 Census # 1 - "List of Living Houses and Housing Conditions" - examines only the unjustified full 5 periods of housing construction:

- until 1961;
- 1961-1980.;
- 1981-1990.;
- 1991-2001.;
- 2002 and later.

In general, we can say, that none of the above listed chronological arrangements will be used in the development of the full classification of the housing.

One of the methodological aspects of the housing reform is participation of housing in calculating citizens' consumer basket. According to the methodology developed by the *National Statistics Office of Georgia*, consumer basket includes, along with other components: "Residential house (it is unclear what form), water, electricity, gas and other means of heating (8,38%)"; "Furniture, household items, and decoration home care (6,21%)". From these quotations it is clear how far these calculations are from reality. Despite the fact that the expenditures are "calculated" in hundredth of a percent, they do not reflect the existing reality

Recommendations:

- ***Development of the Universal Classification of the Housing, testing it and publication in the State Standard format;***
- ***In the universal (with 10-year periodicity) and the current Census and studies of the population of Georgia and housing, apply the approved standards for the classification of dwellings;***
- ***Expand research in the field of housing, taking into account various typology or target groups.***

²² Residential Market Report, Georgia. Colliers International, 2014, p. 7.

7. Monitoring and information.

The development and management of *Urban Indicators* is the most reliable and common method of assessment of city infrastructure - including housing development. In this respect Georgia is far behind many countries of the world. To fill this gap, the system of the Urban Indicators has been offered in the framework of the renewal of the General Land Use Plan of Tbilisi (2017). One block of the 18-block system is "Housing Indicators".

Here is only the list of indicators of this block - without methodological and organizational-technical support, which requires separate processing. It should be noted that the following housing indicators are a combination of revised versions of the indicators by two international sources - the UN HABITAT PROGRAM and the International Standard Organization (ISO), taking into account the specificities of Tbilisi. The block of the housing indicators has the following structure:

- Municipal housing policy paper;
- Providing housing to households;
- Quantity of apartments (units) ready to use according to their categories;
- Affordable housing;
- Total living space per capita in the city;
- Number of family members per room;
- Technical condition of housing;
- The "housing price relief" of the whole city;
- The cost of rent and household income;
- Mortgage loan;
- Squatting;
- Evictions;
- Unfit dwelling;
- Homeless shelter;
- Number of applications for social housing;
- Apartment ownership;
- Multi-dwelling house management forms;
- Co-financing of apartment owners;

- Certified housing;
- Energy saving housing.

Recommendations:

- *Development and approval of Housing Indicators System;*
- *Use of housing indicators in general Census or other statistical surveys of Georgian population;*
- *Annual publication of housing indicators;*
- *Precision and normative incorporation of a methodically correct periodization of housing.*

8. Urban Management

The Homeowner Association in Georgia (HOA) is an institution established by law and broadly present for the management of multi-dwelling houses (with more than 2 homeowners). This activity is regulated by the Law of Georgia “On Homeowners’ Association” (2007). According to the law, a Homeowners’ Association is not a legal person and neither a natural person. That is why, in the norms of the legislative system of Georgia, the legal formulation is often used when addressing these norms: **"legal persons, physical persons and Homeowners' Associations"** (Line is mine – V.V). It should be noted that in the big cities of Georgia, first of all in Tbilisi, Batumi and Kutaisi - establishment of Homeowners' Association has been characterized by a wide movement. As of 2015, the capital of Georgia had 8.646 registered homeowners' association; Kutaisi - 1.071 HOA in 940 multi-dwelling houses; in Batumi there were 830 HOAs in 1287 multi-dwelling houses respectively.²³ In comparison with this, in our neighboring country Azerbaijan, in the capital Baku with the population of two millions, as of 2015, a total of 20 HOAs were established, out of which only 7 have passed the state registration.²⁴ Establishment of a HOA in Georgia, essentially started in 1997, as soon as the Civil Code of Georgia was enacted. The initiator of this case was a nongovernmental

²³ Comparative analysis of the creation of associations for managing common property in the multi-dwelling buildings on the example of Legislation of Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The project is implemented with the financial support of the European Union, p. 30.

²⁴ *ibid*, p. 8.

organization (NGO) – *Association of Urbanists of Georgia*. With the support of the Eurasia Foundation, this organization implemented the project "Condominium Development Consulting Center" in 1998. In 2001-2002, with the support of the American Urban Institute and USAID and the previously mentioned organization, this project was followed by another joint project "Preparation and implementation of the pilot project of the homeowners' association on the example of Zestaponi by the Urban Association of Georgia within the framework of the reform of local self-government." It is noteworthy that, at the request of the American side, the project was implemented in the provincial town of Zestaponi, not in the capital, where it would have a higher scale impact. The reason for this decision was the total corruption of the Tbilisi City Hall at that time, which, presumably, could slow down the project.

The Zestaponi pilot project has played an important role as a trigger - the United National Movement, which came to power in 2003, granted to it a political dimension. In the *Tbilisi City Hall* system was formed a program "Tbilisi Corps", which was promoting the establishment of homeowners' associations, ensured the co-financing programs, and the creation of coordinators network. This direction of realization of housing problems has proved to be very successful - it is true that all this was happening at the expense of the political loyalty of interested residents.

At present, the "Tbilisi Corps" is dismantled; its functions are delegated to the administrative districts of Tbilisi, in response to the universally recognized principle of subsidiarity. In 2012-2015 the non-governmental organization (NGO) Charity Humanitarian Center "Abkhazeti" implemented a project with USAID support, within which, several Homeowners' Associations were established in the regions of Georgia in the IDP settlements. Since 2015, with the support of the EU, in the three most populous cities of Georgia, three-year project has been implemented - "The way forward for reforms in the housing sector: empowering grass root homeowners' associations in Azerbaijan, Belarus, Georgia, Moldova and Ukraine". Within the framework of the project, legal and technical assistance centers have been opened in Tbilisi, Batumi and Kutaisi, which are providing consultations to Homeowners' Associations regarding the common property management issues.

Relating to housing, one of the tasks of Urban Management is to prepare the managers of Multi-Unit houses (including commercial spaces). This can be both natural and legal entities. For this, it is necessary to prepare syllabuses and training courses.

Recommendations:

- *Even in the current, imperfect legislation, ensuring the inclusion of non-residential (commercial) units in the activities of Homeowners' Associations;*
- *Expansion of the practice of holding city contests for the best condominium;*
- *Training of specialists in management of multi-dwelling houses.*

9. Financial and economic support;

The financial and economic component of the housing sector requires the involvement of specialists in this sector; therefore, this rubric is not developed in the publication; although it is clear that the success of housing reform mostly depends on a well-designed financial-economic model(s).²⁵ Therefore, we have compiled the recommendations below, which are instructive in nature for specialists in the financial and economic sphere.

Recommendations:

- *Development of financial-economic models of various forms of affordable housing;*
- *Review of social housing component in the formula of calculation of real subsistence minimum;*
- *Continuation the support practice of Homeowners' Associations and taking into account the amount of funds in the city budget;*
- *Generation of income from advertisements placed on multi-dwelling houses or other equipment managed by a Homeowners' Association.*

²⁵ About this see: Housing management system for countries with economies in transition: principles and examples. UN European Economic Commission, Geneva, 2005.

10. Urban Planning and Design;

Today's Georgian law on "Basis of Spatial Arrangement and Urban Planning" (2005) and by-laws derived from it discuss the clear technocratic issues - number of floors; coefficients K -1, K -2, K-3; condition of the land plot with neighboring land plot; dimensions of the plot; the possibility of servitude and etc. Legislator and, as a result, the social-functional nature of the housing remains beyond the planner's interests. Such approach creates some difficulties in the process of design and, moreover, in practice. From these positions the norms of law must be checked.

Fundamentals of design non-commercial housing in Georgia have been established in recent years. According to the Resolution of the Government of Georgia of February 7, 2014, the technical regulations # 131 "On the minimum standards arranging temporary shelter for homeless " was adopted. In 2013, the Ministry of Economy and Sustainable Development of Georgia has posted on the web site "Standards for urban architectural and architectural design of social housing". This document has a recommendatory character. So, we can say that today in Georgia there are no obstacles for designing shelters and social housing from the point of view of project standards.

Recommendations:

- *In the city planning documentation, in the zoning part, should take into account the typological groups of housing;*
- *Codifying the technical regulations, standards and norms of the design of various typology housing as one document;*
- *Conducting architectural competitions on the social housing and shelter projects.*

11. Social-psychological aspects of the Living Environment

Until now, the object of the publication was the urban housing as an object of multilateral comprehension. However, it is notable that the subject homeowner, tenant, or owner is the ultimate indicator of the successful functioning of housing unit that is the significant urban structure. In this respect, in Georgia there is a challenging situation.

Despite the quarter of a century of independence, Georgia's current citizen, the "average individual" of our society, is a heir of Homo Sovieticus. This social psychological type of human turned out historically more sustainable, especially, in the deep and uninterrupted urban culture. This circumstance is caused by historical factors - starting with medieval characteristic Byzantism approach, and ending with the housing, soviet period ideological manipulating. This type of man is characterized by the inability of self-organisation, indifference to his environment, spatial behavior of egocentric models, total irresponsibility, undeserved desire to live well and, finally – attitudes and the paternalistic expectations.²⁶ This situation is especially visible in the apartment ownership, where, the private, own and common-neighborly interests are often seen. The great Georgian philosopher of the 20th century - Merab Mamardashvili could see this, which characterized the Georgian society of the 1980s as follows:

“<...> Everyone tries to survive on their own, being in a separate boat with their friends and relatives. Separated from what? From the republic, from *res publica*, that is, the social cause, the public space. <...> everyone sails in their own boat, neglecting public interests. Look at the Tbilisi houses, the sidewalks - public space. The physical image of our relations with the *res publica*, the public affair. Dirty gates, dilapidated houses, even rats and collapsing walls. This is the view from the outside but inside there are the comfortable apartments, packed with items, high-quality imported equipment. <...> The inner surface of the shell reflects the image of the self-respect of the Georgian, his self-esteem. Outside the shell – asphalt and streets, public space, public space, which does not reflect this. Here is the physical image of that social and spiritual phenomenon that is the attitude of the Georgian with the *res publica*.”²⁷

²⁶ Author's experience of Homeowner Association chairmanship in his multi-unit house permits him to express this opinion.

²⁷Interview with M.Mamardashvili was held on 20 August 1990 and is published in the journal «Искусство кино», М., 1991, № 5, pp. 31-39.

The more "realistic", directly related to the home of everyday themes we touch, the more we face the socio-psychological, more precisely, cultural problems. Our ordinary citizens have not yet realized the economic side of the resources used in the dwelling. Often we hear reckless exclamations - "Georgia is flooded in the water, and why should I pay for such a price for water consumption?!" These types of exclamations explicitly extrapolate rural reality to the urban environment, which prevents the full formation of urban culture in our country.²⁸

Another social-psychological peculiarity of modern Georgian society is non-acceptance of rental housing. This kind of housing form is considered as being homeless. Such a mood comes from the last period of the Soviet era, when the "getting the apartment" was considered one of the main manifestations of social protection. Despite the fact that in this case, legally, the "head of the family" was only a "responsible tenant", and the apartment remained the property of the "state", the dweller of the house still had a sense that the house was his/her.

Recommendations:

- ***Production a wide informational campaigns related to the housing problems;***
- ***Explaining the mechanisms for the formation, supply and consumption of municipal natural resources (water, electricity, gas) to the population;***
- ***Encourage NGOs working on housing management issues***

²⁸ About that please see in detail: V. Vardosanidze. City and Urban Relations in Georgian Culture. In: "City Contures". *Urban Culture Lectures at Henrich Boll Foundation*. Tbilisi. Henrich Boll South Caucasus Bureau Publishing, 2015, page 59.

The document reflects the position of the Project and can in no way be taken to reflect the views of the European Union.



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The European Union is made up of 28 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples