

Project «LOCAL HOUSING POLICY – local housing policy improvement in Russia by means of a dialogue between civil society and local authorities»
Tacis IBPP Programme (Institution Building Partnership Programme)

Social and Economic Survey of the Housing Sector of St. Petersburg and Domodedovo

developed within the framework of the Project Analytical Phase
with the assistance of all project partners



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The Decree No 425 “On the housing and public utilities reform in the Russian Federation” of the President of the Russian Federation dated 28/04/1997 has created framework conditions for reforming of the housing and public utilities sphere in Russia. The RF Housing Code in force since March 1, 2005 was the first law that has settled the fundamentals of multifamily housing management and introduced a new concept of housing management oriented to demand demonopolization for housing and public utilities as well as of multifamily housing management.

The main objectives of housing and public utilities reforming are as follows:

- to secure living conditions in line with the quality standards;
- to reduce production costs of services and correspondingly the rates following the quality standards of the services supplied; and,
- to smooth the reforming process in housing and public utilities payment system for population within transition of the branch to breakeven and sustainable functioning.

The Government of Russia has suggested the main measures to attain the abovementioned objectives:

- improving of the management, operation and control systems in housing and public utilities;
- transition to contractual relationships, development of competitive environment, securing of an opportunity to consumers to control the volumes and quality of the services consumed, mainly tender selection of organizations responsible for housing stock management and service, supplying materials, equipment to public utility companies and fulfilling design and construction works;
- improving of the payment system for housing and public utilities including fixing of higher rates for housing space and public utilities consumption exceeding the norms settled, as well as rates differentiation depending on housing quality and location; and,
- improving of the social protection system for citizens: regulating of the available incentives system, strengthening of the system for addressed use of the funds allocated for these purposes.

The Russian Laws in force empowers the premises owners in multifamily housing to choose on their own among direct management, managing organization or to unite into condominiums.

The goal of this social and economic analysis is to study the current situation of the housing sphere in St. Petersburg and Domodedovo taking into account the framework conditions and available social and economic prerequisites for the purpose of problems identification in creating and strengthening of the housing owner, private housing management forms in multifamily apartment houses.

The present social and economic survey contains:

- a) the analysis of the housing sector reforming process in St. Petersburg and Domodedovo against the housing reforming background in Russia;
- b) general description and analysis of the existing housing and public utilities sphere in St.-Petersburg constituting a complicated system with numerous links, housing stock of Domodedovo and St. Petersburg;
- c) the analysis of the investments directed to housing stock maintenance and retention at the expense of municipal budgets;
- d) the analysis of the available private housing management forms and contractual relationships among managing organizations, condominiums and resource suppliers;



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- e) the analysis of legal issues and everyday problems that hamper the housing reforming process, including imperfect laws, difficulties in condominiums registration and re-registration of housing owners' associations, passport system of multifamily apartment houses, land ownership registration, taxation of condominiums;
- f) the analysis of the current rating system for housing and public utilities, payment procedures and increase of costs and public utility rates;
- g) the analysis of social support measures of the governments of St. Petersburg, Domodedovo: incentives, subsidies and households' incomes; and,
- h) the analysis of the housing owner's situation and his/her information needs.

In summary, the analytical survey contains a brief analysis of positive and negative social and economic aspects of the process of transition to market conditions in the sphere of private housing right and new forms of competitive relationships in the housing market with solution suggestions.

