



## Housing System, Challenges, and Perspectives The Case of Georgia

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### Abstract

Expired or Dilapidated multi-apartment buildings are one of the main problems in post-Soviet countries. Although different countries have periodically developed different ways to solve the problem, it has not been possible to solve it until new reform, because the analysis of the current practice shows that the only way to solve the problem is to dismantle the dilapidated multi-apartment residential buildings and build new ones instead. The present article discusses the history of the development of the housing system in Georgia, the preconditions of the housing crisis, the existing social programs in Tbilisi Municipality, and the reform aimed at the gradual replacement of dilapidated houses. The article focuses on the international experience related to housing fund management, including in the countries of the post-Soviet space. The scope of powers of the state, municipality, and owners, prerequisites for the replacement of damaged residential houses, and decision-making procedure are discussed. The replacement process, the general characteristics of the multi-unit residential buildings subject to replacement, and the challenges the social program faces are described.

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**Keywords:** Housing system, Urban Development, Dilapidated House, Property Replacement, Expired buildings

## **Introduction**

The presence of dilapidated buildings is an existential challenge for the capital's municipality. Solving the issue is important in the process of protecting people's lives and health. In 2022 The City Council of Tbilisi Municipality adopted a resolution, which determined the rules and conditions for the replacement of damaged houses.

Housing provision is seen as an institutional reform where responsibility is shared between the public and private sectors and the state. (Clapham, 2010, p. 23) In turn, the mentioned process is divided into several stages: the preparatory stage and consultation with the owners, the process of dismantling the damaged building, construction works, repair works, and handing over new residential premises to the owners (Asabashvili et al., 2018, p. 21). The existing housing policy in Georgia consists of the following components: Soviet construction, privatization, strengthening of the private sector and weakening of state responsibility, the emergence of compact settlements and legalization of state-owned areas, privatization of residential apartments, and Cooperation with condominium associations.

The municipality offers to rent an apartment to the persons temporarily evicted from the damaged buildings. Due to the mentioned measure, the spending part of the budget in this direction is large and the problem remains unsolved. It is necessary to gradually replace the Soviet-era buildings with modern buildings, which have passed their service life and have been given a degree of disrepair.

The Encyclopedia of Urban Studies defines "housing policy" as a set of government actions to achieve housing goals (Clapham, 2010, p. 39). The task may include improving the quality of the existing housing stock and implementing several measures to address the homeless problem. Effective measures of the government, in turn, create new opportunities in the process of strengthening and renewing condominiums and neighborhood relations, while stimulating business by encouraging the construction sector (Asabashvili et al., 2018, p. 46).

## **Methods**

The research is based on the comparative-legal methodology. Hermeneutic, analytical, descriptive, historical, synthetic and other scientific methods are used. Legal practice, housing policy and right registration institutions of different countries have been studied using the mentioned research methodology. Contemporary challenges of the housing fund and theoretical and practical ways of solving existing problems.

The focus is on the origin and development of housing policy both inside and outside the country.

## **Results**

Providing citizens with safe housing is the responsibility of every state. Over time, the states faced the need to update the housing stock. The reconstruction of existing dilapidated buildings has not turned out to be the most effective decision over time. It was necessary to find a more effective solution, such as replacing the old, dilapidated house with a new, comfortable one. The mentioned process involves the dismantling of the dilapidated house and the construction of a new residential house by the current construction standards.

### **The Soviet Legacy of the Housing Fund**

The current situation of the housing fund in Georgia and the existing challenges are echoes of Soviet heredity, which begins in the 1920s. Rapid industrialization led to population growth in large cities, which exacerbated the existing housing shortage (Asabashvili et al., 2018, p. 49). On August 24, 1924, a resolution on "housing cooperatives" was adopted, which provided for the pooling of resources of the population and the state sector to improve the social conditions of the working class, which later became the basis for the creation and development of the housing fund in the country (Asabashvili et al., 2018, p.86). The act of 1957 "On the development of housing construction in the Soviet Union", in 10-12 years, aimed to eliminate the existing housing shortage. The Councils of Ministers of the Soviet Republic were instructed to approve plans for the placement of residential buildings in large cities without dismantling the existing residential buildings (Chikvashvili, 1989, p. 23). Individual housing construction was encouraged to the expense of the population, state funds for housing construction increased, and various organizations were instructed to use industrial methods in construction and increase the volume of production of building or other finishing materials (Asabashvili et al., 2018, p. 88).

The collapse of the Soviet Union and the transition to a new economic formation, like other fields, caused fundamental changes in the field of urban planning (Zazanashvili, 2017, p. 103). "Access to housing as part of the standard of living was recognized as a primary human right in 1948", Covenant on Social, Economic and Cultural Rights, 1994.

The so-called "Khrushovki" is a well-known project of Soviet architecture. The above-mentioned type of apartment is a 3-5-story multi-apartment residential house of the Nikita Khrushchev period, which is a complex of paneled or brick residential apartments. It was with this type of residential house that the development of micro-districts took place (Chikvashvili, 1989, p. 136-138). Even though the main architect of these residential houses was Vitaly Lagutenko, they are still referred to as "Khrushovkas". (<https://old.funtime.ge>, 2022) Since the 1950s, investment in

the housing sector was not considered an important development strategy and was evaluated as a "resource drain", a "consumer product" and a "social cost". According to the original idea, the Khrushchevki should be a temporary residence designed for 30 years, which would later be replaced by typical residential buildings. It is worth noting the statistics according to which 54% of the population of the Soviet Union was able to be satisfied during the 12 years of construction of the Khrushchev houses, which in turn alleviated the existing housing crisis. In terms of urban development, against the background of the existing "communal" and "barrack" type of housing, the "Khrushovki" type apartments, which had an individual sanitary unit and central heating, were a step forward. The term of operation of this type of residential house was determined for 50 years and it was considered a temporary and most effective measure to eliminate the existing housing shortage since the then Soviet government focused on reducing costs and construction period.

This decision was soon followed by the opening of two concrete slab manufacturing plants in Russia. Compared to traditional brick construction, the use of concrete slabs in the construction process has significantly reduced construction time and costs. (www.allnews.ge, 2022) The main characteristic of this type of house was that the ceiling thickness did not exceed 2.5 meters and there was no elevator, and in case of capital repairs, the house could last 150 years. However, over time, a different reality appeared, the population began to carry out unauthorized constructions, which over time contributed to the deepening of the damage to the building.

From the second half of the 1980s, the state's expenditure on housing construction was reduced, since the private sector had more active support in this direction and cooperative constructions were developed (Kemen, 2001, p.64). The housing crisis in Georgia began in the 1980s when the number of homeless people increased significantly as a result of natural disasters in the mountainous region, as well as the displaced population left homeless as a result of the war. As a result of the obligations taken by the eco-immigrants and IDPs, as well as the Soviet government to various groups, the housing crisis started in the 90s (Asabashvili et al., 2018, p. 108).

Currently, issues of building or construction on existing buildings are regulated by the Resolution of the Government of Georgia N14-39, which directly states that "Construction work is not allowed on multi-apartment residential buildings, the height of which is less than 2.7 m from the floor to the ceiling, do not have an elevator, the operation of which The term is set to a maximum of 50 years". (https://urbanreactor.org, 2016) Taking into account the mentioned record, today it is practically impossible to carry out any kind of construction on Khrushchev-type apartments. After the collapse of the Soviet Union, the housing fund was fully privatized, which led to a reduction in the state's responsibility in the process of creating and developing the

housing fund. In the conditions of a free market economy, construction activities are mainly the competence of the private sector.

More than half a century ago, in the conditions of urbanization of large cities, as a result of massive constructions, many multi-storey residential houses were built (Agrawal, 2001, p. 12). As already mentioned, most of them have expired and the housing fund in the countries of the post-Soviet space needs to be renewed. It should be noted that in the process of updating the fund, the state intervenes in private property and replaces the dilapidated residential house through cooperation with the owner.

The new stage of replacement of damaged houses is an interesting subject not only from the legal point of view, but also from the economic point of view (Arkus, 2006, p. 221). Without the support of the state and cooperation with the private sector, it is impossible to implement such large-scale social projects as the replacement of dilapidated houses.

### **Municipal Policy**

The management of the housing system is separated at the state and municipal levels by the principle of institutional and territorial decentralization. In addition, various measures promoting the development of apartment owners' cooperatives have been introduced to the process. One of the components of the maintenance of the existing housing fund is the promotion of the development of condominiums (Asabashvili et al., 2018, p. 112). From this point of view, competencies are separated between the municipality's mayor's office and the board.

According to the new constitution of Georgia, the state is responsible for providing citizens with decent living conditions and protecting the well-being of the family. Since 2010, the City Hall of Tbilisi Municipality has approved the compensation program for the residents of the dilapidated residential buildings, according to which the board had to evict the people living in the dilapidated building for an indefinite period. Of course, the mentioned offer could not solve the main challenge for the capital city municipality in the process of replacing dilapidated multi-apartment residential houses and was a temporary measure to create a safe environment for the life and health of residents. By Resolution N35.50.1312 of December 26, 2012, the instructions for the program for the residents of dilapidated and uninhabitable houses in Tbilisi were approved, which was followed by the approval of the rules for the compensation sub-program for the residents of dilapidated houses budgeted by the Tbilisi Municipality Council in 2015 and 2018 (Asabashvili et al., 2018, p.116). The mentioned programs provided apartment rent compensation for persons who had unfit or dilapidated housing as a result of various conditions and did not have other alternative housing. In addition, the number of beneficiaries who are socially vulnerable or affected

by various natural disasters should be taken into account. A social housing program is available in the municipality.

A social house, European Social Charter, 2005, was built in 2017 to provide a temporary shelter for the homeless within the framework of the mentioned program, which is currently designed for 74 beneficiaries. The program for the replacement of dilapidated residential houses is based on the so-called "PPP" (Private-Public Partnership) model of cooperation between the public and private sectors, which on the one hand aims to encourage and support the housing sector, and on the other hand to improve the conditions of the owners of dilapidated residential houses, to build new residential apartments (Asabashvili et al., 2018, p. 122). It should be noted that the implementation of such large-scale social projects is associated with certain risks, where the local municipality takes a large part of the responsibility.

As part of the implementation of the municipal policy, in addition to creating a safe living environment, the value of newly built real estate increases significantly, which gives a part of the population the opportunity to improve their economic situation. Property is a matter of moral, philosophical and political values (Clarke et. al., 2005, p. 346). Having property, people establish certain frameworks within which their autonomy operates. That is why it is very sensitive for the state to present the mentioned social project with private owners, since the society always has at least a minimal feeling of mistrust, which limits them in the freedom of choosing a somewhat safe residential house.

Unfortunately, Georgia has a centuries-old experience of wars and conflicts. In the history of the country, the war figures in the 21st century with great pain and losses. From the point of view of scientific reporting, war loss is such a broad concept that it covers several fields of science at the same time. That is why the project of replacing dilapidated houses also applies to the compact settlements of displaced persons in terms of the transformation of property rights into real estate. In the 90s of the 20th century, after gaining national independence in Georgia and the collapse of the Soviet Union, severe socio-political processes arose, which were manifested by armed conflicts in the Autonomous Republic of Abkhazia and the Tskhinvali region. The population living in Tskhinvali and Abkhazia was forced to leave their place of residence, as a result of which the first settlements of internally displaced persons appeared on the territory of the country. Controversies first started in the territory of Tskhinvali (then South Ossetia Autonomous District), and then in Abkhazia. In 1992, ceasefire agreements were signed. Since then, both territories have remained largely outside the control of Georgia. As a result of the conflicts that occurred in the 1990s, the number of IDPs was 236,000. In August 2008, a new armed conflict emerged between Russia and Georgia in the territory of the Tskhinvali region, which resulted in the increase of the

occupied territories in the country and the emergence of a new flow of displaced persons, the number of which amounted to 17,000.

The process of rehabilitation of former collective centers and the low quality of repair works are still relevant. It cannot even meet the minimum standards of proper housing. Rehabilitation needs mainly include sewage and water supply systems, roof and load-bearing walls repair problems. These are the minimum living conditions that had to be ensured by the Ministry before the legalization of the building. Dilapidated buildings with varying degrees of damage and most of them are severely dilapidated.

In the 90s, in conditions when there was no relevant legal framework and structural unit, it was impossible to issue written permission from the state to resettle hundreds of thousands of displaced persons in a specific area (Shotadze, 2014, p. 122). In this case, due to the extraordinary situation, the oral consent expressed by the state was sufficient. The residential area under lawful ownership is the residential area where the IDP was resettled by the state, which was recorded in the database as an object of compact resettlement of IDPs, in which the Ministry reimbursed the costs of administration, household and communal services, including the consumed electricity, by the annual state budget, and which the state or It was private property.

### **The Concept of Property Replacement and The Importance of the Social Program**

The process of satisfying the population left homeless as a result of the destruction of residential houses has always been a big challenge for the municipality. In addition, finding temporary accommodation and paying rent is only a temporary measure. Taking into account that the municipality enjoys a certain limit in the process of paying the rent for each family, living in an alternative space for the population turned out to be difficult from an economic point of view (Asabashvili et al., 2018, p. 124). Most of the housing stock has expired and/or certain geological processes have caused their damage, which progresses over time and fails to create the necessary conditions for a safe environment. Some of the mentioned buildings have been assigned different degrees of disrepair and have such problems that threaten the lives and health of residents, the safe operation of multi-apartment residential buildings, in particular, the elevators are faulty, the entrances, yards are not in order, the structural part of the building is damaged, which is expressed by penetrating cracks, the roof and foundation of the building. Over time, the building undergoes deformation, which in itself causes non-compliance with the current seismic norms. As a result of the engineering examination, it is clear that the living spaces do not meet the requirements of safe living standards and are unfit for use.

Tbilisi City Municipality has the experience of carrying out strengthening/strengthening works and the budget of the self-governing unit is increasing in this direction. It should be noted that currently the number of damaged multi-apartment residential buildings of the III-IV degree in the territory of the capital reaches 10,000 units, the rehabilitation of which is unprofitable due to the severity of the existing damages. (Tbilisi Real Estate Market Report, 2018.) It should be noted here that in difficult cases, the production of the mentioned works is temporary and the degree of damage still progresses over time. Of course, Building damage progression depends on the load of the building and the condition of the ground than the quality of the work performed.

The mentioned program is of state and public importance (Hills, 2004, p. 301), in connection with the existing emergency buildings and structures throughout Tbilisi, the City Hall of Tbilisi Municipality implemented reinforcement-strengthening measures, which were mainly aimed at removing the risks of collapse and collapse. Based on the accumulated number of problematic buildings over the years, it became impossible to effectively implement measures to strengthen amortized buildings, and it became necessary to introduce different approaches. Accordingly, according to the decision of the Government of Tbilisi Municipality, it was considered appropriate to replace the dilapidated multi-apartment houses located in different districts of Tbilisi Municipality with new multi-apartment houses, which will ensure the creation of a safe living environment for the population and will lead to the prevention of accidents caused by the collapse of residential houses. It is mentioned that on May 6, 2022, the City Council issued Resolution N10-48. The rule for the replacement of dilapidated multi-apartment residential buildings on the territory of Tbilisi Municipality" was approved.

The replacement program is a large-scale social project, the goal of which is to create safe and decent living conditions for residents (Shelter, 2010, p. 64).

Since the condition of the replacement buildings are shabby (3rd and 4th degrees of accident) and poses a threat to human life and health, it is important to implement the necessary measures within a short period.

Based on the scale of the event to be held and its sensitivity, it is advisable to provide design services for the replacement of depreciated residential buildings in different districts of Tbilisi with new ones by such types of design organizations that have similar experience in complex engineering solutions and public relations. In addition, one should have the ability to communicate with state agencies on the mobile phone, since the implementation of the mentioned project will be related to many conflicting circumstances. The process of carrying out construction and repair works



includes several stages, which implies the implementation of construction based on the agreed project and existing cost estimates, including the transfer of apartments to residents in a repaired state, the arrangement of additional apartments with white frame condition, and parking garages.

Considering all of the above, it is a matter of wide public interest and the protection of the safety of the population, some of whom are accommodated by district administrations due to the danger of sudden collapse and collapse of buildings and having to live in temporarily rented living spaces.

The purpose of the rule for replacing dilapidated multi-apartment residential buildings in the territory of Tbilisi municipality is to replace dilapidated multi-apartment residential buildings with new sustainable buildings, to ensure safe urban construction for human life and health, and to take care of the appearance of the capital. The mentioned rule does not apply to immovable monuments defined by the Law of Georgia "On Cultural Heritage".

Based on the purpose of the rule, a dilapidated house is defined as: "a multi-apartment residential building or a building containing a multi-apartment residential function, including the so-called Barracks whose level of disrepair is V, IV or III category and pose a direct threat to human life and/or health and are subject to dismantling or have already been dismantled. (City Council of Tbilisi Municipality Resolution No. 14-39, 2016) That is why each project is developed individually and the ratio is exceeded within the limits of reasonableness. The program for the replacement of dilapidated multi-apartment residential buildings located in the territory of Tbilisi Municipality envisages the replacement of only those buildings and structures with multi-apartment residential function, the degree of dilapidation of which is category V, IV, or III. In addition, the written consent of all owners to participate in the replacement program for damaged houses is a necessary prerequisite. The application of the interested person(s) must be attached to the Documentation/information determined by Resolution N10-48 issued by Tbilisi Municipality Council on May 6, 2022. In case of the appropriate decision by the Tbilisi Municipality Government, (NNLE) Tbilisi Development Fund will ensure the coordination of the process of replacement of multi-apartment residential buildings and the implementation of relevant works.

The above-mentioned resolution determines the list of necessary documents to be submitted by the interested parties. The application must be accompanied by: individual consents of the owners of the dilapidated building to participate in the project, a document determining the dilapidation of the building - an expert report, which can be issued by the National Bureau of Forensic Expertise named after *LEPL* Levan Samkharauli, JSC "Tbilisi

Municipal Laboratory" or another accredited expert body by, information about the cadastral code, area, and location of the relevant land plot, photos of the building.

After the project implementer examines the presented information and documentation, he ensures the purchase of a conceptual design project and detailed design-engineering services of a new building in place of the emergency house to be replaced by the law. The documentation presented within the scope of the service becomes the basis for the implementation of the state procurement regarding the construction, including repair works production services.

The valuable part of the project is that in the new building constructed in place of the dilapidated house, the interested person will be given an area equal to the area he owns. Space difference is allowed within reasonable limits, which is regulated by the agreement signed between the parties. The project implementer is guided by the data obtained based on the actual analysis of the accident area. The existing property of the persons interested in the dilapidated house is replaced by the space in the new building structure built on the land on which the dilapidated house was located. In some cases, it is necessary to use the land resource owned by the municipality, while the geological survey does not give a positive recommendation for the production of new construction and/or for the same reason, the arrangement of recreational space is planned within the framework of the urban policy. As part of the replacement program, relevant changes are registered in the electronic register of real estate (Clarke, Kohler, 2005, p. 138). In exchange for the real estate owned in the dilapidated building, the residents will be given a renovated apartment in a newly built multi-apartment residential building (Shotadze, 2014, p. 36).

It should be noted that during the replacement of the damaged house, the common property of the members of the condominium association, attic, basement, and garage are not included in the property of the interested persons. If the said premises are furnished and used for living, the project implementer is authorized to discuss the replacement of the said premises.

An important reservation of the rule is that if the interested person owns only the basement before the implementation of this rule, to facilitate the replacement process of the dilapidated apartment building, the project implementer. According to the agreement with the government of Tbilisi Municipality, it is authorized to redeem the said property. In this case, the value of the property is determined based on an expert's assessment with the reservation that it is located in a non-accident building. According to the rule, both residential and commercial premises are subject to replacement.

During the replacement process, if necessary, the interested persons will be provided with the apartment rent. The payment of apartment rent

compensation is ensured by the relevant district administration. In the interest of the interested person, a monetary sum will be given as compensation, if the replacement space is used by the owner for residential purposes.

The Act defines the condition of transferable areas, which for residential areas includes a full renovation of the economy class, including the finishing of bathrooms, while commercial areas are burdened with the condition of the so-called „White construction frame“.

In the resolution, a separate chapter is devoted to the conditions of replacement of the damaged house in the case of a mortgage, which takes into account the necessity of presenting the consent of the mortgagor, the redemption of the subject of the mortgage, and the control of the utilized and expendable limits. When changing the subject of a registered mortgage on a residential apartment and/or a space used for residential purpose / commercial space (to dismantle the subject of the mortgage and extend the same mortgage to the renovated apartment transferred to the ownership of the interested person in a newly built multi-apartment residential building), an individual written consent issued by the mortgagor is required. The mortgagee's right to the newly-built real estate/apartment taken into ownership will be transferred unchanged and with the same record as it existed in the extract before the dismantling, in the same order, date of registration, and other unchanged records in the National Public Registry Agency. The mortgage on the newly built space transferred in exchange for dismantling is unlimited, regardless of the squareness of the space and even if the received space exceeds the amount of the space subject to dismantling.

The above-mentioned conditions remain in force both concerning the person who represented the owner of the object subject to dismantling, as well as concerning his successor or any other third party who will take ownership of the newly built space and/or have the right to claim the space. As soon as the cadastral code is assigned to the newly built real estate/apartment received within the project by the owner of the subject of the mortgage in the project, the mortgage right is reflected in the extract in the National Public Registry Agency in the same order, continuously and completely. In terms of scope and order of registration, the same rule applies to the obligation registered on the replaceable property, for example, when the property is registered to the interested person with the right of redemption.

### **International Experience**

To replace the existing housing fund, the countries of the former Soviet space have chosen different strategies, including Russia, which has approved a federal targeted program called "Housing 2015-2020". The program provided for the satisfaction of persons who did not have decent living conditions or belonged to different social groups: including more than three

minors living in one family, war veterans, disabled persons, and others (Asabashvili et al., 2018, p. 118). In 2020, Russia adopted a law on the renewal of the old housing stock, which is considered an important part of the country's urban policy development (Asabashvili et al., 2018, p.122). The purpose of the law is to create favorable living conditions for citizens, renew the living environment and urban areas, and attract private investments in the field of construction activities. Local municipalities were tasked with developing a plan for the demolition of dilapidated residential buildings and the construction of new multi-apartment houses instead. The municipality is authorized to determine the area where the replacement of the residential house will be carried out. The mentioned program also provides for building strengthening works. In the process of replacement, priority has been determined in areas where the period of operation of dilapidated houses reaches 78 years and, at the same time, they represent poorly populated residential units. To implement the mentioned project, it is possible to use the land resources owned by the state or the municipality. According to the law, in the process of replacing a damaged house in non-priority areas, a general meeting of owners is held. 2/3 of the votes are required to make a decision, and in case of objection by the remaining 1/3, the mentioned owners are subject to monetary compensation. According to the common opinion, the offer of monetary compensation cannot be considered an opportunity to improve living conditions. It is worth noting that in the process of replacing dilapidated multi-apartment residential buildings, both demand and prices for apartment rent have increased. In the Russian Federation, a unified register is being prepared for the registration of persons affected by unfinished construction within the framework of the project, as well as the procedure for issuing compensation is being developed.

Providing the population with affordable and comfortable housing is considered one of the most priority directions in Belarus. The citizen's right to housing is guaranteed by the Constitution of Belarus, in addition, the Housing Code applies. The state is actively building a housing fund to be given to various social groups for free or to be sold to them on preferential terms, while a program of one-time subsidies and preferential loans has been implemented. In addition to the mentioned direction, the country's challenge remains the process of reconstruction of damaged buildings and strengthening works. The authorities think that these measures are much cheaper than the construction of new buildings (Asabashvili et al., 2018, p. 129). The observation of Khrushchev-type residential houses in various fluctuations of the Soviet space showed that after the expiration of the operational period, the strengthening works of such buildings are only a temporary measure and not a long-term solution to the problem.

According to the Ministry of Industry and Infrastructure of Kazakhstan, there are more than 3000 dilapidated houses in the country. The State Program of Housing and Communal Development in 2020-2025 is leading the mechanism of renewal of the housing fund. The owners are given a replacement space of at least the owned space, but not less than a one-room apartment. The program promotes the presence of small-sized apartments in new projects, which will later be sold for commercial purposes. (<https://ism.kz>, 2022) The cost of construction of a new residential building and the price of apartments for sale per 1 sq.m. is determined by expert assessment.

Residents of Almaty will be able to live in new residential houses from 2023. The presence of dilapidated houses and the search for ways to replace them remain one of the important issues in the region. It should be noted that 40% of multi-apartment residential houses have been demolished. Private developers are building 17 apartment buildings. In Kazakhstan, an apartment building plan has been drawn up, which aims to gradually replace damaged houses. The process of the replacement of dilapidated houses envisages the dismantling of existing dilapidated buildings and the construction of new multi-apartment residential houses to replace them, including repair works. The example of Kazakhstan shows that different companies can perform the mentioned works. The mentioned project is implemented with funding from the state and municipal budgets, the majority of which comes from the budget of the local municipality. (<https://krisha.kz>, 2022) In addition, strengthening works of buildings and inventory of residential buildings are planned, and passports reflecting the current situation will be created, which will allow all interested residents to familiarize themselves with the technical condition of the building. (<https://vlast.kz/novosti/>, 2022) In Georgia, in the example of Tbilisi, the money for the renovation of the economy class is spent on the municipal budget, and Kazakhstan is considering finding different funds for this event. Since it is necessary for the new apartment given to the owners to provide an opportunity to live in it without interruption, it is unjustified to find the money to be spent on repair works from the private sector.

A total of 2,000,000 sq.m. is planned to be built in Almaty within the framework of the program to replace dilapidated houses. (<https://ism.kz>, 2022) Experts express the opinion that such large-scale constructions, along with solving the problem of replacing dilapidated houses, create the need to redistribute resources and determine their sufficiency.

The replacement program has had many critics in Kazakhstan. According to their opinion, as a result of new multi-story constructions, the urban balance is disturbed, since the new multi-story building requires more land resources, which partially involves the utilization of the surrounding areas. (<https://informburo.kz/>, 2022) In addition, the number of public

transport will be not enough, and the displacement of private transport will be limited. In Kazakhstan, the poor development of the central areas is observed, which burdens the center and is an obstacle to the urban development of the suburbs. According to critics, chaotically placed high-rise buildings can even change the wind speed and therefore the weather forecast.

"Rules for the Formation of the architectural appearance and urban planning of the City of Almaty" is a document that determines the coefficients of development, and urban development policy, both in densely populated areas and protected areas of historical and cultural monuments.

Development of degraded areas may be considered as a single sector or separately to replace multi-bay crawlspaces. Negotiations with investors involve the transfer of free land to them, to later build complex constructions on it. (<https://kz.kursiv.media>, 2022). The offer of temporary alternative space and renting out the demolished Buildings is done based on the "room-to-room" principle, regardless of their poverty. ([https://tengrinews.kz/kazakhstan\\_news/](https://tengrinews.kz/kazakhstan_news/), 2022) Rents in Kazakhstan have tripled over the past 5 years due to increased demand for apartments.

The problem of access to a well-furnished house and a comfortable living environment is also acute in the United States of America. This goal was formulated half a century ago in the "Act on Housing" (Hendey et. al., 2014, p. 124). Protecting the right to housing is insignificant, from an economic point of view, "in the process of dividing society into layers, where society divides material well-being and opportunities into two extremes - this is a trend that creates larger and larger gaps between the wealthiest of the country's population and among the rest, especially the poorest part; produces inequality that has a clear racial overtone and makes democracy impossible" (Bratt, et. al., 2006, p. 8).

In earlier eras, densely populated urban areas were devastated by cholera epidemics and the Chicago fire of 1871. The result of public response was the adoption of the law on "multi-apartment residential buildings", which laid the foundation for mass construction. Although American living conditions have improved since the nineteenth century, fires caused by faulty electrical wiring are still very common today.

In Latin America, like the post-Soviet countries, the housing problem began to be solved in the 1950s. If the existing housing in developed countries was a rental relationship, in Latin America the occupied spaces were soon privatized (Guerrero, 2016, p. 52). The country is familiar with the practice of arbitrarily occupying vacant plots of land. As a result, in the 1990s, massive housing construction began on low-quality lands in the peripheral areas, which met the minimum requirements. The development of such areas has limited the opportunities for employment, education, free movement, and access for the residents there.

Brazil has a long history of informal settlements called "favelas". This term first comes from the beginning of the 19th century. It became a real problem for similar types of settlements as a result of a large migration from the countryside to the cities (Ferguson, 2012, p. 38). Since 2003, interest in the housing sector has been renewed, and in 2004, the concept of housing fund development was formed. In 2009, the program "My House is my life" started, within the framework of which 2,000,000 square meters were built in two years. Since 2016, the temporary government has expressed its desire to continue the program within the scope of the existing economic conditions, which has hindered the massive nature of the construction (Arkus, 2006, p.134).

## **Conclusion**

A residential apartment is an important element of the triumvirate - "Food, Clothing, Apartment" - and is always a necessity of life. (Oxford Dictionaries, English, 2004). Where a person lives plays an important role in the process of formation of personality and society. Living in conditions incompatible with decent housing deprives people of an equal opportunity to feel themselves as full-fledged members of society (Hills, 2004, p. 79).

In the process of replacing dilapidated multi-apartment residential buildings, new challenges arising from unplanned traffic flows are often not taken into account due to the density of buildings, the increase in population density, pressure on the environment, and the load on social infrastructure and engineering networks.

It is a matter of discussion why the municipality intervened in the process of replacing dilapidated houses and why the existing dilapidated buildings are not an attractive offer for investors. The main reason is the excessive expectations of the population. One's ideas and the desire to improve the existing conditions at the expense of an unreasonable increase in space make it impossible to negotiate with the investor.

In the process of implementing the program of replacement of damaged houses, it is important to integrate with adjacent sectors, including: ensuring compatibility with urban, social, transport, and household systems, and the correct distribution of necessary resources. Housing construction should be carried out in a planned frame format. Thus, housing constructions will become an opportunity to replace dilapidated multi-apartment residential houses and compensate the owners, as well as to satisfy homeless people with an apartment, since the mentioned program can become the basis for creating a housing fund.

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