

Apartment Repair Costs Could Pass to Owners

By Rachel Nielsen

June 13, 2012



Apartment owners might foot the bill for and get action on major repairs. Igor Tabakov

The cost of replacing a leaking roof, installing new pipes and making other major repairs could be transferred from the municipal companies managing apartment buildings to individual apartment owners if a United Russia-backed bill in the State Duma becomes law.

Such a measure would affect most of the country: Roughly 70 percent of the country's citizens own their apartments, said Sergei Smirnov, director of the Institute of Social Policy and Socio-Economic Programs at the Higher School of Economics. In Moscow, the city with the biggest population, that ownership figure is even higher, he said.

The proposed legislation, which passed in its first reading Friday, is aimed at changing the process of financing major repair projects in apartment buildings. It calls for introducing an obligatory payment by individual apartment owners for such work, as opposed to being funded out of government coffers as it is now.

The new fee would be added to the monthly payment that apartment holders already make, Vedomosti reported on Saturday. That fee, called *ZhKoKh*, currently includes only general maintenance and repair of the premises, some utilities and common services.

Apartment building management companies can be municipal companies or private ones.

United Russia is putting forth its bill to "correct the situation in which citizens wait for years for promised capital repairs but don't undertake any action themselves," the party said in a statement on its Duma website.

"It is widely held that the deterioration of the housing stock has reached the point that [facilitating] capital repairs for ... multi-apartment buildings requires an urgent fix to the system," it said.

Smirnov echoed that idea, saying there are buildings in Moscow that haven't seen a major renovation in decades, though those cases are rare.

He said in a telephone interview that the bill would fix the problem of the country's dilapidated housing stock, saying "it isn't clear who or what" pays for capital improvements now.

The additional charge for major repairs would be half to 11/2 times cost estimates set by federal law, Vedomosti reported. Currently, rates for such work are set at 6 rubles (20 cents) per square meter for 2012, 6 1/2 rubles for next year and 7 rubles for 2014.

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