



# STANDARDS OF RENTAL HOUSING FOR COMMERCIAL MARKET



КАЗАХСТАНСКАЯ  
ЖИЛИШНАЯ  
КОМПАНИЯ

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# 1. INTRODUCTION

Currently, rental housing is a key alternative to buying an apartment at a certain stage of life for a person. Today, about 6.3 million people have their own housing in Kazakhstan. <sup>1</sup> Considering that the economically active population is about 10 million people, <sup>1</sup> it can be concluded that about 37% of working citizens in the country live in rental housing.

The process of renting housing in the country is regulated by the Civil Code of the Republic of Kazakhstan and the Law "On Housing Relations". At the same time, according to sociological surveys, the shadow rental housing market in the Republic of Kazakhstan accounts for about 60-70%<sup>2</sup>. Apartments are often leased out without concluding contracts in order to avoid paying taxes, so the rights of both lessees and lessors remain unprotected.

At the same time, there is little awareness of the rights and obligations of the parties arising from the conclusion of a housing lease agreement between the lessor and the lessee. At the same time, the quality and equipment of the rented housing have the room for improvements.

In foreign practice, standards for renting housing are widespread, which include a number of recommendations that help to operate rental housing more efficiently. Thus, the Lessor gets the opportunity to minimize the costs of housing operation by Lessees, and the Lessee - to live in more comfortable conditions.

In this regard, Kazakhstan Housing Company JSC has developed these Standards of rental housing for commercial market, which are advisory in nature, and are intended to be an important step towards the institutionalization of the rental housing market.



<sup>1</sup> Data of NJSC "Government for Citizens" from open sources.

<sup>2</sup> From the Concept of Housing and Communal Infrastructure development for 2023-2029.

## 2. STANDARDS FOR ARRANGEMENT OF RESIDENTIAL PREMISES

Standards for arrangement of residential premises for lessees include basic recommendations on the choice of building materials for finishing, as well as tips on the technical fit out of the premises and security. This section also contains a list of the minimum necessary household items and technical devices that are recommended to be installed in rental housing. The following recommendations are aimed at ensuring maximum comfort for lessees and reducing the future costs of the lessor during the operation of residential premises.

### 2.1. Materials, equipment and furniture

Below is a list of plumbing equipment, household appliances and furniture.



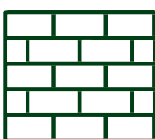
comfortable stay of the lessee

and the possibility of lessee's immediate occupancy without additional investments and costs. All items of equipment, plumbing equipment, furniture must be in good condition. The Lessor shall provide the Lessee with the operating instructions for all equipment.



#### Floor

- For flooring in rooms, hallway, corridor, kitchen, laminate (at least 32 class) or linoleum (in budget premises) should be used;
- For the bathroom, loggia and balcony, it is recommended to use ceramic tiles /granite.



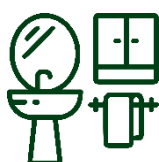
#### Walls

- The surface of the walls should be painted or covered with wallpaper. To paint the walls, high-quality matte water-based paint should be used. The color of the wallpaper should be neutral;
- For bathrooms, it is advisable to use ceramic tiles under the ceiling.



## Ceiling

- It is recommended to install a stretch ceiling or a ceiling made of white drywall (for water-emulsion painting);
- If it is necessary to paint the ceiling, high-quality matte water-emulsion paint should be used. In bathrooms, moisture-resistant paint should be used.



## Plumbing equipment

- Bathrooms and toilet should be equipped with necessary plumbing equipment (toilet, sink, bath or shower);
- Plumbing equipment should be comfortably placed so that nothing interferes with the opening of the doors;
- Availability of mirror and a heated towel rail;
- Leak sensors at the lower points of wet areas.



## Appliances

- Refrigerator (with freezer);
- Stove (hob with oven);
- Teapot;
- Conditioner;
- Washing machine;
- TV;
- Microwave;
- Vacuum cleaner;
- Hair dryer;
- Iron.



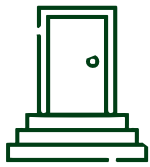
## Furniture and equipment

- Sofa made of thick fabric (will last longer than artificial leather) with a cover;
- Bed with mattress, mattress pad and bedding set;
- Table with a thick laminated tabletop;
- Metal-based chairs;
- Curtains (tulle/blinds);
- Ironing board;
- It is recommended to provide protective pads on the legs of tables and chairs to avoid damage to the floor covering.



## Kitchen

- Convenient storage systems, drawers with closers, as well as a minimum set of dishes and utensils;
- Washing;
- Leak sensors at the lower points of wet areas.



## Entrance doors

- If necessary, install door limiters;
- Install reliable, high-quality locks corresponding to a high level of security of lessees and property.



## Interior doors

- The recommended material –eco wood veneer, wood veneer, solid wood. The appearance of the door structure should be combined with a general stylistic solution (it is not recommended to use budget doors with a film finish, they will quickly become unusable);
- Single- or double-leaf doors with a recommended leaf height of at least 2.0 m, with high-quality door fittings;
- If necessary, install door limiters;
- All doors should be with frames, if necessary, additional doors are used.



## Built-in light

- Built-in lamps are installed in the hallway, bathroom, toilet and on the balcony (the number is selected based on the lighting standards of the room), chandeliers should be in the other rooms.

## 2.2. Technical fit out



This section contains a list of mandatory equipment and recommendations on the functioning of the main technical systems in the rental premises.



## Recommendations for electrical systems

- Sufficient number of outlets and switches must be in the kitchen. Above the working surface of the kitchen there should be at least 2 outlets for the use of mobile household appliances (kettle, blender, juicer, etc.);
- An electrical outlet and an antenna-type outlet for connecting the TV cable should be provided in the places of standard TV installation.



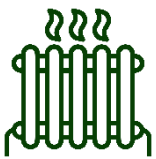
## Recommendations for low-current systems

- Availability of an intercom system;
- Availability of doorbell;
- Availability of Wi-Fi router.



## Recommendations for water supply and sewerage systems

- Rental premises must have a serviceable household drinking water supply of cold and hot water, as well as installed water flow meters. All taps, valves and faucets must be leak-free, in good condition and securely fastened;
- The domestic sewage system designed to drain wastewater from sanitary equipment in sanitary units and kitchens should also be free of leaks and in good condition.



## Recommendations for heat supply system

- For maximum energy efficiency and achieving a comfortable microclimate in the rental room, intra-apartment heating devices should be equipped with temperature regulators.



## Recommendations for fire safety system

- It is recommended to install a fire prevention system in the room;
- It is recommended to install an automatic thermal fire detector in the hallway.



## 3. APARTMENT SEARCH AND RECOMMENDATIONS BEFORE SIGNING THE LEASE AGREEMENT

### 3.1. Independent search for apartment

When choosing a premise for rent, the following factors must be taken into account:



#### Budget

- When planning a budget, keep in mind that lessors often do not indicate additional expenses, such as utilities and Internet service provider services.



#### Location

- Not always the cheapest option of an apartment is the most profitable. Calculate how much money and time you spend every day to get to your main places of stay (work, educational institutions, leisure places). Choosing an area that meets your needs will help you save your time and financial resources.



#### Accessibility of public transport

- Check how conveniently the apartment is located from public transport stops, if you use it.



#### Safety

- Study the map of criminal offenses on the website of the Committee on Legal Statistics of the Prosecutor General's Office of the Republic of Kazakhstan (<https://gis.kgp.kz>). Conduct a study on safety of the area and the residential building itself, contact the district police officer.

### 3.2. Using the services of real estate

company



#### Identify your needs

- Formulate the requirements for the rented apartment, including the number of rooms, budget, desired location and other important parameters.



## Choose a reliable real-estate transaction specialist



- Check the reviews about the company on the Internet resources. It is desirable that the company is a member of public associations, associations of real-estate transaction specialists.

## Signing of the agreement



- The contract with real-estate transaction specialist should clearly describe the rights and obligations of the parties, including the procedure for payment of commission services. Never make an advance payment without having a signed contract.

## Contact with real-estate transaction specialist



- Keep in touch with real-estate transaction specialist in case of questions or problems during the rental process.

### 3.3. Recommendations before signing a lease agreement for LESSORS:



- **Make sure** to interact with reliable lessors or agencies, avoid suspicious offers (too low prices with a prepayment requirement).



- **Make sure** that the owner of the apartment is really in front of you, ask him to show an identity card and a certificate from egov about the registered rights to the apartment.



- **Ask** the lessor to show a certificate of the number of people registered in the apartment (the amount of payment for utilities depends on this).



- **Take** the initial meter readings.



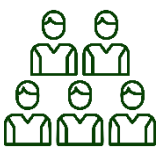
- **Study** the terms of the lease agreement to understand your rights and obligations.



- **Do not disclose** personal or financial data until you are convinced of the legality and reliability of the transaction.



- **Conduct full inspection of the housing: before signing the lease agreement,** it is necessary to make sure that all the equipment corresponds to the description (it is recommended to take photos for evidence).



- **Ask** the Lessor to include the Lessee in a common-house group chat to receive public information in a timely manner.



- **Make** payment only according to the details specified in the lease agreement.

### 3.4. Recommendations before signing a lease agreement for the LESSOR:



- **Conclude only a written lease** agreement, which shall provide all the conditions clearly.



- **Insure** your property and liability to protect yourself from unforeseen circumstances.

## 4. LEGAL STANDARDS



This section provides recommendations on actions preceding the conclusion of a lease agreement, as well as legal standards that regulate the terms of the lease, the rights and obligations of the parties arising from the conclusion of a lease agreement between the Lessor and the Lessee.

### 4.1. Lease terms, rights and obligations of the parties

Lease agreement (*Appendix 1 - Standard template to these Standards*) shall be made in writing and signed by both parties as a single document - one copy for Party.

It is recommended to reflect the following main conditions in the Lease Agreement:

- 1) Subject of the lease agreement;
- 2) Date of signing the lease agreement;
- 3) Rental period;
- 4) End date of the lease term;
- 5) Effective date of the lease agreement;
- 6) Description of the room, its individual parameters (room, total area, number of rooms);
- 7) Procedure for transfer /return of premises;
- 8) Permitted use of the premises - only for living of citizens, it is prohibited to conduct business in the premise;
- 9) Amount of rent;
- 10) Amount of the deposit paid by the Lessee;
- 11) The procedure for writing off the amounts owed by the Lessee from the deposit amount;
- 12) Conditions under which the lessor makes/does not make a refund of the deposit amount to the Lessee;
- 13) Procedure for making settlements between the parties to the lease agreement;
- 14) Procedure for repair/replacement of equipment, appliances, furniture;
- 15) Procedure for notifying of the Lessor by the Lessee about the presence (occupancy) of occupants, about the presence of animals;
- 16) Procedure for sending notifications by the parties under the lease agreement;
- 17) Rights and obligations of the Lessor:
  - on visiting the premises in the cases established by the lease



- on early termination of the lease agreement at the initiative of the Lessor;
- on registration of the Lessee;
- on transfer of premises and accessories, keys;
- on repair of the premise;
- on equipping with additional accessories;
- on notification send to the Lessee about carrying out work (planned/unscheduled) by resource-supplying and service organizations.

18) Rights and obligations of the Lessee:

- on acceptance of premises and accessories, keys;
- on terms and procedure of payment of rent;
- on terms and procedure of making a deposit;
- on receipt of information about the number of registered people in the premise;
- on differentiation of obligations to pay utility costs and property tax;
- on conditions of further staying when changing the owner of the rented premises;
- on right to vote at meetings of dwellers of the house;
- on compliance with the rules of accommodation;
- on compliance with the prohibition (unless redevelopment and conduction of inseparable improvements in the premises and common areas;
- on reimbursement of the amounts of fines imposed on the owner by the supervisory authorities, if the fines were imposed as a result of the actions/omissions of the Lessee;
- on compliance with the ban on smoking in a rented premise;
- on transfer of premises to third parties;
- on placement and storage of property in public areas;
- on current repairs and separable improvements in the premise;
- on early termination of the lease agreement on the initiative of the Lessee;

19) Procedure for indexing (annual automatic increase) of fixed rent for long-term lease agreements;

20) Liability of the parties to the lease agreement for failure to fulfill or improper fulfillment of their obligations under the agreement;

21) Circumstances in which the parties are released from liability for full or partial failure to perform their obligations under the agreement (force majeure circumstances);

22) Procedure for settlement of disputes and disagreements and applicable law.

# 5. STANDARDS OF LIVING IN A RESIDENTIAL BUILDING



## 5.1. Payment of rent

Settlements between the Lessee and the Lessor should be made exclusively within the framework of the lease agreement and only after its conclusion in order to avoid misunderstandings and conflicts between the parties. Keep track of the deadlines for payment of rent and promptly notify about delays. It is important to comply with the agreements within the framework of the lease agreement and have reliable proof of payment in order to avoid possible disputes in the future.



### Payment procedure

- The Lessee shall pay the rent to the Lessor in accordance with the conditions specified in the lease agreement. This is usually a monthly or quarterly payment;
- If the lease agreement provides for additional expenses, such as utilities or Internet service provider services, the Lessee can pay for them through the Lessor or directly to service providers by agreement. If the Lessee pays for such utilities independently, the Lessor must provide the appropriate payment details (personal account number, personal account, etc.). However, the Lessee shall send all payment receipts to the Lessor.



### Payment methods

- **Bank transfer** to the Lessor's details specified in the agreement. This is the safest and most convenient way;
- **Cash payment.** In this case, the Lessor must provide the Lessee with a receipt of funds. The receipt must indicate the amount received, the date of payment, the period for which the payment was made, the address of the rented apartment, as well as the details of the Lessor and the Lessee.

## 5.2. Operation of residential premises

### OBLIGATIONS OF THE LESSEE



- The housing accommodation should be used only for living in it, the Lessee undertakes not to cause discomfort to neighbors, not to violate the current legislation and the terms of the agreement;



- The Lessee is obliged to keep the living space clean and tidy, to ensure the safety of the living space and accessories, finishes, furniture, appliances, interior items and other property of the owner of the dwelling, to take care of the occupied living space and common areas. All accessories of residential premises must be transferred and returned according to the relevant certificate of acceptance/transfer/return of property (*Appendix 2 and 3 - Standard template to these Standards*);



- The Lessee is obliged to use plumbing equipment only for its intended purpose, not to flush toxic and harmful chemicals into drains (sinks, toilets, etc.), as well as solid household waste, because malfunction of the sewer system may occur;



- The Lessee is obliged to coordinate with the Lessor the order of accommodation of pets (if available).

### IT IS PROHIBITED TO



- Store dangerous things in the living space, such as combustible, radioactive, explosive, toxic substances or weapons;



- Redevelop the apartment, dismantle the installed equipment and built-in furniture, replace the locks of the entrance door, interfere with the operation of individual metering devices (meters), independently repair accessories that are not the property of the Lessee. In case of a breakdown, it is necessary to immediately inform the Lessor and fill out the certificate of defects (*Appendix 4 - Standard template to these Standards*);



- Disturb the peace of neighbors, in one way or another exceeding the permissible noise level, at night (on weekdays - from 22:00 to 9:00, on weekends and holidays - from 23:00

## 5.3. Operation of public areas

### THE LESSEE SHALL



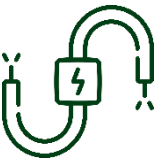
- Carefully handle common areas and common property of the house, such as landscaping areas, green spaces and playgrounds. Keep the entrances, stairwells, house territory and other common areas clean and in good order.



### IT IS PROHIBITED TO



- Kindle a fire, as well as use pyrotechnic devices that may pose a fire hazard. Block escape routes, as well as restrict access to fire extinguishers and fire cranes/hoses;



- Interfere with the operation of automatic fire protection equipment, fire warning systems, automatic fire detection devices, electrical equipment;



- Store various items in public areas, including floor and elevator halls (bicycles, scooters, baby strollers, garbage bags, etc.);



- Carry out industrial, commercial, entrepreneurial or advertising activities in public areas that are not related to living in a house.

## 5.4. Recommendations in case of breakdown of household appliances and equipment



- In case of failure of household appliances and equipment, the Lessor should replace them. The Lessee has the right to reduce the amount of rent under the agreement or terminate the lease agreement in case of failure to provide a replacement for a broken accessory;



- If the accessory is broken due to the fault of the Lessee, it is necessary to fill out a certificate of defects reflecting the detected defects and the amount of damage caused. In case of inaction of the Lessee, the Lessor has the right to recover the cost of the damage caused from the Lessee's depositor to go to court.

## 5.5. Recommendations for inspection of residential premises

Inspection of the condition of the apartment during the interaction of the Lessee and the Lessor is also an important component and can help avoid misunderstandings. Here are some recommendations:



### **Define clear rules and deadlines**

- The Lease agreement should specify how often and at what time the Lessor can inspect the condition of the apartment. In order to optimize time spending, by agreement, it is possible to inspect the condition of the apartment in the video call mode.



### **Notify about the upcoming inspection**

- The Lessor must notify the Lessee in advance (at least 24 hours in advance) of the intention to inspect the apartment.



### **Document defects**

- If any malfunctions or problems are detected as a result of the inspection, they must be documented and the terms and conditions for their correction agreed upon.

## 5.6. Recommendations in case of force majeure

Force majeure situations may include various unforeseen circumstances, such as natural disasters, fires, military conflicts, epidemics and other extraordinary events. Adhere to the following principles:





## Immediate notification

- If necessary, contact the emergency services, and also notify the Lessor of the fact of force majeure and its impact on you and the rented premises.



## Safety

- Observe the safety measures in the premise in order to prevent additional damage and protect your own health.



## Preservation of evidence

- Save the documents and materials related to the force majeure event (photos, damage descriptions, as well as receipts for all related expenses). This data will be useful for further settlement.



## Negotiations

- If force majeure has seriously affected your financial situation, try to negotiate with the Lessor about a temporary restructuring of payments or a revision of the terms of the agreement.

## 5.7. Actions in case of flooding of the apartment



- 1) Stop the source of the leak, if it is possible to do it yourself, or call specialists to eliminate the accident. If the source of the leak is in a locked apartment, call representatives of AOA (Association of owners of apartments), locksmiths who will be able to block the water in the riser or in the entire entrance. Phone numbers of specialists should be asked in advance from the Lessor and always kept in a prominent place;
- 2) It is important to avoid contact with electrical equipment if it is in a flooded area. For security reasons, it is necessary to turn off the electricity in the apartment;
- 3) Start cleaning up the accumulated water;
- 4) Contact the Lessor to report the event;
- 5) Take a picture and document the consequences of flooding, it is necessary to draw up an appropriate act of causing material damage;
- 6) The act must specify:
  - date, time and address of the incident;

- consequences of an accident - indicate all visible damage, list of damaged property;
  - alleged reasons with indication of the guilty peoples;
  - witness data (full name, ID number, address, phone number);
  - certify the act with the signatures of witnesses;
- 7) If the apartment is insured against flooding, the Lessor must subsequently contact the insurance company for assessment of damage and payment of compensation. If there is no insurance, it is necessary to negotiate with the guilty person about the amount of compensation. If the guilty person is ready to compensate for the damage, it is necessary to make an estimate of the upcoming work and sign an agreement on compensation for damages. It is recommended to notarize these documents.

