



NAZARBAYEV  
UNIVERSITY

# Evaluation of current affordable housing policy in Kazakhstan and ways to improve it

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# PROBLEM STATEMENT

**Statistically average citizen of Kazakhstan:**



Age: 31  
Salary: 168,000 KZT  
Marital status: married  
Children: 1 child

Price of 2-room apartment (lowest): 10 mln. KZT  
Time to save 50% deposit:  
10 years



# PROBLEM STATEMENT



*“For example, within the framework of the “7-20-25” program which was originally supposed to be based on social security, the average level of the borrower’s family income is expected to be around 320,000 tenge per month. People with low incomes could not afford to participate in it” (K-J. Tokayev, First address to the Nation, 2019)*

## Background Info

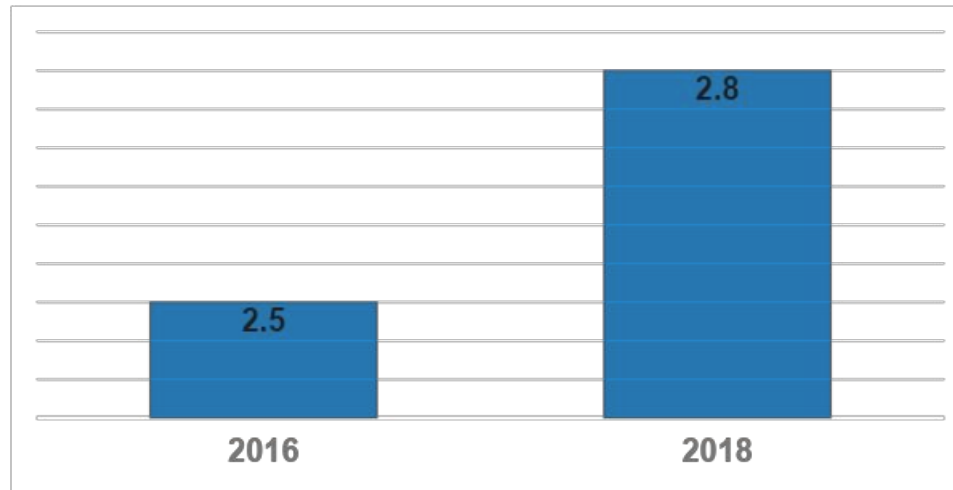
- *The “Nurly Zher”*
- ✓ *Launched in 2018. End date:2021.*
- ✓ *This program requires the accumulation of monthly deposits of 50% of the housing cost at least 3 years, for the remaining 50% will be given the loan of 4-7%.*
  
- *The “7-20-25” program.*
- ✓ *Launched in 2018.*
- ✓ *The main conditions are that the nominal interest rate has been reduced to 7%, the down payment threshold is set at 20% and the loan repayment term has been increased to 25 years.*

***The objectives are to increase housing affordability for the population. Financial costs for the implementation of these programs are provided for at the expense of the republican and local akimat’s budget, as well as private investments (National Management Holding Baiterek, 2018).***

## Background Info

**Number of people in need of housing (mln. people)**

*The Statistics Committee*



## Literature review

- Incorporated studies related to international housing policies in developed and other countries
- Despite some positive improvements brought by the market economy, the supply of housing has not kept up with demand (Sharipova, 2015)
- Limited studies carried out about the housing market in Kazakhstan



# MATERIALS AND METHODS

## Tools and approaches

- volume of housing commissioned in previous years and expected volume of housing commissioned in upcoming years;
- current number of citizens in need of housing and expected number of citizens in need of housing in upcoming years;
- expected increase of population in Kazakhstan in upcoming years;
- internal migration with focus on Nur-Sultan, Almaty, and Shymkent cities;
- expected increase or decrease of price for housing in Kazakhstan in upcoming years;
- expected income increase in Kazakhstan in upcoming years.

**Will we build enough houses for everyone?  
Will it be available for population?**



# MATERIALS AND METHODS

## Tools and approaches

### How to decrease prices of housing?

Decreasing cost of construction by producing materials and products locally (20 items)

Considering other factors like: tax reduction, land acquisition, development of standard projects, etc.

### Which mechanisms should be adopted to match housing prices and peoples' income?

Exploring possibility of decreasing or removing down payment for low income and middle income citizens

Relaxation of income requirements

And other instruments based on international experience



# MATERIALS AND METHODS

## Data collection

### Primary data

Survey among population, beneficiaries of housing policy, with a primary focus on participants of current programs

Expert interviews (officials and academic experts) on current housing policies

Expert interviews on housing construction costs

### Secondary data

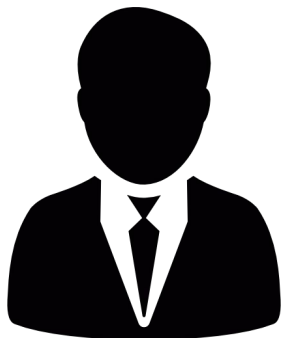
Statistics

Official reports and governmental programs

Data by international sources (agencies, experts, rankings)

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## CONCLUSION

- Based on primary and secondary data evaluation, we:
  1. expect to find out that current housing policies are not enough to provide affordable housing to citizens.
  2. will recommend solutions:
    - ✓ to decrease the price of housing
    - ✓ new policies to improve the current mechanisms



