ЭКОНОМИКА

Prospects for the Introduction of Green Mortgage Lending in the Housing Market of the Republic of Armenia

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«Կանաչ» հիփոթեքային վարկավորման ներդրման հեռանկարները ՀՀ բնակարանային շուկայում

Մովսիսյան Կարապետ Ե.
հայցորդ, Ֆինանսական շուկաների և ինստիտուտների ամբիոն, Կիրառական ֆինանսական ֆակուլտետի, Հայաստանի պետական տնտեսագիտական համալսարան (Երևան, ՀՀ)

Ամփոփագիր. Հոդվածում ուսումնասիրվել է Հայաստանի Հանրապետությունում կանաչ հիփոթեքային վարկավորման համակարգի ներդրման անհրաժեշտությունը և դրա հնարավոր ազդեցությունը բնակարանային շուկայի կայուն զարգացման, էներգաարդյունավետության բարձրացման և բնակչության բնակարանային պայմանների բարելավման վրա: Վերլուծվել են երիտասարդ ընտանիքների բնակարանային ապահովման հիմնական խնդիրները, պետական աջակցության գործող մեխանիզմները, ինչպես նաև էներգաարդյունավետ բնակարանների ձեռքբերման ֆինանսական խոչընդոտները և դրանց հաղթահարման հնարավորությունները: Առանձնահատուկ ուշադրություն է դարձվել տարբեր երկրների կանաչ հիփոթեքային ծրագրերի իրականացման միջազգային փորձին, դրանց կիրառման առանձնահատկություններին, ֆինանսական խթանների տեսակներին, արդյունավետության գնահատման մոտեցումներին և բնակարանային շուկայի վրա դրանց ազդեցությանը: Քննարկվել են նաև նման ծրագրերի ներդրման ընթացքում առաջացող հնարավոր ռիսկերը, մասնավորապես՝ էներգաարդյունավետ բնակարանների պահանջարկի աճով պայմանավորված գների բարձրացումը, ֆինանսական հասանելիության սահմանափակումը, պետական աջակցության ծախսերի ավելացումը և շուկայի հավասարակշռության պահպանման հիմնախնդիրները: Հոդվածում իրականացվել է համեմատական վերլուծություն միջազգային փորձի և Հայաստանի բնակարանային շուկայի առանձնահատկությունների միջև, որի հիման վրա առաջարկվել են Հայաստանի սոցիալ-տնտեսական պայմաններին համապատասխան կանաչ հիփոթեքային մոդելի ձևավորման հիմնական ուղղություններ: Հետազոտության արդյունքները կարող են կիրառվել բնակարանային քաղաքականության մշակման, կանաչ ֆինանսավորման գործիքների ներդրման, էներգաարդյունավետ շինարարության խթանման և բնակչության համար մատչելի բնակարանային ֆինանսավորման հնարավորությունների ընդլայնման գործընթացներում:
Հանգուցաբառեր և բառակապակցություններ՝ կանաչ հիփոթեք, բնակարան, շուկա, երիտասարդ ընտանիքներ, պետական սուբսիդիաներ, էներգաարդյունավետություն, միջազգային փորձ, սոցիալական ծրագրեր, կայուն զարգացում, բնակչություն

Перспективы внедрения «зелёного» ипотечного кредитования на жилищном рынке Республики Армения

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Аннотация. В статье исследуется необходимость внедрения системы «зелёного» ипотечного кредитования в Республике Армения и её потенциальное влияние на устойчивое развитие жилищного рынка, повышение энергоэффективности и улучшение жилищных условий населения. Проанализированы основные проблемы обеспечения жильём молодых семей, действующие механизмы государственной поддержки, а также финансовые барьеры приобретения энергоэффективного жилья и возможные пути их преодоления. Особое внимание уделено международному опыту реализации программ зелёной ипотеки в различных странах, особенностям их применения, видам финансовых стимулов, подходам к оценке эффективности и влиянию данных программ на жилищный рынок. Рассмотрены также возможные риски, возникающие при внедрении

подобных программ, в частности рост цен вследствие увеличения спроса на энергоэффективное жильё, ограничение финансовой доступности, увеличение государственных расходов на поддержку и проблемы сохранения рыночного равновесия. В статье проведён сравнительный анализ международного опыта и особенностей жилищного рынка Армении, на основе которого предложены основные направления формирования модели зелёного ипотечного кредитования, соответствующей социально-экономическим условиям Республики Армения. Результаты исследования могут быть использованы при разработке жилищной политики, внедрении инструментов зелёного финансирования, стимулировании энергоэффективного строительства и расширении возможностей доступного жилищного финансирования для населения.
Ключевые слова и словосочетания: зеленая ипотека, жилье, рынок, молодые семьи, государственные субсидии, энергоэффективность, международный опыт, социальные программы, устойчивое развитие, население

Introduction. The housing issue in the Republic of Armenia remains one of the key socio-economic development challenges. High housing prices, limited access to mortgage loans, and the mismatch between young families' incomes and housing costs create a situation in which targeted government intervention becomes strategically important. At the same time, current economic trends require state support instruments to be aligned with the principles of sustainable development and the green economy. In this context, the introduction of green mortgage lending is considered a promising policy instrument that can reduce the financial burden while simultaneously promoting energy-efficient housing development. Such an approach is widely applied in international practice, where preferential programs have had a significant impact on market activation, although they have also generated certain price-related risks.

Despite the expansion of international experience, the possibilities of implementing green mortgage lending in the Republic of Armenia, its economic efficiency, and the prerequisites for its introduction remain insufficiently studied. At the same time, there is a lack of an approach adapted to Armenia's socio-economic conditions that would combine housing finance, government support mechanisms, and energy efficiency requirements. These circumstances determine the scientific and practical relevance of the topic.

Literature Review. The scientific foundation of green mortgage lending was formulated in Nicholas Stern's fundamental 2007 study, where the author demonstrates that delaying measures to address climate change may result in significant and long-term economic losses [**11**, p. 38]. In the case of Armenia, this implies that the transition toward energy efficiency should be viewed not as an additional or optional direction, but as an important prerequisite for ensuring economic sustainability, while the construction sector can become one of the key areas for reducing greenhouse gas emissions. The effective implementation of this transition requires the development of a sustainable financial system, the main principles of which are presented in the 2021 report of the Organisation for Economic Co-operation and Development (OECD) [**10**, p. 47]. According to this approach, the development of green finance depends on improving the regulatory environment and creating market-based incentives. For Armenia's banking system, this implies establishing conditions through government support mechanisms, loan subsidies, and the attraction of international capital that would make green mortgage loans more accessible and competitive compared with traditional mortgage products.

From the perspective of practical applications, particular importance is attached to the 2018 study by the World Bank Group, which analyzes the interconnection between energy efficiency financing and mortgage markets. The study demonstrates that it is possible to develop unified **energy efficiency assessment standards** and integrate them into the lending process [**17**, p. 65]. This is especially relevant for Armenia, where a comprehensive and unified system of building energy classification and **green building standards** is still lacking.

One of the effective instruments for attracting capital is the issuance of green bonds, the application of which in the field of real estate financing is presented in the 2020 analyses of the International Finance Corporation (IFC) [**8**, p. 45]. According to this approach, green bonds enable financial institutions to attract long-term targeted financial resources that can be directed toward energy-efficient and sustainable housing development, as well as the expansion of green mortgage lending. This process is based on a transformation of traditional financial thinking, which is further elaborated by Schoenmaker and Schramade. They argue that modern financial systems should consider not only financial returns but also social and environmental values. For Armenian commercial banks, this theoretical approach demonstrates that the formation of a green mortgage portfolio can reduce long-term credit risks: borrowers living in energy-efficient homes spend less on utility costs, which directly improves their repayment capacity and reduces **default risk** [**12**, p. 36].

In summary, the prospects for the development of green mortgage lending in Armenia are

determined by increased awareness of climate risks, improvement of the regulatory framework, standardization of mortgage instruments, and effective attraction of new sources of financing.

Research Methodology. Three principal research methods were employed in this study: the comparative analysis method, the statistical analysis method, and the systems approach.

The comparative analysis method [**6**, p. 65] was used to examine the green mortgage lending models of the United States, the United Kingdom, and the Russian Federation. The application of this method made it possible to identify the similarities and differences in the financial instruments, government support mechanisms, energy efficiency criteria, and housing market development characteristics adopted by these countries. The comparative study also enabled an assessment of the applicability of international experience to the conditions of the Republic of Armenia.

The statistical analysis method .[**1**, p. 26] was applied to examine the quantitative indicators of green mortgage market development, including the volume of green mortgage-backed securities issuance in the United States, the dynamics of green mortgage lending in the United Kingdom, the volume of preferential and green mortgage lending in the Russian Federation, as well as changes in the main indicators of the housing market and energy efficiency programs in the Republic of Armenia. This method made it possible to identify the development trends of the examined processes and evaluate their impact.

The systems approach [**2**, p. 48] was used to examine green mortgage lending as an integrated system consisting of interconnected financial, economic, and environmental components. Through the application of this method, the interactions among government policy, the banking system, the housing market, and energy efficiency criteria were analyzed with the aim of identifying the necessary conditions and potential directions for the introduction and development of green mortgage lending in the Republic of Armenia.

Thus, the findings of the study demonstrate that the application of the comparative analysis, statistical analysis, and systems approach made it possible to evaluate international experience in green mortgage lending and assess the prospects for its implementation in the Republic of Armenia. Based on the obtained results, the key prerequisites for developing an effective green mortgage model and its main directions for future development were identified.

Analysis. The establishment of the prerequisites for introducing an effective and sustainable green mortgage lending model in the Republic of Armenia cannot be envisioned without a comprehensive examination of advanced international practices and the principal mechanisms applied in this field.

The selection of the United States, the United Kingdom, and the Russian Federation is justified by the need to examine the successful institutional experience accumulated over decades in the field of energy-efficient lending, as well as to identify the risks associated with the large-scale government subsidy mechanisms implemented in the Russian Federation, particularly the formation of housing price bubbles, in order to develop an optimal model for the Republic of Armenia.

The history of the green mortgage system in the United States dates back to the 1980s, when the largest government-sponsored mortgage institutions, Fannie Mae and Freddie Mac, introduced the first energy-efficient mortgage programs. This system generated substantial economic benefits for the housing market. It is based on the principle that a high level of residential energy efficiency reduces operating costs throughout the building's lifecycle and increases borrowers' repayment capacity. Consequently, financial institutions offer preferential lending conditions to borrowers who purchase or construct homes that comply with energy efficiency standards.

An important component of green mortgage lending in the United States is the assessment of residential energy efficiency. Homes are evaluated according to specific criteria that take into account the level of thermal insulation, the efficiency of heating and cooling systems, the quality of windows, the level of energy consumption, and other technical characteristics. To assess residential energy performance, the **''Energy Star''** rating system and the **Home Energy Rating System (HERS®)** are widely used to determine the energy performance of a dwelling and its compliance with the requirements of green mortgage programs [**16**]. If a property satisfies the established criteria, it may qualify for financing under a green mortgage program.

To participate in a green mortgage program, an applicant first selects a property that meets the prescribed energy efficiency requirements. The property then undergoes a technical assessment to determine its level of energy performance. If the property demonstrates high energy efficiency, the borrower may receive financial benefits, including a lower interest rate, increased borrowing capacity, or other preferential lending terms.

The experience of the United States demonstrates that green mortgages produce multiple benefits simultaneously. Homeowners reduce their utility expenses because energy-efficient homes

require less energy for heating and cooling. Banks reduce credit risk, as borrowers' ongoing expenses decrease, thereby improving their ability to service mortgage debt. At the same time, energy-efficient construction is encouraged, and the environmental impact associated with energy consumption is reduced, which is why this type of financing is referred to as "green."

The U.S. experience indicates that the development of green mortgage lending in the Republic of Armenia requires the establishment of a system based on clearly defined energy efficiency assessment criteria. It is essential to create a unified system for assessing and certifying the energy performance of residential buildings so that financial incentives are granted not merely for newly constructed homes but specifically for properties that genuinely meet energy efficiency standards. Such an approach would facilitate the development of the green mortgage market in Armenia while simultaneously improving housing affordability and promoting energy-efficient construction.

Let us examine the issuance volumes of green mortgage-backed securities in the United States.

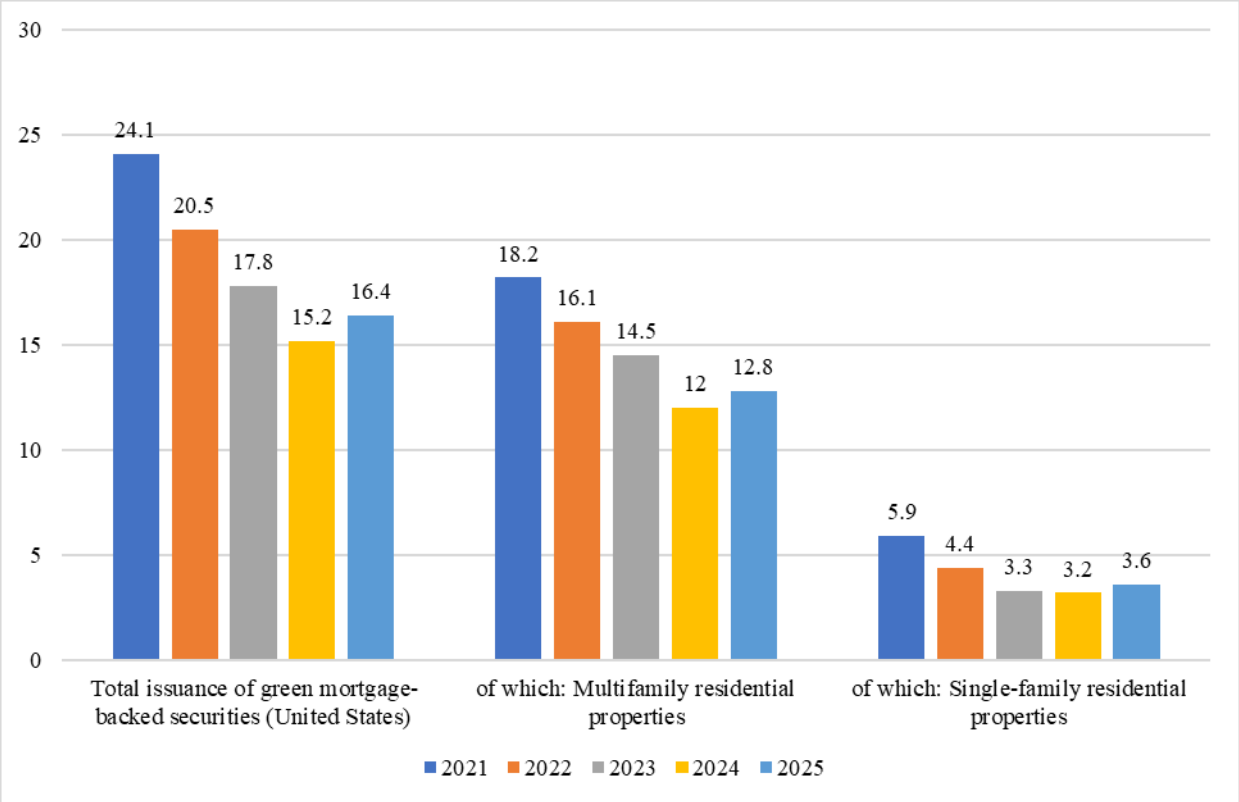

Figure 1. *Issuance Volumes of Green Mortgage-Backed Securities in the United States, 2021–2025 (USD billion)*
Compiled by the author;
Sources: the official **Green Bonds** database of the Federal National Mortgage Association (Fannie Mae) (website: www.fanniemae.com) and statistical reports of the **Climate Bonds Initiative** (website: www.climatebonds.net)

The dynamics of the green mortgage-backed securities market in the United States during 2021–2025 were characterized by an initial decline in issuance volumes followed by subsequent stabilization, primarily due to the increase in base interest rates. After reaching a peak of USD 24.1 billion in 2021, the market contracted to USD 20.5 billion in 2022, USD 17.8 billion in 2023, and reached its lowest level of USD 15.2 billion in 2024. However, in 2025, a reversal of the trend was observed, with issuance volumes increasing to USD 16.4 billion.

The structural analysis of the market indicates the absolute dominance of the multifamily residential sector, where issuance volumes decreased from USD 18.2 billion in 2021 to USD 12.0 billion in 2024, followed by a recovery to USD 12.8 billion in 2025, accounting for approximately 78% of the total market. At the same time, the figures for single-family residential properties declined from USD 5.9 billion in 2021 to USD 3.2 billion in 2024, reaching only USD 3.6 billion in 2025.

Let us turn to the United Kingdom. The first pilot green mortgage programs in the United Kingdom emerged in the early 2000s; however, the system gained significant momentum after 2018, when major banks, such as Barclays and Nationwide, introduced specialized mortgage products designed for energy-efficient residential

properties [7]. The implementation of this model ensured significant economic and environmental benefits by introducing a mechanism whereby banks automatically reduced mortgage interest rates in line with improvements in a property's energy efficiency rating.

The energy efficiency rating of a residential property represents a comprehensive assessment of the technical and operational characteristics of a building, reflecting its specific energy consumption indicators, the level of heat losses, and the degree of optimization in the use of energy resources. As a result, citizens purchasing highly energy-efficient homes gained access to lower interest rates and cashback opportunities, which significantly increased demand for environmentally sustainable housing and encouraged the modernization of existing housing stock.

For Armenia, the British experience is particularly important due to its approach to linking energy efficiency assessment with financial incentives. The introduction of a green mortgage system in Armenia requires the development of a unified system for assessing and certifying residential energy efficiency, as currently there are no universal standards for the energy classification of residential properties. The availability of such a system would make it possible to direct mortgage incentives not to all residential properties, but specifically to those that actually ensure more efficient energy use.

At the same time, considering the air pollution challenges in Yerevan, the promotion of energy-efficient housing can be viewed as an additional measure aimed at reducing negative environmental impacts, as lower energy consumption contributes to emission reductions in the long term. This approach may also encourage Armenian developers to adopt energy-saving technologies during the implementation of new residential construction projects.

The following figure presents the volume of the green mortgage market in the United Kingdom.

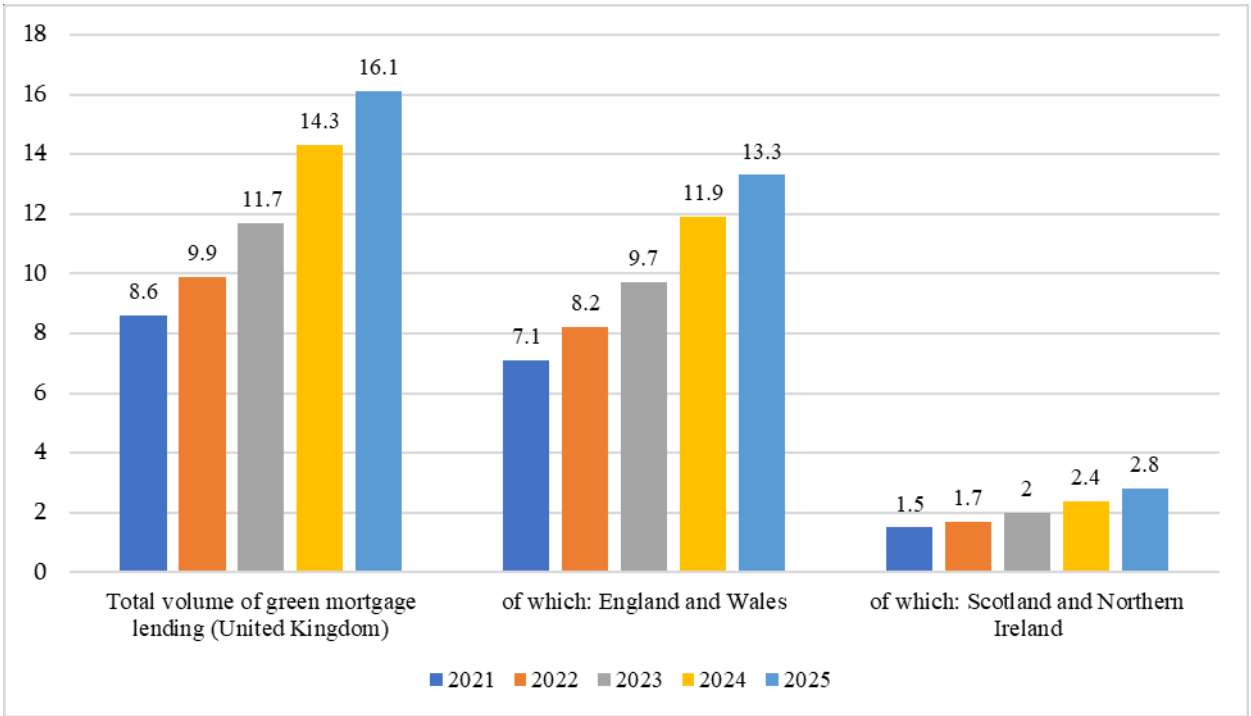

Figure 2. *Annual Green Mortgage Lending Volumes in the United Kingdom, 2021–2025 (USD billion)*
Prepared by the author.
Source: official statistical data of the UK Finance association (website: www.ukfinance.org.uk) and economic reports of Nationwide Building Society (website: www.nationwidehousepriceindex.co.uk). (The indicators have been recalculated into US dollars).

The dynamics of the green mortgage market in the United Kingdom during 2021–2025 demonstrated a stable and linear growth trend. Unlike the United States, where the market experienced fluctuations due to high interest rates, the British market showed a high level of stability. During 2021–2023, the total volume increased from USD 8.6 billion to USD 11.7 billion, reaching USD 16.1 billion in 2025. A comparison of these two markets indicates that while in 2021 the U.S. green mortgage market (USD 24.1 billion) was almost three times larger than the British market, by 2025 the United Kingdom, with a volume of USD 16.1 billion, had almost reached the level of the United States (USD 16.4 billion). Such activity in the British market is primarily driven by strict government regulations, particularly the tightening of mandatory minimum energy certification requirements for residential properties offered for sale.

Unlike the previously examined countries, the concept of green mortgage lending in the Russian Federation received practical application relatively late, starting from 2022, as an instrument for promoting the development of energy-efficient and environmentally sustainable housing construction [**14**]. The introduction of the program was facilitated by the development of green construction standards, as well as the growing demand for energy-efficient housing. Within the framework of green mortgage programs, preferential loans are provided for the purchase of residential properties that comply with established energy efficiency and environmental standards. Such properties typically feature improved thermal insulation, modern heating and ventilation systems, and lower energy consumption levels.

The implementation of the program has produced several positive outcomes. First, interest in energy-efficient housing has increased, encouraging construction companies to more actively introduce technologies such as thermal insulation systems, energy-efficient windows, LED lighting, solar energy utilization systems, high-efficiency heating and cooling equipment, automated heat management systems, insulating construction materials, and water-saving technologies. Second, owners of such properties have been able to reduce utility costs in the long term due to lower energy consumption. In addition, the program has contributed to the expansion of environmental standards in the construction sector and the development of the concept of green finance.

At the same time, the Russian experience has revealed several challenges. First, the expansion of the program was limited by the relatively small number of newly constructed properties that complied with green standards. Furthermore, the construction cost of such housing was higher compared with conventional residential properties, which was reflected in their final market prices. Subsequently, high inflation, rising interest rates, and changes in government-supported mortgage programs reduced interest in green mortgage lending. In addition, the Russian experience demonstrated that the effectiveness of green mortgage programs also depends on the preparedness of market participants. One of the challenges was the insufficient level of public awareness regarding the benefits of energy-efficient housing, which limited demand growth. Another important issue was that the long-term sustainability of the program largely depended on the conditions of government support, and changes in these conditions could reduce market activity. Some experts also note that the impact of the program remained limited because the difference between preferential green mortgage terms and conventional mortgage conditions was not sufficiently significant to substantially influence consumer choice.

Let us now present the volumes of state-supported preferential and green mortgage lending in the Russian Federation.

Table 1. *Annual Volumes of State-Supported (Preferential) Mortgage Lending in the Russian Federation, 2021–2025 (USD billion)*

Indicator / Year	2021	2022	2023	2024	2025
Total volume of preferential mortgage lending (Russian Federation)	32.5	37.2	58.4	34.1	22.0
Including additional lending under the “Green” standard (GOST R)	—	—	0.8	2.1	3.5

Compiled by the author;
Sources: the “Housing Lending Market Bulletin” of the Central Bank of the Russian Federation (website: www.cbr.ru) and the statistical database of the DOM.RF Institutional Development Corporation (website: www.дом.рф). The indicators have been recalculated into US dollars.

The dynamics of the preferential mortgage market in the Russian Federation during 2021–2025 were characterized by significant fluctuations, were **caused** by changes in government regulatory approaches. Starting from USD 32.5 billion in 2021, the Russian preferential mortgage market demonstrated rapid growth, reaching its peak value of USD 58.4 billion in 2023. This growth was primarily driven by the widespread application of government subsidies, which reduced borrowing costs and stimulated demand for housing. However, the sharp increase in demand simultaneously contributed to a rapid rise in real estate prices, creating risks of market imbalances.

As a result, during 2024–2025, government policy was revised, and stricter support conditions led to a decline in the total volume of preferential mortgage lending, which decreased to USD 22.0 billion in 2025. The environmental component was introduced in the Russian Federation only in recent years through the GOST R “green” standard.[1]

Starting from 2023, the green mortgage component began to gradually expand, increasing from USD 0.8 billion to USD 3.5 billion in 2025. Although its share remains limited compared with

[1] It is the national system of state standards of the Russian Federation (the modern Russian analogue of the former Soviet “GOST” system). In the mortgage market, it refers to a special state standard introduced for “green” multi-apartment residential buildings, under which buildings are officially certified according to their energy efficiency and environmental performance indicators.

the overall preferential mortgage market, the upward trend indicates growing interest in financing energy-efficient housing and the gradual integration of green standards into the housing lending sector.

Turning to the Armenian market, the following table summarizes the key indicators characterizing the real estate market and investments in the field of energy efficiency in the Republic of Armenia during 2021–2025.

Table 2. *Dynamics of Housing Market and Mortgage Lending Indicators in the Republic of Armenia (AMD, 2021–2025)*

Indicators	2021	2022	2023	2024	2025
Average market price of residential property in Yerevan (per 1 sq. m, AMD)	342,154	386,421	421,735	464,182	498,567
Average amount of mortgage loans provided to young families (AMD)	18,640,214	21,450,387	24,150,432	26,380,654	28,120,483
Average cost of modernization of one building under international energy efficiency programs (AMD)	9,845,124	10,620,487	11,425,316	12,185,441	12,895,627

Compiled by the author;

Sources: official reports of the Real Estate Cadastre Committee of the Republic of Armenia (website: www.cadastre.am), the statistical database of the Central Bank of the Republic of Armenia (website: www.cba.am), and reports of the United Nations Development Programme (UNDP) Armenia Office (website: www.am.undp.org).

The data presented in the table allows the following key trends to be identified:

1. The average market price of residential property per square meter in Yerevan demonstrated a stable and accelerating growth trend during the observed period of 2021–2025, increasing from AMD 342,154 to AMD 498,567. Such a significant increase in real estate prices considerably exceeds the growth rate of households' actual incomes, particularly those of young families, thereby deepening the issue of housing affordability.

2. Along with the growth of market prices, the average amount of mortgage loans provided to young families increased from AMD 18.6 million to AMD 28.1 million during 2021–2025. This indicates that potential borrowers are required to attract larger volumes of credit resources to acquire residential property. As a result, the monthly debt service burden on households increases, which limits their current standard of living and contributes to higher credit risks for the banking system.

3. The average costs allocated for the energy-efficient modernization of multi-apartment buildings with the support of international donor organizations (particularly the United Nations Development Programme) also increased, rising from AMD 9.8 million in 2021 to AMD 12,895,627 in 2025 per building. Although these pilot programs demonstrate the technical feasibility and effectiveness of implementing energy-saving technologies in the Republic of Armenia, they remain limited in scale and do not yet contribute to the formation of a large-scale market due to the absence of a comprehensive official energy certification system.

It should be noted that a mandatory or comprehensive official unified system of energy certification for residential buildings has not yet been introduced in the Republic of Armenia. The market lacks official statistics and a clearly defined energy efficiency classification system (such as the A or B levels established under European standards). Nevertheless, residential buildings with energy-efficient features do exist in the country, although they are mainly implemented on a pilot basis. These buildings have generally been constructed or thermally insulated with the support of international donor organizations. In particular, within the framework of joint initiatives of the United Nations Development Programme and the Municipality of Yerevan, comprehensive thermal insulation and energy modernization have already been carried out in dozens of multi-apartment buildings (for example, in the Avan and Davtashen administrative districts of Yerevan[1]). These pilot projects practically demonstrate the effectiveness of applying energy-saving technologies; however, the formation of a large-scale market still requires the establishment of an appropriate institutional and policy framework.

Thus, the study demonstrates that the introduction of a green mortgage lending system in the Republic of Armenia can become one of the important directions for improving housing policy and ensuring sustainable economic development. The high level of housing prices, limited financial opportunities of young families, and the relatively small share of energy-efficient residential properties in the housing market determine the necessity of introducing new financial instruments that would simultaneously improve housing affordability and promote the development of energy-efficient construction.

[1] United Nations Development Programme (UNDP) and Green Climate Fund (GCF). "De-risking and Scaling-up Investment in Energy Efficient Building Retrofits" project on the thermal modernization of multi-apartment buildings in Armenia. Available at: https://env.am/news/energy-efficiency-12-2025

Conclusion. The study demonstrates that the introduction of a green mortgage lending system in the Republic of Armenia can become one of the important directions for the development of the housing market and the implementation of sustainable economic policy. High housing prices, limited financial opportunities of the population, and the fact that the energy-efficient housing market is still underdeveloped determine the necessity of introducing new financial instruments that would simultaneously contribute to improving housing affordability and promoting energy-efficient construction.

The analysis of international experience demonstrates that green mortgage systems have been developed through different approaches in various countries; however, their common objective is the financial promotion of energy-efficient housing. The experience of the United States indicates that the effective development of green mortgage lending requires not only financial support but also clearly defined criteria for assessing residential energy efficiency and the availability of appropriate financing mechanisms. The experience of the United Kingdom demonstrates that linking mortgage incentives to the assessment of residential energy performance contributes both to increased consumer interest and to the wider adoption of energy-saving technologies by developers. The experience of the Russian Federation, in turn, shows that government support can accelerate the development of green mortgage lending; however, without clear standards and monitoring mechanisms, it may lead to market imbalances.

The results of the analysis allow us to conclude that the introduction of green mortgage lending in Armenia should be implemented through a phased approach. As a priority, it is necessary to establish a unified system for assessing and certifying the energy efficiency of residential properties, on the basis of which clear financing criteria can be defined. At the same time, it is essential to ensure cooperation among government institutions, financial organizations, and developers in order to prevent situations where preferential financing leads only to an increase in housing prices.

Taking into account the issue of air pollution in Yerevan, the promotion of energy-efficient housing can also be considered an additional direction for reducing negative environmental impacts, as more efficient energy use contributes to the long-term reduction of energy consumption and related emissions.

Thus, the introduction of a green mortgage lending system can contribute to the modernization of the housing market in the Republic of Armenia, improvement of energy efficiency, reduction of household expenses, and achievement of sustainable development objectives.

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