
CHAMBERS GLOBAL PRACTICE GUIDES

Real Estate Litigation 2026

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Armenia: Law & Practice
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Concern Dialog



ARMENIA



Law and Practice

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1. Landlord-Tenant Disputes

1.1 Access

1.1.1 Remedies for Landlords Denied Access for Repairs

In Armenia, a landlord does not have an automatic statutory right to access leased residential or commercial premises for repairs in the absence of an express contractual provision. The tenant's right to exclusive possession of the leased property is protected, and a landlord may not enter the apartment or office without the tenant's consent solely on the basis that repairs are required.

To obtain access, the landlord may formally notify the tenant in writing of the need to enter the premises for the purpose of carrying out repairs. Such written notices are important evidentiary tools and may later be relied upon in judicial proceedings.

If the tenant continues to refuse access, the landlord's remedies are judicial.

In cases where the tenant's refusal prevents the landlord from fulfilling its maintenance obligations and results in a material deterioration of the condition of the property, the landlord may apply to the competent court seeking early termination of the lease on the grounds of a material breach by the tenant, as well as claim damages, where applicable.

Self-help remedies, including forced entry, are not permitted and may expose the landlord to civil liability.

With respect to regulatory involvement, in Armenia, no regulator (municipality, housing authority, inspectorate) has a standing power to compel a tenant to open a unit simply because the landlord needs to do repairs.

1.1.2 Emergency Access

In Armenia, if an emergency arises in a leased unit – such as a fire, gas leak, flooding or other conditions that threaten the safety of the premises – the landlord may act to mitigate the emergency. The landlord may contact the general emergency number (911) to summon the Rescue Service, which handles police, fire and medical emergencies.

While there is no general statutory right for a landlord to force entry, emergency situations allow the relevant authorities to intervene to prevent imminent harm.

1.1.3 Impact on Neighbours

A lease does not extinguish or alter the rights of third parties in respect of the leased property (Civil Code, Article 615). Accordingly, if a tenant's refusal to provide access for repairs begins to impede a neighbour's use or enjoyment of their units, the landlord may face potential claims from affected neighbours.

The landlord's remedies are primarily contractual and judicial. The tenant has an obligation to respect third-party rights, and failure to do so may constitute a breach of the lease. In such circumstances, the landlord may:

- notify the tenant of the issue and formally request compliance;
- seek judicial relief to compel the tenant to grant access or remedy the situation; and
- claim damages or seek lease termination if the tenant's refusal materially affects third-party rights or results in harm.

1.2 Harassment

1.2.1 Landlord Harassment

If a landlord engages in conduct intended to frustrate or impede the tenancy – such as unjustified interference with possession, repeated unlawful attempts to enter the premises, or other actions disrupting the tenant's use of the property – the tenant has several remedies available.

The primary source of protection is the Civil Code of the Republic of Armenia, which obliges the landlord to ensure that the tenant can use the leased property in accordance with the lease and its intended purpose. Conduct by the landlord that interferes with this right may constitute a breach of contractual obligations.

In such cases, the tenant may:

- formally notify the landlord and demand cessation of the interfering conduct;
- claim damages for losses suffered as a result of the landlord's actions; and

- in serious or repeated cases, apply to the court for early termination of the lease where the landlord has created obstacles preventing the use of the property in accordance with the terms of the lease or its intended purpose.

Armenian law does not provide for a separate or specialised regulatory regime addressing landlord harassment. Tenants therefore rely on general civil law remedies, including contractual enforcement and judicial protection of possession, to prevent and stop harassing or obstructive conduct by landlords.

1.2.2 Impact of Unit Status

In Armenia, the legal status of a residential rental unit does not affect a tenant's remedies against a landlord who impedes their use of the property. Armenia does not have rent control, rent stabilisation, or similar regulatory regimes that provide tenants with additional or enhanced protections.

All tenants, regardless of the type of unit, rely on general civil law and contractual remedies under the Civil Code of the Republic of Armenia. These remedies include the right to seek judicial relief to stop interference with their use of the property, claim damages for losses suffered or, in serious cases, apply for early termination of the lease where the landlord's conduct materially prevents the tenant from using the property in accordance with the lease or its intended purpose.

No additional statutory protections or expedited procedures apply based on the status of the rental unit.

1.2.3 Consequences of a Regulatory Finding of Landlord Harassment

In Armenia, there is no specialised regulatory regime or agency with the authority to determine landlord harassment. Accordingly, there are no formal administrative consequences arising from such a finding.

Tenant protection and remedies are governed by the Civil Code of the Republic of Armenia. If a landlord engages in conduct that frustrates or impedes the tenant's use of the leased premises, the tenant must rely on civil law remedies.

1.3 Rent Stabilisation/Regulation

1.3.1 Statutory Tenancies: Types and Differences

Armenia does not have statutory tenancies, rent-controlled or rent-stabilised units.

All residential leases in Armenia are private agreements between landlords and tenants, and there are no specific laws providing additional protections or limits on rent based on the type or status of the unit.

As a result, there are no differences in tenancy rights or remedies based on unit status. Tenants in all types of residential leases rely on general civil law protections under the Civil Code of the Republic of Armenia, including the right to peaceful use and enjoyment of the leased premises, judicial remedies for interference by the landlord, and contractual enforcement of lease terms.

For state-owned or specially regulated property, leases may be subject to additional restrictions, including limited lease terms, regulated rent and specific usage obligations. These requirements differ from private market leases, but tenants retain general civil-law remedies under the Civil Code, such as judicial relief, claims for damages and, in serious cases, early termination of the lease.

1.3.2 Exceptions to Renewing a Statutory Tenancy

Under Armenian law, a lease is generally concluded for the term specified in the contract. If the lease term is not specified, the lease is deemed to be for an indefinite period, and either party may terminate it at any time, subject to statutory notice requirements: one month for general leases and three months for immovable property leases, unless otherwise provided by law or contract.

The following exceptions affect renewal or continuation of a tenancy.

- Maximum term limits – the law may establish maximum durations for certain types of leases or for specific categories of property.
 - (a) If a lease does not specify a term, and neither party terminates the lease before the statutory maximum term expires, the lease automatically terminates at the end of the maximum term.

(b) Any lease concluded for a period exceeding the statutory maximum is treated as a lease equal to the maximum term.

- Contractual or statutory notice – even for indefinite leases, the law or the lease may provide for different notice periods to terminate the tenancy, which can affect whether the lease is automatically renewed or terminated.

1.3.3 Converting a Statutory Tenancy to a Free Market Unit

Armenia does not have statutory tenancies, rent-controlled or rent-stabilised units. All residential leases are private agreements, and there is no legal framework for converting a “statutory tenancy” into a free-market tenancy, as the concept of statutory or regulated tenancies does not exist.

Accordingly, all leased units operate under general civil law rules. Landlords and tenants may agree to amend the terms of a lease, including rent levels, duration or other conditions, but any such change requires mutual consent and cannot be imposed unilaterally.

In practice, the notion of converting a unit to a free-market tenancy is therefore not applicable in Armenia. The lease type, rent and other conditions are determined solely by agreement between the parties and the applicable provisions of the Civil Code.

1.3.4 Regulatory Oversight of Statutory Tenancies

Armenia does not have statutory tenancies, rent-controlled or rent-stabilised units. Consequently, there are no regulatory agencies tasked with regulating or monitoring such tenancies.

All residential leases are private agreements governed by the Civil Code of the Republic of Armenia, and enforcement of tenants’ or landlords’ rights is a matter of civil law remedies, pursued through the courts. There is no specialised government body that supervises rents, enforces maximum rent limits, or monitors lease renewals.

1.4 Injunctive Relief in Lease Disputes

1.4.1 Injunctive Remedies for Tenants Facing Insufficient Cure Periods

If a landlord serves a notice to cure within a period that is objectively insufficient to remedy the alleged breach, a commercial tenant in Armenia has both contractual and judicial remedies.

In practice, tenants typically first seek to resolve the issue through good faith negotiations, requesting an extension of the cure period and demonstrating active efforts to remedy the default. Evidence of diligence and proportionality is often relevant in later court proceedings.

If the landlord proceeds with enforcement (including lease termination or eviction), the tenant may apply to the Armenian courts for interim (injunctive) relief. Courts may order provisional measures restraining the landlord from terminating the lease or taking enforcement actions pending final resolution of the dispute.

To obtain injunctive relief, the tenant generally must demonstrate:

- a prima facie right under the lease;
- a real risk of irreparable harm if enforcement proceeds;
- that the cure period is disproportionate to the nature of the alleged default; and
- that the balance of interests favours maintaining the status quo.

In parallel, the tenant may challenge the validity or reasonableness of the notice to cure, arguing that enforcement in these circumstances would constitute an abuse of rights under Armenian civil law.

1.4.2 Impact of Failing to Obtain an Injunction and Alternative Options

If a tenant fails to obtain an injunction within the cure period, the landlord may generally enforce the notice, including terminating the lease and evicting the tenant.

The tenant can still challenge the termination in court, claim damages for wrongful termination, or seek

negotiated solutions such as lease reinstatement or restructuring.

1.4.3 Landlord Bad Faith

If a landlord repeatedly serves default notices in bad faith, a tenant may seek injunctive relief to prevent lease termination or eviction, and may also claim damages for any losses suffered due to the landlord's conduct. In practice, tenants often combine negotiation and legal action to protect their rights and maintain the tenancy.

1.5 Guarantees in Landlord-Tenant Context

1.5.1 Types of Guarantees in Tenancies

The main forms of guarantees and protection mechanisms in Armenia for commercial and residential tenancies include:

- registration of the lease agreement – rights in immovable property are subject to state registration, which provides legal protection;
- security deposits – typically equivalent to one-to-two months' rent, held by the landlord to cover potential damages or unpaid rent; and
- contractual provisions on termination – for indefinite-term leases, parties may terminate the agreement by giving three months' notice, unless otherwise agreed.

1.5.2 Revocation of Guarantees

Under Armenian law, a guarantor cannot revoke their guarantee once given, unless the lease agreement expressly allows for revocation. In a commercial tenancy, this means the guarantor remains liable for any unpaid rent, damages or other obligations under the lease, and such guarantees are typically enforced strictly by the courts. In a residential tenancy, guarantees are usually limited to security deposits or personal surety, and the guarantor's obligations similarly cannot be unilaterally revoked unless the contract provides otherwise.

1.5.3 Expedited Recovery

Under Armenian law, there are no special expedited procedures for recovering on guarantees; enforcement generally follows standard civil procedure rules. A creditor may initiate a claim in court and, where the guarantee is unconditional and clearly documented,

may request provisional measures, such as attachment of the guarantor's assets, to secure the claim pending final judgment. In commercial transactions, courts tend to enforce guarantees according to their terms, but recovery still depends on standard judicial timelines rather than a distinct expedited mechanism.

2. Foreclosure Actions

2.1 Foreclosure Process

In the Republic of Armenia, the recovery of real property following a default under a loan secured by such property may be carried out through either judicial or non-judicial (extrajudicial) enforcement, primarily depending on the terms of the mortgage agreement.

The non-judicial or extrajudicial process is highly common in modern Armenian banking practice and is triggered if the mortgage contract contains an explicit "power of sale" or extrajudicial realisation clause or there is a written agreement between the pledgee and the pledgor, and if the consent or permission of a third party was required to conclude a pledge agreement, as well as the latter's written consent to the sale of the pledged property without a court decision. Under this mechanism, the lender provides a formal notification of default to the debtor and the pledgor, allowing a statutory period for the debt to be cured.

If the default remains unresolved, the lender may proceed to sell the property through a public auction or, in certain circumstances, take ownership of the asset directly to satisfy the debt.

Alternatively, the judicial process is mandatory if the security agreement lacks an extrajudicial clause or if there is a legal dispute regarding the underlying debt that necessitates court intervention. In such cases, the lender initiates a civil lawsuit to obtain a judgment for the foreclosure and sale of the property. Once the court issues a final and binding decision, a writ of execution is granted to the Compulsory Enforcement Service.

Ultimately, the choice between a judicial or non-judicial path in Armenia is a matter of contractual negotiation at the time the loan is issued, with the non-judicial

route offering a significantly more streamlined and cost-effective timeline for the creditor.

2.2 Foreclosing on Pledged Equity

A lender may foreclose on a company participant's equity only on the basis of a court judgment.

The process is as follows: the company must first offer the participant's share to the other participant. If the other participants do not exercise this right within one month, the company itself may acquire the share and pay its value to the creditor. If the company does not exercise this right within one month, the share is enforced through a public auction.

If the share is not sold at auction within one month, the company may allocate property corresponding to the value of the share from its charter capital to satisfy the creditor's claim.

This process ensures judicial supervision, pre-emption rights for other participants, and orderly enforcement of the creditor's claims.

2.3 Notice Requirements for Non-Judicial Foreclosures

Under Armenian law, for non-judicial enforcement of a pledge, the notice must be delivered to the pledgor and, if different, the debtor. After delivery, the pledgee may sell the pledged asset through direct sale or public auction two months later, unless the pledge agreement provides a different procedure. The pledgee may sell the asset earlier if the debtor and pledgor provide written consent following receipt of the notice.

Notice is generally provided in accordance with the pledge agreement. For state registration purposes with the *Cadastre* Committee, the lender must have either a postal delivery receipt or a pledgee-signed acknowledgement confirming receipt of the notice.

This procedure ensures that the parties are formally informed and have time to respond before non-judicial enforcement.

2.4 Borrower's Rights of Redemption in Foreclosure

Under Armenian law, the debtor or a third-party pledgor has the right, at any time before the pledged asset is sold, to terminate the enforcement and sale of the pledged property by fulfilling the secured obligation or paying the portion of the debt that is due.

This right of redemption allows the borrower or pledgor to recover the pledged property and halt non-judicial enforcement, ensuring that enforcement only results in the sale of the collateral if the debt remains unpaid.

2.5 Pursuing Claims Against Borrowers and Foreclosure Simultaneously

Under Armenian law, a lender may enforce both a mortgage over real property and a pledge over the equity of the property-owning company, but only pursuant to separate procedures and court decisions where required. Enforcement of a participant's equity is strictly judicial and follows the procedure established in the Civil Code and corporate law, including offering the share first to other participants and potentially selling it via public auction. Mortgage foreclosure may be pursued judicially or non-judicially, depending on the terms of the mortgage agreement.

While a lender can pursue both types of enforcement, care must be taken to ensure that the debtor's right of redemption is not impeded. The debtor retains the right to satisfy the secured obligation before the sale of the property or equity to terminate enforcement and reclaim the asset. Exercising one enforcement path should not prevent the debtor from exercising their redemption rights under the other.

2.6 Foreclosure Timelines

In Armenia, non-judicial foreclosure of a pledged asset generally takes at least 30 days after the notice of seizure is delivered to the pledgor. If the debtor does not fulfill the obligation within this period, the pledgee may sell the asset, typically through public auction, to satisfy the claim. The entire non-judicial process usually takes between one and three months, depending on the method of sale.

By contrast, judicial foreclosure is significantly more time-consuming. Court proceedings to obtain a

judgment for foreclosure and enforce the sale of the pledged property can take several years, depending on the complexity of the case and court schedules.

2.7 Remedies for Deficiency After Foreclosure

Under Armenian law, if the proceeds from the sale of the pledged property – or the value of the property transferred to the pledgee or a designated person – are insufficient to satisfy the pledgee’s claim, the pledgee is entitled to recover the deficiency from the debtor’s other assets, unless otherwise provided in the pledge agreement.

However, in seeking the deficiency from other assets, the pledgee does not enjoy the preferential rights associated with the original pledge. This ensures that while the lender may recover the remaining debt, enforcement against other assets follows general rules without the priority of the secured claim.

3. Joint Venture Disputes

3.1 Common Joint Venture Entity Types and Partner Requirements

There is no specific company type required by law for joint ventures, including in real estate transactions. In Armenia, the most commonly used form of entity to facilitate joint ventures in connection with real estate transactions are joint-stock companies and limited liability companies. Parties may also structure joint ventures through contractual arrangements without creating a separate legal entity, although this is less common, especially for large-scale developments.

Joint venture or operating agreements in real estate generally require co-operation between the partners, although the legal basis for that co-operation depends on how the joint venture is structured.

If the joint venture is established through a separate legal entity, the partners’ rights and obligations are primarily governed by the charter of that legal entity, together with any shareholders’ or participants’ agreements.

By contrast, if no legal entity is created, the joint venture partners typically become co-owners of the real estate. Their relationship is then governed by:

- the agreements concluded between the co-owners (such as a joint venture or co-ownership agreement); and
- the general rules of the Civil Code applicable to common ownership and contractual obligations.

In both structures, co-operation between the partners is essential, but it is formalised either through the corporate documents of the legal entity or, in the absence of such an entity, through contractual arrangements and the statutory rules on co-ownership.

3.2 Joint Venture Duties and Remedies for Violation

The duties of the parties involved in a joint venture are determined by the legal regime applicable to the selected company form. Accordingly, the company’s articles of association and any shareholders’ agreements must comply with the relevant rules of company law. In this way, general principles of civil law serve as a framework that translates company law obligations into obligations related to real estate.

3.3 Joint Venture Management Disputes

If an organisation’s governing documents are silent, vague or allow for a decision-making stalemate, disputes regarding management decisions are generally resolved through negotiation and good-faith discussions between partners. Where informal resolution fails, parties may apply to Armenian courts to resolve the dispute or seek interim measures to allow the venture to continue operating efficiently.

Where a new legal entity has been established, contentious management issues are addressed within the framework governing the chosen company form. Such disputes typically arise within the company’s decision-making bodies, such as the general meeting or the board of directors, and are resolved in accordance with the company’s statutes, any shareholders’ agreements and the relevant provisions of company law. If internal mechanisms fail to provide a resolution, the dispute may ultimately be referred to the courts.

By contrast, where the joint venture has not been constituted as a distinct legal entity, disputes are resolved under general civil law. In such cases, the applicable rules are those governing co-ownership and other relevant proprietary rights, rather than company law.

3.4 Enforceability of Automatic Judgment Provisions and Provisional Remedies

Under Armenian law, provisions that purport to allow for the automatic entry of a judgment or the automatic granting of provisional remedies (such as injunctions) are generally not enforceable. The issuance of judgments and provisional measures falls within the exclusive competence of the courts and is governed by mandatory provisions of procedural law, which cannot be derogated from by agreement of the parties.

In particular, a court decision becomes legally binding and enforceable only in accordance with the conditions and time limits prescribed by law. Until those conditions are met, judicial acts remain subject to challenge, and the parties' right to judicial review cannot be waived in advance. Any contractual clause attempting to exclude or limit the right to appeal would therefore be invalid.

Moreover, Armenian procedural law guarantees the right to challenge court decisions before higher judicial instances. Depending on the nature of the judicial act, an appeal may be lodged immediately, or it may be deferred and exercised in the context of an appeal against the final judicial act. This procedural safeguard reflects the principle of due process and the hierarchical structure of judicial review, which parties cannot override through private agreement.

3.5 Winding Down Joint Ventures

If a joint venture in Armenia has been established as a distinct legal entity, winding it down must comply with the general provisions of the Armenian Civil Code and the relevant company laws, including settlement of obligations, distribution of assets and deregistration procedures.

If the joint venture has not formed a separate legal entity and operates solely under a contractual agreement, its winding down is governed by the terms of

that agreement and general principles of Armenian contract law.

4. Guarantor Liability

4.1 Types of Guarantees

The most frequently encountered guarantees in Armenian real estate financing include full or limited principal payment guarantees, under which the guarantor assumes liability for repayment of all or a defined portion of the loan principal.

Interest payment guarantees are also commonly used, particularly during the construction phase or initial operating period of a project, to ensure timely servicing of debt before the property generates sufficient cash flow.

In development projects, completion guarantees are regularly required, obligating the guarantor to ensure completion of construction in accordance with the approved design, budget and timeline.

4.2 Non-Recourse Carve-Out Guarantees

Armenian law does not provide a specific regulatory framework for non-recourse carve-out ("bad boy") guarantees. Such guarantees are therefore assessed and enforced under the general rules of civil law, in particular the provisions governing guarantees, contractual obligations and fundamental civil law principles.

4.3 Guarantee Enforceability

In Armenia, developers have a special developer account. Under the agreement for the right to purchase real estate under construction, buyers are required to make payments exclusively to the developer's special account, where the funds are held in escrow until the completion of the building. This serves as an effective guarantee for buyers, ensuring that in the event the construction is not completed, they incur minimal losses and can recover the amounts paid. The developer's obligation to maintain a special account is an absolute guarantee, and the parties cannot circumvent it.

4.4 Expedited Judicial Procedures and Statutory Limitations

There are no specific regulations particularly tailored to guarantee enforcement. However, generally, the Civil Procedure Code of the Republic of Armenia provides for the application of simplified (expedited) judicial procedures in the following cases.

- There is a written agreement between all parties involved in the case to examine the case under the simplified procedure, and no party has objected to examining the case under this procedure within the deadline for filing a response to the claim.
- Before the court issues a decision on the allocation of the burden of proof in the case, no party has objected to the claim or filed a counterclaim.
- As a result of a change in the subject matter of the claim, the claim amount does not exceed AMD5 million.
- The respondent has not filed a response to the claim by the deadline set for submitting the response.

The court of first instance may also examine a case under the simplified procedure in other instances provided by law.

The reasoning section of the judgment issued under the simplified procedure contains a statement regarding the plaintiff's arguments considered by the court, as well as the court's reasoning on the allocation of court costs between the parties involved.

As a general rule, to enforce the provisions of a guarantee, the lender must first make a demand on the borrower and exhaust the means available to satisfy the claim from the borrower (including the collateral provided and the borrower's other assets and funds). Only thereafter, if the loan obligation remains unpaid, may the lender make a demand on the guarantor, unless the guarantee agreement or the applicable law provides that the guarantor is liable on an equal footing with the borrower for the loan obligations.

5. Other Issues Arising in Distressed Situations

5.1 Receivers

5.1.1 Appointment of Receivers

In Armenian jurisdiction, there is no formal concept of a receiver (or independent fiduciary) as described in the question. Instead, bankruptcy trustees are appointed in the context of bankruptcy proceedings to manage the assets of insolvent debtors. Their responsibilities include safeguarding the debtor's property, analysing the debtor's financial position, taking measures to preserve or realise assets, and acting on behalf of the debtor in dealings with creditors and third parties.

Bankruptcy trustees must pass a special qualification examination, their list is clearly defined by law and they are formally appointed by the court.

In practice, they serve as the primary mechanism for overseeing and managing distressed assets under Armenian law, as there is no parallel system of independent receivers outside of bankruptcy proceedings.

5.1.2 Common Scenarios for Receivership Appointment

In Armenian law, a formal receivership as such does not exist outside bankruptcy proceedings. The most common scenario in which oversight of a debtor's assets is sought is therefore within bankruptcy proceedings, where a bankruptcy trustee is appointed by the court. Trustees are usually appointed when the bankruptcy process is initiated, to manage, preserve and realise the debtor's assets, protect creditors' interests and act on behalf of the debtor in financial and legal matters.

5.2 Real Estate Bankruptcies

5.2.1 Requirements for Single-Asset Bankruptcy

Under Armenian law, there are no special provisions for single-asset bankruptcies; the general bankruptcy framework applies.

Courts will generally allow the bankruptcy of a single-asset entity, provided that the statutory requirements for bankruptcy are met.

Specifically, the requirements include:

- that the debtor has allowed uncontested payment obligations exceeding AMD2,000,000 to remain overdue for 90 days or more; and
- that such default continues at the time of the court decision.

In practice, the bankruptcy of single-asset entities is permitted.

5.2.2 Impact of Bankruptcy Filing

A bankruptcy filing generally stays enforcement actions against the debtor, including foreclosure on mortgaged property, until the court appoints a bankruptcy trustee and determines the order of claims. Mortgage lenders may need to file claims in the bankruptcy proceedings rather than proceed directly with foreclosure, and the sale or realisation of the mortgaged property is supervised by the bankruptcy trustee.

Remedies against a guarantor are generally unaffected by the debtor's bankruptcy. A guarantor remains liable under the guarantee unless otherwise agreed in the contract, and creditors may pursue the guarantor directly, even if enforcement against the debtor is stayed.

6. Arbitration

6.1 Prevalence of Arbitration Clauses

Arbitration as a method of dispute resolution is not yet widespread in real estate transactions in Armenia. Most real estate agreements are still governed by the courts. However, it is developing rapidly and is increasingly considered a viable and flexible alternative, particularly for commercial real estate disputes.

6.2 Arbitration or Litigation?

Advantages of arbitration in real estate transactions in Armenia include faster proceedings compared with state courts, greater confidentiality, flexibility in choosing arbitrators with expertise in real estate and the ability to structure procedural rules to suit the parties' needs. Arbitration awards are generally final and enforceable internationally.

Disadvantages include higher costs in some cases, limited ability to appeal or challenge awards and potential enforceability issues locally if procedural requirements are not strictly followed,

6.3 Prevalence of Mediation

Mediation is not yet widely used in real estate transactions in Armenia. Most disputes continue to be resolved through state courts and there is limited experience with formal mediation in the real estate sector. Nevertheless, mediation is gradually gaining recognition as an alternative dispute resolution mechanism, particularly for commercial real estate disputes, as it offers a faster, more flexible and confidential way to resolve conflicts compared with traditional litigation.

7. Provisional Remedies

7.1 Types of Provisional Remedies in Real Estate Disputes

In Armenia, provisional remedies in real estate disputes most commonly include measures to secure the claim and preserve the status quo of the property pending the resolution of the dispute.

The most frequently used remedy is a prohibition on transactions over the disputed property, which prevents the owner from selling, gifting or pledging the property. The court may also impose a prohibition on actions affecting the property, which restricts the *Cadastre* Committee from making any registrations that would transfer ownership to another person. Additionally, the court can order a prohibition on specific actions, preventing construction, alterations or other physical activities on the disputed property until the dispute is resolved.

These remedies ensure that the property's value and ownership status are preserved while the underlying dispute is adjudicated.

7.2 Requirements for Obtaining a Provisional Remedy

To obtain a provisional remedy, a court order is absolutely mandatory. Under Armenian law, a creditor cannot unilaterally "freeze" property or register a prohibi-

tion at the *Cadastre* Committee. Only a judicial act issued by a court of competent jurisdiction serves as a legal basis for the Compulsory Enforcement Service and the *Cadastre* Committee to restrict the owner's rights.

A claimant must submit a claim accompanied by a motion to secure the claim, explaining why failure to apply such a measure could later make enforcement of a court decision difficult or impossible.

The authority to grant a provisional remedy rests solely with the court. Only a court order can impose measures such as prohibitions on selling, pledging or altering the disputed property, ensuring that the remedy is legally binding and enforceable.

7.3 Risks of Improper Use of Provisional Remedies

In Armenia, if a plaintiff improperly seeks or uses a provisional remedy, they may face several risks:

- liability for damages – the plaintiff may be held responsible for any losses suffered by the defendant due to an improperly imposed measure, such as preventing the sale, transfer or use of the property; and
- dismissal of the motion – the court may refuse to grant the provisional remedy if the plaintiff cannot justify its necessity or demonstrates bad faith.

7.4 Availability of Temporary Injunctions

Courts typically grant such injunctions to preserve the status quo of the property, prevent unauthorised transfers, pledges or alterations, and ensure that the eventual enforcement of a judgment is not rendered impossible or significantly more difficult. The injunction is usually issued upon a motion demonstrating the necessity of the measure, the likelihood of success on the merits and potential irreparable harm to the applicant.

7.5 Proving Irreparable Harm

In Armenian law, to obtain a provisional remedy such as a temporary or preliminary injunction, the applicant must demonstrate that failure to grant the measure would cause irreparable harm. In real estate disputes, irreparable harm is typically shown where,

without intervention, the property could be sold, transferred, encumbered or altered, making it impossible or extremely difficult to restore the applicant's rights after a final judgment.

The Supreme Court of Armenia, in its precedential rulings, has addressed the particularities of provisional remedies and clarified that the burden of proof for a motion seeking a provisional remedy is lower than that required for the merits of the claim. In other words, a court may grant a provisional remedy where the applicant demonstrates a high probability of the underlying facts, without the need to fully establish each fact as in the main proceedings.

7.6 Mechanic's Liens

Under Armenian law, there is no legal mechanism equivalent to a "mechanic's lien", as known in some other jurisdictions. A contractor, subcontractor or vendor cannot unilaterally place a lien on immovable property without a court order or the owner's consent. Any claim for payment for work or materials supplied must be pursued through the civil court system.

To enforce such a claim, the creditor may initiate judicial proceedings to obtain a judgment confirming the debt. Once a final judgment is obtained, the creditor can request compulsory enforcement, which may include foreclosure or seizure of the property through the Compulsory Enforcement Service.

In practice, this means that contractors must rely on court judgments rather than self-help liens to secure payment, and foreclosure of the property occurs only after judicial authorisation and proper enforcement procedures.

8. Real Estate Investment Trusts (REITs) and Single-Family Rentals (SFRs)

8.1 REIT/SFR Regulation

There is no dedicated regulatory regime in Armenia for private equity firms or institutional investors engaged in the bulk purchase and management of residential units. Instead, disputes and regulatory issues in this area are addressed through general legal frameworks

applicable to property ownership, housing relations and civil law.

In practice, the most relevant rules concern housing and condominium regulation, which govern the management of common areas in multi-apartment buildings, relations with homeowners' associations, the allocation of maintenance costs and decision-making procedures within residential buildings. Where a single investor acquires multiple units in the same building, disputes may arise regarding voting rights, maintenance and financial obligations, or the investor's role in building management.

In addition, where residential units are leased to individuals who qualify as consumers, consumer protection legislation may apply. This is particularly relevant in disputes involving unfair contractual terms, rent adjustments or the quality of housing-related services.

The public bodies responsible for developing and enforcing the applicable rules depend on the nature of the issue in dispute and may generally include:

- courts of the Republic of Armenia, which are responsible for resolving civil, housing and property-related disputes;
- the State Committee of the Real Estate *Cadastral*, in matters concerning registration and protection of ownership rights;
- municipal authorities, with respect to local housing management, zoning and building-related issues; and
- the Competition Protection Commission, where bulk acquisitions or management practices raise competition or market dominance concerns.

8.2 Public Interest

Public interest considerations play an important role in developments at the intersection of real estate and infrastructure. This is particularly the case for large-scale residential projects in densely populated areas.

In such contexts, the involvement of public authorities – notably municipalities and, where relevant, regional or state authorities – is fundamental. Their role includes the granting of building permits and other approvals, ensuring compliance with mandatory legal requirements throughout the development process and, where applicable, authorising changes in the designated use or purpose of the property.

As a result, ongoing communication with public authorities is often necessary, including with respect to pricing frameworks, development characteristics and the broader social impact of the project. Public interest considerations therefore form an integral part of both the regulatory process and the practical decision-making surrounding residential real estate developments.

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