

DOI: 10.52363/passa-2021.2-23

UDK 352:37.014.552 (457)

Susoikina Viktoriya, Postgraduate student of the 2nd year of full-time study at the Department of Economic Policy and Management of the Institute of Public Administration of the Kharkiv National University named after V.N. Karazin

ORSID 0000-0004-0784-9266

STATE REGULATION OF THE REAL ESTATE MARKET IN UKRAINE

The article analyzes state regulation of the real estate market and defines the role of the state. The real estate market is an important part of the system of economic relations of any country. It is not only closely related to the processes taking place in all other markets, but also significantly affects the financial and cash flows in the economy, their direction of movement and the level of profitability.

Taking into account the constantly growing demand for real estate not only at the regional, but also at the state level, the low solvency of the population and the unbalanced development of certain segments of the real estate market, the issue of state regulation of its functioning is very urgent.

Keywords: *real estate market, state regulation, principles of regulation, development of the real estate market, politics.*

The purpose of the article is to determine the essence and features of state regulation of the real estate market in Ukraine

Formulation of the problem. The important role of the state in the regulation of the real estate market is manifested in the formation of conditions for the development of the legal field of interaction of all market subjects. From an organizational point of view, state regulation of the real estate market is carried out in two forms: through direct intervention, i.e. administratively, and indirectly, or

through the influence of economic management methods. Determining the peculiarities of the formation, current state and development of the real estate market will allow predicting further trends in its development, the need for the establishment of mechanisms for state regulation of the real estate market of Ukraine.

Presenting main material. The real estate market is one of the components of the state economy, as it contains more than half of all world wealth, and its stable functioning is considered one of the most complex processes of market transformations occurring in the state. Active functioning of real estate markets is one of the conditions for sustainable development of cities and regions. This development is the basis for effective management of regions and is carried out in the system of national administration and local self-government.[1]

The real estate market is an interconnected system of market mechanisms that ensure the creation, transfer, operation and financing of real estate objects. In the national economy, it performs the following functions - effective solution of social tasks related to the creation and use of useful properties of real estate; - alienation of full or partial ownership of real estate from one economic entity to another and protection of its rights; - redistribution of investment flows between competing types of real estate objects; - redistribution of flows between competing methods of land use.

Determining the real estate market as a mechanism for effective interaction of individuals or legal entities with the aim of exchanging existing rights to real estate for other assets requires identifying its participants, their roles and functions. The real estate market has its subjects of market relations (participants of the real estate market), which interact through the performance of certain operations and functions. Uniqueness, a long period of time between separate transactions with a given real estate object, relatively low liquidity and high risks determine the need to participate in market transactions with real estate, in addition to buyers and sellers, professional participants in the real estate market (realtors and appraisers), state authorities, representatives real estate market infrastructure.[2]

Regulation of the real estate market is the regulation of the activities of all its participants and transactions between them by organizations authorized to perform these actions. Regulation of the real estate market covers: all market participants (sellers, buyers, tenants, lessors, professional intermediaries); all types of activities and all types of operations on it (issuance, investment, collateral); different types of real estate (residential and non-residential premises, land and other objects) and is carried out by bodies or organizations authorized to perform regulatory functions. The main principles of state regulation of the real estate market are: functional regulation in combination with institutional regulation on the organization of control and supervision of the activities of professional market participants; the use of market self-regulation mechanisms created with the help of the state and under its control; priority in the development of the system of infrastructure organizations; maximum reduction and sharing of risks; support of competition in the market. The content and essence of the concept of "state regulation of real estate" is revealed through the following functions: legislative and ideological initiatives (various concepts of the development of certain types of market, as well as programs for their implementation); regulatory, which establishes and controls the rules and norms of the continuous functioning of the real estate market; a professional participant in the trade of state buildings and structures, housing certificates, as well as other real estate objects; investing in priority areas of material production, residential construction and the social and cultural sphere; control of security and stable functioning of the market (registration of rights and transactions with real estate) [3].

An important component in the market of commercial activity is the creation of a real estate object - it is a complex project that must be effectively managed. Coordination of the actions of all its participants at each stage, necessary characteristics of the project manager, interaction within the project team are the main issues that every owner of a developing real estate object decides. In addition, in recent years there has been a trend in the Ukrainian real estate market to combine several segments of real estate within one object. Such a tendency complicates projects, making them more large-scale, long-term and costly, increasing their

significance for the country's economy [2]. The main goal of creating real estate objects is to generate income in the long term, therefore, the implementation of such projects should, first of all, be oriented towards constant positive cash flows and profit from the operation of objects. This is guaranteed, first of all, by a certain quality of project implementation. Today, the need to understand the processes of real estate development in the Ukrainian real estate market has grown significantly, which confirms the relevance of the chosen research direction

The stage of formation of the Ukrainian real estate market begins in the transition economy of the transformational type. Transformation and transitivity are general historical patterns of development, but they have a specific historical meaning. Today, in economic theory, the specifics of transformational processes are considered quite reasonably, and in particular, their inversion character, which is connected with the rearrangement of economic transformations in a sequence. Their inversion violates the general historical logic of development, changing the sequence of events that take place. The formation of the real estate market in Ukraine vividly demonstrates the inversion of the development of its transitional economy.[5]

The main factor and the first feature of the inversion development of the real estate market (as, by the way, of the transition economy as a whole) in Ukraine is the inverted interaction of politics and the economy, the predominance of non-economic factors in the objective process. If in the general historical logic of development, economic transformations were decisive in relation to changes in political and other spheres, then the inversion type of transformation means that economic transformations are dictated by political institutions. In this way, a special logic of economic reforms is formed, thus — interests and advantages in their implementation. Thus, at the initial stage, privatization was declared popular, with attempts to single out the relevant priorities and benefits for workers. Subsequently, the objective nature of privatization was clearly defined — the need for the initial accumulation of capital. Such reconciliation of the realities of the economy and the illusions of politics led to violations of the legal mechanisms of privatization of state property. So, under the guise of workers, the subjects of shadow capital took an

active part in privatization, which caused an increase in social tension, undermining trust in the implemented measures, formation of ways to achieve goals (appropriation of property) by any, including illegal, methods. The formation of the real estate market in the process of privatization took place under the influence of the most diverse, contradictory processes - up to the announcement of a "moratorium" on the privatization of its objects.

The second feature of the inversion nature of the formation of the Ukrainian real estate market is the violation of the laws of the original accumulation of capital. Its classic mechanism consisted in the separation of producers from the factors of production (primarily land) and the concentration of capital in the hands of individual subjects. In the process of privatization (hidden or overt), workers are separated from the means of production, but primarily in the form of property (real estate, fixed or working capital). Privatization of real estate leads to a hidden form of alienation of the main mass of workers from the land, although the latter remains in the hands of the state. The initial accumulation of capital in the transition period clearly showed that the privatization of real estate became a key factor in the concentration and accumulation of capital in individual hands. Other types of fixed assets (and even more so — working capital) cannot provide the main conditions for the initial accumulation of capital (spatial placement and long-term investment), which are necessary for its long-term and normal functioning. In addition, through the privatization of real estate, the owner acquires the right to the land. And although this is not a complete set of property rights, it can still be considered that the first step on the way to land appropriation has already been taken: it is impossible to sell the land on which the real estate is located.

The third feature of the inversion of the development of the real estate market in Ukraine is that, of course, in a regular historical process, its formation goes from simple forms to more complex ones. Thus, the real estate market developed from a small private form of ownership (primarily land) to a larger one, and then to state ownership. In the conditions of the current, transitional period, the market is developing from state forms of ownership to simpler, private ones. In this way, a

phenomenon not known to history is formed - "state emission" of real estate. In other words, at first the state "releases" real estate from its own hands to the primary market, where the regularities of market mechanisms, and first of all, the market mechanism of pricing, have not yet developed. This led to the fact that in the real estate market, the state carried out its initial emission almost free of charge (through housing vouchers and privatization certificates), which, in turn, left a serious impression on all subsequent processes of the development of this market [6].

The fourth feature of the inversion nature of the formation of the Ukrainian real estate market is the violation of the general historical logic of price formation: free market pricing is supplemented by state regulation. At the stage of formation of the real estate market (primary market), there was a regulatory and state pricing mechanism, and only much later (secondary market) free market prices begin to form. This resulted in two different prices being set for the same real estate.

And finally, the fifth feature of the inversion of the development of the real estate market in Ukraine is manifested in the uneven formation and development of its individual parts. Thus, the "pioneer" of market transformations became the market of residential real estate, which now actively functions within the framework of the laws of the secondary market. The transformation in the non-residential (industrial and commercial) real estate market is gaining speed. And the land market is in its infancy.

The problems of the formation and development of the real estate market in Ukraine are primarily related to the lack of:

- scientific methods and management methodologies in the field of real estate (that is, there are almost no professional approaches to real estate management - due to innovation and the lack of a unified terminological apparatus; analysis of the specifics of economic laws that determine the state of this market; criteria for evaluating the development processes of the specified field; risk systems in the field of real estate and the possibility of their management, practical work experience of highly qualified specialists, etc.);

- comprehensive informatization of all real estate market participants (a single information base accessible to all; special software products, etc.);
- the legal framework that regulates relations that are developing and improving in this area;
- monitoring of the state of the real estate market in the regions and the country;
- standards of services in the field of real estate management;
- specialized training of personnel for business structures working with real estate and for government structures that manage it.

Thus, the real estate market has the following development trends:

- a general increase in the volume of housing introduction in the regions;
- increased competition in connection with the increase in the number of firms working with real estate;
- changing the structure of the housing fund;
- excess of demand over supply;
- relocation of construction to ecologically clean areas of cities.[7]

Conclusion. The real estate market of Ukraine is at a stage of decline, precisely because of its specificity it cannot be classified as an efficient highly organized market, but it is worth noting that it is a reflection of economic, social and political well-being in the country.

An unregulated or unstable real estate market can have a negative impact on the course of economic reforms, as well as be a source of social tension in society due to the presence of a housing problem in large cities. It is difficult to predict the end of the recession stage and the transition to the recovery phase, since a characteristic feature of the real estate market is its high dependence on the state of the economy as a whole. For the further development of the real estate market of Ukraine, state intervention is necessary, characterized by the following actions [6]:

- 1) improvement of the investment climate in the country, which will make it possible to create an effective system of taxation of real estate objects;

2) introduction and development of an effective control mechanism over the implementation by local authorities and local self-government bodies of the powers delegated to them, related to solving housing issues;

3) improving the quality of market analytics, which today is presented by consulting and real estate companies and reflects, as a rule, short-term fluctuations, rather than market trends;

4) increasing the purchasing power of the population by supporting small businesses.

Today, the real estate market of Ukraine, above all, needs state protection and support in order to create conditions for the fastest possible stabilization and further dynamic development. To do this, it is necessary to: take immediate measures to stabilize the exchange rate and improve the monetary policy in accordance with the urgent needs of the Ukrainian economy.

References:

1. Doroshenko Y. M. Analysis of the global experience of mortgage crediting of residential real estate. Urban planning and territorial planning. Kyiv: KNUBA, 2008. Issue 30. P. 100-106.

2. Doroshenko Y. M. Problems of development of the residential real estate market in Ukraine. Urban planning and territorial planning. Kyiv: KNUBA, 2007. Issue 26. P. 55–61.

3. Kozak S. V. Statistical evaluation of the residential real estate market in Ukraine. Economic Herald. 2018. No. 6. pp. 571–578.

4. Yermolaeva V. V. The real estate market in Ukraine: features and problems. Science and production. 2011. No. 11. P. 40–47

5. Boginska L. O. Real estate market: state and regional features. Scientific Bulletin of Mukachevo State University. 2015. No. 2. P. 127–133.

6. Yu. S. Khavar, V. M. Sai. The current state of real estate market formation in Ukraine. Economic sciences. 2016. No. 4. P. 73–78.

7. State Statistics Service of Ukraine. URL: <http://www.ukrstat.gov.ua/>.