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## **ECONOMIC PROBLEMS IN RESIDENTIAL CONSTRUCTION**

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**Abstract:** *The article reflects the problems of residential construction, as well as the use of housing, the main directions of the formation of the optimal structure of housing in modern conditions. The aim of this article is to study economic problems and prospects for the development of residential construction in the territory of the Republic of Uzbekistan in market economy, as well as to consider possible methods for solving these issues, including participation in solving these problems of regional government structures.*

**Keywords:** *residential, housing structure, housing optimization, housing quality, housing comfort, housing problem.*

### **Introduction**

It is no secret, that, one of the primary socio-economic tasks of the state and society as a whole is to provide the population with residential real estate that meets current requirements and standards. The most acute and difficult to solve problem throughout the history of mankind for the bulk of the population remains the satisfaction of the need for housing. The deficiency of one's own home gives rise to a feeling of insecurity. Therefore, the one pays special attention in life to the issue of acquiring their own housing and, as a consequence, the formation of personal well-being, a certain level of social guarantees. Unfortunately, in most areas of Uzbekistan, the housing issue is the most important and most significant socio-economic problem. The housing problem is a multi-stage phenomenon, which develops in stages and requires a special approach in solving.

The difficult period of the 90s of the XX century and a series of financial crises at the beginning of the XXI have made their negative imprints on the extremely

difficult problem of the development of residential construction, which currently exists in every region of our country. Inconsistency of the quality, satisfaction of modern standards is the essence of the housing problem both in Uzbekistan and in other regions of the country.

Moreover, residential construction is the most important means of solving the housing problem of the population, since this problem is one of the most painful among the main areas of socio-economic development of Uzbekistan. The lack of comfortable and affordable housing creates a major social problem.

The purpose of this article is to study economic problems and prospects for the development of residential construction in the territory of the Republic of Uzbekistan in market conditions, as well as to consider possible methods for solving these issues, including participation in solving these problems of regional government structures.

Trends and features of the development of residential construction in Uzbekistan

Despite the high growth rates of the population of Uzbekistan (over the years of independence, the increase amounted to more than 9.4 million people), there is a stable growth in the provision of housing to the population. If in 1991 there were 12.4 square meters per person. m of the total area, then by 2015 this figure reached 15.2 sq. m, that is, increased by 1.2 times.

According to the Resolution of the President of the Republic of Uzbekistan Sh. Mirziyoyev dated October 21, 2016 "On the program for the construction of affordable residential buildings according to updated standard projects in rural areas for 2017-2021", the republic is building comfortable residential buildings according to new standard projects, which take into account the national mentality and peculiarities of living conditions in rural areas. Also, the most favorable conditions for preferential lending are being introduced and the further expansion of the use of new types of energy-saving materials and equipment. All this will serve

to reduce the cost of new buildings, in connection with which acceptable prices are set for all segments of the population.

### **Research methodology**

During our research the authors have used the methods of systemizing, comparative analysis, induction and deduction. We combine our data from variable sources such as official sources: The state committee for statistics of the Republics of Uzbekistan.

### **Analysis and results**

It should be noted that only for 2009-2016. 69557 comfortable residential buildings with a total area of 9573 thousand square meters were built on 1308 residential areas in the countryside. m, and more than 83.5 thousand rural families improved their living conditions.

**Table 1.**

#### **Dynamics of commissioning of housing in Uzbekistan (million sq.m.)**

<b>Location</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Around the country</b>	7,7	8,9	9,2	10,4	10,7	11,3	12	11,3	11,3	12,1
<b>City</b>	2,6	2,2	2,3	2,7	2,7	3	3,5	3,1	3,5	3,7
<b>Village</b>	5,1	6,7	6,9	7,7	8	8,3	8,5	8,2	7,8	8,4

While developing housing projects in rural areas, in comparison with designing in cities, there are peculiarities and distinctive features. Firstly, this is due to a comprehensive assessment of the territory on which it is planned to link housing.

Here, the organization of agricultural production, as well as the location of dekhkans and farms, is carefully considered. Secondly, special attention is paid to resettlement with the calculation of the projected population size, employment, i.e. creation of additional jobs, organization of a system of social infrastructure.

In Uzbekistan, the necessary legislative and legal framework, institutional framework, a system of benefits and preferences have been formed that create the most favored nation regime for the development of residential construction, in particular in rural areas.

In general, the national model of residential construction in Uzbekistan is characterized by the following features:

In general, the national model of residential construction in Uzbekistan is characterized by the following features:

- the priority development of residential construction in rural areas is a strategic long-term priority;
- orientation of residential construction to regional traditions and mentality of the population to have mainly their own housing;
- a high share of individual residential construction in the housing stock and the volume of housing commissioning;
- the formation of demand for housing is significantly influenced by the demographic factor (growth in the population and young families, the composition and structure of households);
- A large-scale system of benefits and preferences for sustainable development of residential construction, primarily in rural areas.

Currently, much attention is paid to finding ways to solve the housing problem, forecasting residential construction and effective use of the existing housing stock and its reconstruction.

Nevertheless, practice shows that this does not take into account the optimization of the structure of the housing stock, residential construction, as well as the influence of market factors. This leads to a disproportion in the provision of various types of families and the total area, a deficit in the construction of some and an excess of other types of apartments, and, consequently, to the irrational use of the housing stock.

Obviously, this difficult problem – is to create an optimal structure for residential construction - can be solved by modeling the residential construction process. Modeling is associated not only with providing a forecast of external factors (the size of investments, for example), describing the development trajectory of the structure and volumes of residential construction, but also with the choice and validation of economic policy in the field of scientific and technological progress, investments, prices, etc.

Theoretical approaches to modeling the optimal structure of residential construction.

The effect of making decisions in the field of housing is felt over a long period in the future, when production operates with the resources created in the past and present.

In modern conditions in residential construction, it is very important to take into account the duration of the investment cycle. The complexity, vastness and versatility of this problem require the use of an integrated, systematic approach to its solution. The combination of information and logical modeling and economic and mathematical approaches allows you to develop an optimization model.

Once modeling the development of residential construction, it is necessary to solve the problem of forecasting long-term growth trends in construction production, taking into account the requirements and restrictions, as well as the demand for housing.

Forecasting should be multivariate, allowing one to evaluate various paths and opportunities for development, taking into account the limitations and criteria of optimality. Together with the above, methods of economic forecasting are based on statistical processing of data characterizing the existing structure of the housing stock.

Consequently, this makes it possible to more objectively reveal the entire system of interconnections and relationships, the whole complex of state

parameters and patterns of future development. One of the most important economic problems in the management of residential construction, in the context of market relations, is a comprehensive study of factors that can stimulate its sustainable growth, namely:

- implementation of programs for the localization of production of building materials, parts, structures directly in Uzbekistan in order to exclude the factor of dependence on imports;

- implementation of the provisions of the legislation of the Republic of Uzbekistan in full with the aim of making reasonable progress in the development of residential construction;

- compliance with all building codes and regulations in order to exclude all alterations, increase in the cost of objects, utilities, etc.;

- development of a competitive environment in the residential construction market in order to provide the population with comfortable housing and apartments;

- implementation of investment programs as a document where the timing of implementation, the amount of financing are interconnected, and the relationship of all participants in the investment process is substantiated from a legal standpoint.

## **Conclusion**

Summing up, we can say that the state of residential construction reflects the state of economic attractiveness of our country. Today, residential construction, both in the city of Tashkent and in the regions of the republic, is realizing many integrated development projects, which provide not only the construction of housing, but also the construction of social infrastructure: educational institutions, retail, office, hotel and other facilities.

Likewise, in order to stimulate the residential construction market, the government of the republic is implementing state programs for concessional

lending. Of course, there are still many problems that hinder the effective development of residential construction in Uzbekistan. The main goal, in our opinion, is to create a working system to provide the population of Uzbekistan with an average income with affordable comfortable housing. To solve the problems of residential construction, further development of this industry is necessary, the use of modern, investments and relevant technologies.

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