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SOI: [1.1/TAS](#) DOI: [10.15863/TAS](#)

## International Scientific Journal Theoretical & Applied Science

p-ISSN: 2308-4944 (print) e-ISSN: 2409-0085 (online)

Year: 2018 Issue: 06 Volume: 62

Published: 30.06.2018 <http://T-Science.org>



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**SECTION 31. Economic research, finance,  
innovation, risk management.**

## TENDENCIES OF HOUSING SPHERE DEVELOPMENT AND FEATURE OF HOUSING FUND MANAGEMENT IN UZBEKISTAN

**Abstract:** This article examines the features of housing and communal sphere, which is an important part of the territorial infrastructure, its impact on the quality of the population' life and the civilization' degree of society. And also, analyzed the reforms carried out, the activities carried out and the successes achieved in the years of independence in the housing sphere in Uzbekistan.

**Key words:** legislative basis of housing sphere, housing stock management, feature of housing construction.

**Language:** English

**Citation:** Khasanov TA (2018) TENDENCIES OF HOUSING SPHERE DEVELOPMENT AND FEATURE OF HOUSING FUND MANAGEMENT IN UZBEKISTAN. ISJ Theoretical & Applied Science, 06 (62): 181-187.

**Soi:** <http://s-o-i.org/1.1/TAS-06-62-33> **Doi:**  <https://dx.doi.org/10.15863/TAS.2018.06.62.33>

### INTRODUCTION

One of the factors characterizing the livelihood of the population is the development of the housing and communal services of the republic, which is an important part of the territorial infrastructure. The development of public services, the effectiveness of its activities not only shape the corresponding quality of life of the population, reflecting the degree of civilization of society, culture, way of life, but also serve as one of the most important prerequisites for developing economic potential and attracting investments [4;5].

In the years of independence, a number of normative and legal acts have been adopted in the Republic of Uzbekistan aimed at accelerating the reform of the communal sphere, preventing unjustified tariff increases. His sense-forming core was the transfer of ownership of housing to citizens of the country.

### URGENCY

According to the Constitution of the Republic of Uzbekistan, the state guarantees legal protection of all forms of property, including private property [1]. Based on these norms, a number of legislative acts have been adopted in the republic that determine the legal basis for housing, urban and rural

development. The most important legal norms regulating the development of housing in urban and rural areas are the Housing and Urban Development Codes, the Laws of the Republic of Uzbekistan "On Mortgage", "On Private Homeowners' Associations", "On Privatization of the State Housing Fund". The Housing Code of the Republic of Uzbekistan regulates the relations of citizens, legal entities, public authorities and local authorities on the issues of the origin, implementation, change and termination of the right of ownership, the right to own and use living quarters, register the housing fund, secure, maintain and repair the housing fund, control over observance of housing rights of citizens and targeted use of housing fund, regulation of relations related to the construction of residential s, conversion and redevelopment of residential premises, the use of technical equipment, software utilities. It is determined that a dwelling may be in private or state ownership and be transferred from one form of ownership to another in accordance with the procedure established by law [2].

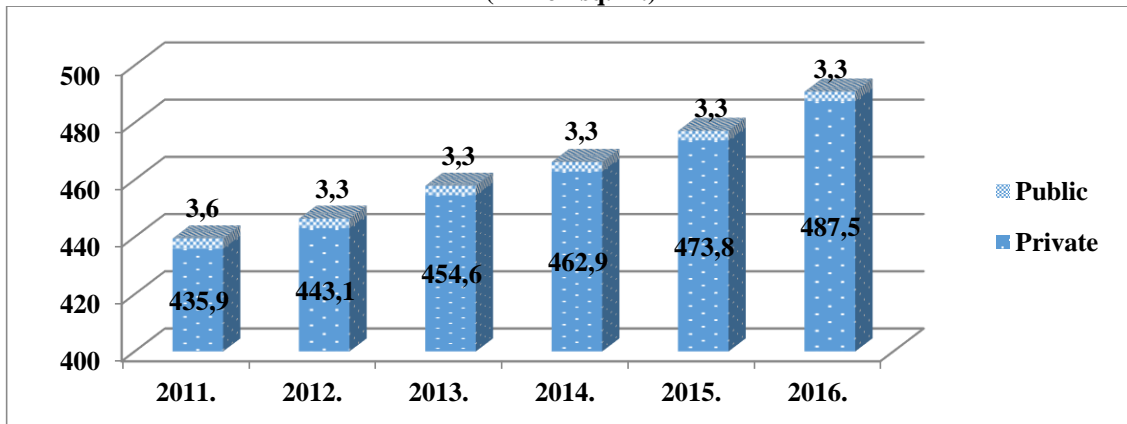
The housing fund in Uzbekistan is 490.8 million square meters. (to 01/01/2017). Of these, the private housing fund is 487.5 million square meters (or 99.3%), and public - 3.3 million square meters (or 0.7%).



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**Diagram 1. Dynamics of housing fund growth in Uzbekistan (million sq. m.)**



Source: *Data of the State Committee of the Republic of Uzbekistan on Statistics [11].*

The Law of the Republic of Uzbekistan "On Private Home Owners Associations", adopted in 2006, regulated relations in the field of creation and operation of private homeowners' associations in apartment buildings as a voluntary association for joint management and maintenance of maintenance, preservation and repair of housing fund. And also, in this Law, the procedure for the formation of private homeowner associations (PHA), their legal status, the rights and responsibilities of the state, the members of the PHA and other issues are fixed.

Everyone knows that one of the areas directly related to improving the quality of people's lives is the municipal economy. An important role in its effective functioning is always and everywhere played by timely payment for various utilities. A big role in the timeliness of this process in our country is to a certain extent called upon to play with PHA.

### THEORETICAL APPROCHES

It should be noted that PHA is an association of private owners of residential premises in one or more compactly located apartment buildings, united by a common plot of land with elements of improvement. It is created on the initiative of private owners of living quarters for joint management and maintenance of maintenance, safety and repair of housing fund, use of common property of private owners of living quarters in an apartment building, is a non-profit organization and operates on the basis of self-government in accordance with its charter [3].

PHA in Uzbekistan developed in several stages, where with each stage as a result of reforms, its representation and the market of housing services changed:

1. With the adoption in 1999 of the Law "On Homeowners' Associations", the first partnerships started to appear in the republic, which were created on the initiative of the residents. These partnerships acted as self-governing homeowners' associations in

multi-apartment buildings. By the middle of 2000, there were about 360 of them, who managed more than 19% of multi-story apartment houses in the republic.

2. By the end of 2002, 1,388 Associations were registered in the republic, and 98.5% of multi-story residential buildings were transferred to management.

And in the beginning of 2004 there were 1342 Associations in the republic. Each of them combined an average of 40-50 apartment buildings. The total number of apartments in them was from 1000 to 2,500. The end of the second stage determined the dissatisfaction with the work of large partnerships, which appeared both among the owners and public authorities of all levels. Accents began to shift toward optimal sizes of Associations.

3. Further, the adoption of the Resolution of the President "On additional measures to improve the activities of private homeowner' associations" of February 10, 2005 No. DP-3, approves the Regulations on the procedure for state registration and registration of PHA, and removes barriers to state registration of PHAs created by initiative of the inhabitants. This document gave impetus to the increase in the number of single-homed and small Associations, large PHAs were disaggregated to the optimal size (8-10 houses with the total number of apartments up to 500-600). Their average size at that time was determined to the optimum value due to the attitude towards them as to housing-operational organizations. Decree of the President "On measures to prevent unjustified tariff increases and increase consumer responsibility for timely and complete settlements for public utilities" dated February 11, 2005 No. DP-5, extended the granted tax benefits to professional management companies that provide services to partnerships. As a result, management companies began to appear in many regions of the

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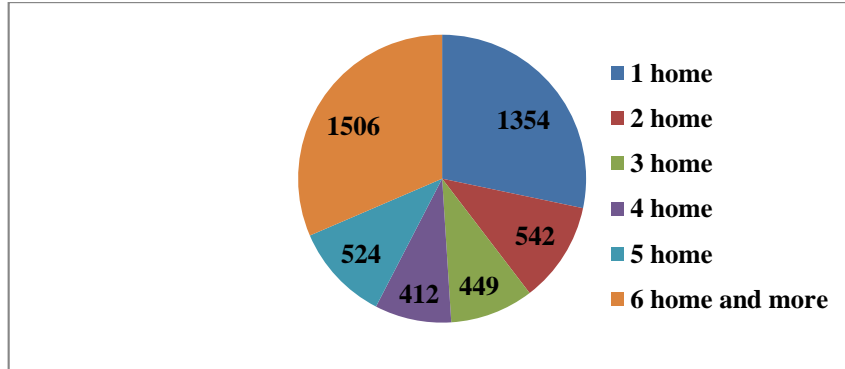
republic. Thus, the development of the market of housing communal services was stimulated.

4. Adoption of the new version of Law "On Private Homeowners' Associations" No 32 of April 12, 2006 and Cabinet of Ministers' Decree No 64 of

April 12, 2006 "On Further Measures for the Development of Private Homeowners' Associations and the Formation of a Real Housing Services Market," stimulated the disaggregation of partnerships up to 1-6 houses (up to 250 apartments).

**ANALYTICAL PART**

**Diagram 2. Composition of PHA**

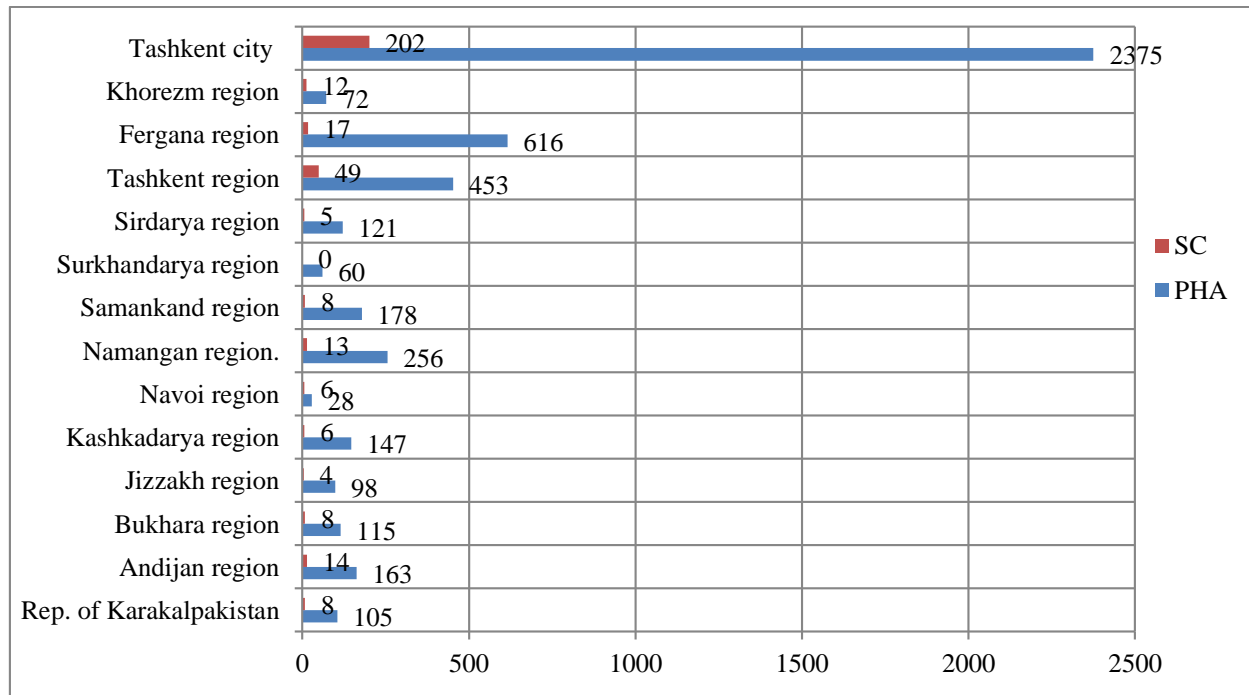


Source: *Data of the State Committee of the Republic of Uzbekistan on Statistics [11].*

Today, in the republic, 4 787 PHA and 352 Service Companies (SC) are involved in the

management of 29409 multi-storey buildings (until 01/01/2017).

**Diagram 3. Number of PHA and SC in the context of regions**



Source: *Data of the State Committee of the Republic of Uzbekistan on Statistics [11].*

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According to the existing legislative acts, the decision on the establishment of PHA is made at the general meeting of the owners of premises in one or more compactly located apartment buildings, where more than fifty percent of all owners of the premises of each apartment building or their representatives are present. The decision to create it is considered adopted if more than fifty percent of all property owners voted for it [6;7].

PHA acquires the status of a legal entity from the moment of its state registration. The state registration of the partnership is carried out in the state authorities at the local level in accordance with the procedure established by law.

The management bodies of the PHA are the general meeting of the members and the Direction of the PHA. The general meeting of the members is the supreme organ of PHA. Direction is its executive organ and is accountable to the general meeting of the members of the PHA.

The Audit Commission of the PHA is elected by the general meeting of the members of the Association from among its members consisting of not less than three persons for a term not exceeding two years, is accountable to the general meeting of

the members of the Association, and its members cannot simultaneously be members of the management Direction of the Association.

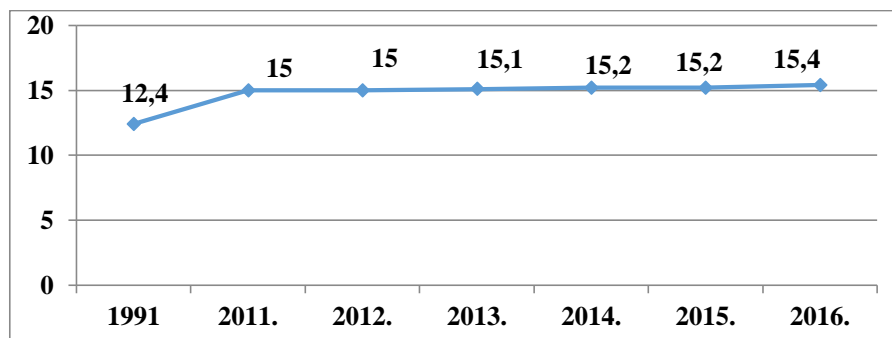
The Audit Commission of the PHA examines the financial and economic activities of the Association and is obliged to submit an annual report on the results of the audit of the financial and economic activities of the Association to the general meeting of the members of the PHA.

Disputes in the field of establishment and activities of the PHA are resolved in the manner prescribed by law.

In Uzbekistan, housing construction is a kind of locomotive for sustainability and progressive social and economic development. In conditions of significant potential demand, housing becomes a kind of catalyst for the development of a number of industries. Acting as a labor-intensive industry, it employs a large number of labor and stabilizes employment of the population [10].

Despite the high growth rates of the population, there has been a steady growth in the provision of housing for the population. If in 1991 there were 12.4 sq. m of total living area per person, in 2016 this figure reached 15.4 sq. m.

**Diagram 4. Average seating area per person (sq.m.)**



Source: *Data of the State Committee of the Republic of Uzbekistan on Statistics [11]*.

In total, in Uzbekistan for the years 2009-2015, 70,200 thousand sq. m of housing, of which 51200 thousand square meters are in rural areas and 19,000 thousand sq. m. in city. The volume of housing

construction in recent years, starting in 2009, has a steady positive trend and increased 1.6 times.

**Table 1.**

### Dynamics of housing construction in Uzbekistan (thousand sq.m.) [11].

	2009.	2010.	2011.	2012.	2013.	2014.	2015.
Total	7700	8900	9200	10400	10700	11300	12000
City	2600	2200	2300	2700	2700	3000	3500
Rural	5100	6700	6900	7700	8000	8300	8500

Source: *Data of the State Committee of the Republic of Uzbekistan on Statistics*

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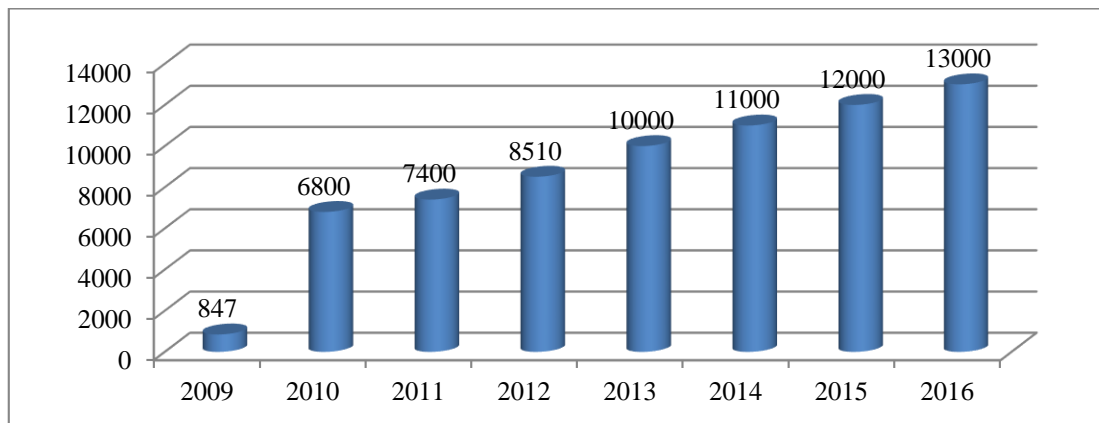
The main emphasis is, in the housing policy, rural housing construction on standard projects that meet the most modern standards of architectural and planning development and is not inferior in quality and comfort of housing in cities. Only in 2012, on a pre-selected 276 arrays with a total area of 1371 hectares, 8510 houses were built "on a turn-key basis". During the years of independent development of the country, the dynamics of the growth of the total area of the housing fund both in cities and in rural areas is also noted. There is a dynamic growth in the number of houses / apartments to meet the needs of the country's population. A systematic work is being done to supply housing with utilities, including electricity, heating, drinking water, sanitation, etc. The existing housing fund has a

relatively high level of provision with centralized water supply (82.7%), gas supply (83.5%), heat supply (45.0%) and sewerage (37.6%). The peculiarity of Uzbekistan is that the main share of housing construction (87.0%) falls on individual housing. According to the household survey, 97.7% of households in the country have their own house or apartment, including 99.5% in rural areas.

In general, 80.1%, and in rural areas 98.4% of families have their own land. The main type of housing is a separate house (77.1%).

It should be noted, that in 2009-2016, 69557 comfortable dwelling houses with a total area of 9573 thousand square meters were built on 1308 residential areas in the village, and over 83500 rural families improved their living conditions [8;9].

**The diagram 5. The number of constructed residential houses for standard projects in rural areas in 2009-2016.**

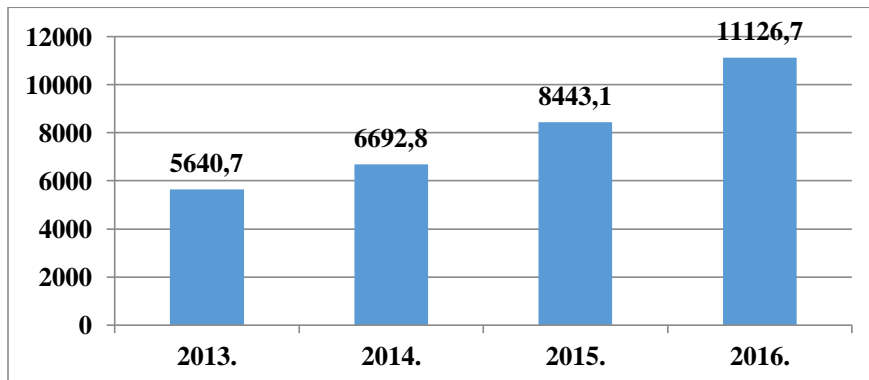


Source: *Data of the State Committee of the Republic of Uzbekistan on Statistics [11].*

Considering the analysis of investment in housing, this indicator is expected to reach 5640.7 billion UZS in 2013, 6692.8 billion UZS were issued

in 2014. By 8443.1 billion UZS will be invested in 2015 and 11126.7 billion UZS in 2016.

**Diagram 6. Number of investments into housing in 2013-2016 (billion UZS)**



Source: *Data of the State Committee of the Republic of Uzbekistan on Statistics [11].*

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At the same time the issues of further enhancing the level of development of the sphere of services in the country, the provision of new modern and qualitative services to the population, ensuring economic growth and strengthening the role of the service sector in solving the problem of employment of the population, first of all, in rural areas is one of the activities in the field as well.

In order to provide the population with access to safe drinking water and natural gas, targeted government programs are being implemented to provide rural population with drinking water and natural gas, as well as construction of trunk water and natural gas pipelines.

Table 2.

### Perfection of individual houses (thousand sq. m.) [11].

Done job \ year	2011	2012	2013	2014	2015	2016
Pipe	4430,2	5101,1	5896,5	5894,5	5255,6	6057,9
Sewerage	872,4	1470	1523,9	1996,2	1764,4	1385,0
Central heating system	1236,9	2201,4	2612,6	2570,4	2204,7	2566,9
Hot water consumption	750	1277,9	1274,3	1588,8	1242,6	589,3
Bath	800,9	1288,9	1277,8	1703,5	1469,6	1088,8

### CONCLUSION

In general, Uzbekistan has created the necessary legislative and legal framework for regulating housing and land relations, which are monitored for their timely improvement and refinement, taking into account the ongoing structural reforms. The formed regulatory and legal framework determined the main directions of the reform of housing communal services related to the transition to market principles of management.

In conclusion, it is important to note that in determining the level of social development in the country, the provision of housing to the population,

living conditions and the development of public utility services are of paramount importance.

In recent years, the government's consistent measures to support the service and service industries, the adoption of programs for the development of these sectors have led to the development of services in the regions of the country as well as to the high rates of service provision in the housing sector is coming. At the same time, as a result of reforms in housing and communal services, the quality of competition in the industry, comprehensive support and modernization of enterprises, as well as the quality of public services and public services are improving.

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