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STATE REGULATION OF THE PROBLEMS OF INVESTMENT PROCESSES IN THE CONSTRUCTION OF SOCIAL HOUSING IN THE CONTEXT OF EUROPEAN EXPERIENCE

Abstract. The article defines that, in general, the existing problem of a significant housing shortage in the country is solved by purely state programs for the construction of low-cost housing. The population buys it, or rents it at low prices. And construction companies are stimulated by privileges from the state in the form of tax incentives. Subsequently, the state stops such programs due to the

saturation of the market with housing, and targeted assistance is provided. State policy in the field of investment regulation is reviewed in most countries with a developed social housing sector. A common concern is the fact that the available housing offers are not enough to meet the existing housing needs. In addition, there is political uncertainty about the future financing of social housing in many countries. There is a growing interest in finding innovative sources of funding, analyzing existing systems for economic efficiency, increasing interest in government guarantees, productive combination of funds, developing cooperation with private developers and receiving investments from institutional investors. It has been proven that housing for social housing stock lacks attractiveness to attract the attention of investors. As a rule, in most cases, the landlord expects to receive material benefits. The constant decrease in the number of social residential buildings is explained, in particular, by the fact that the construction of new social houses almost does not occur and at the same time a certain number of residential premises fall out of the so-called circle of obligations. Such "obligations" are contracts that establish a period during which the premises may be leased as social. The signing of new contracts by the owners was not carried out, since they (the contracts) do not guarantee an adequate level of income. Therefore, it is believed that this type of obligation should be provided by municipalities and federal lands, since it is the latter that are competent in the construction of social residential premises.

Keywords: government regulation, investment, social housing, housing policy, construction industry.

ДЕРЖАВНЕ РЕГУЛЮВАННЯ ПРОБЛЕМ ІНВЕСТИЦІЙНИХ ПРОЦЕСІВ У БУДІВНИЦТВІ СОЦІАЛЬНОГО ЖИТЛА В КОНТЕКСТІ ЄВРОПЕЙСЬКОГО ДОСВІДУ

Анотація. Визначено, що, загалом, існуючу проблему значної нестачі житла країни вирішують суто державними програмами будівництва недорогого житла. Населення купує його, або орендує за низькими цінами. А будівельні компанії стимулюються привілеями від держави у вигляді податкових пільг. Згодом такі програми зупиняються державою через насиченість ринку житлом і допомога надається адресна. Державна політика у сфері регулювання інвестиційними процесами переглядається в більшості країн з розвиненим сектором соціального житла. Загальну стурбованість викликає той факт, що наявної пропозиції житлових приміщень недостатньо для задоволення існуючих потреб у житлі. До того ж, існує політична невизначеність щодо майбутнього фінансування соціального житла у багатьох країнах. Зростає інтерес до пошуку інноваційних джерел фінансування, аналізу існуючих систем щодо економічної ефективності, збільшується інтерес до державних гарантій, продуктивного поєднання засобів, розвитку співпраці з приватними забудовниками і отримання інвестицій від інституційних інвесторів. Доведено, що помешканням соціального житлового фонду не вистачає привабливості для повертання уваги інвесторів. У більшості випадків орендодавець роз-

раховує на отримання матеріальної вигоди. Постійне ж зниження кількості соціальних житлових будівель пояснюється тим, що зведення нових соціальних будинків майже не відбувається та одночасно певна кількість житлових помешкань випадає з так званого кола зобов'язань. Такі “зобов'язання” — це договори, що встановлюють термін, протягом якого приміщення можуть здавати в оренду як соціальні. Підписання нових договорів власниками не проводилося, оскільки вони (договори) не гарантують належний рівень доходу. Існує думка, що такого виду зобов'язання мають забезпечуватися муніципалітетами та федеральними землями, оскільки саме останні компетентні в питаннях будівництва соціальних житлових приміщень.

Ключові слова: державне регулювання, інвестиції, соціальне житло, житлова політика, будівельна галузь.

ГОСУДАРСТВЕННОЕ РЕГУЛИРОВАНИЕ ПРОБЛЕМ ИНВЕСТИЦИОННЫХ ПРОЦЕССОВ В СТРОИТЕЛЬСТВЕ СОЦИАЛЬНОГО ЖИЛЬЯ В КОНТЕКСТЕ ЕВРОПЕЙСКОГО ОПЫТА

Аннотация. Определено, что в целом существующую проблему значительного недостатка жилья страны решают сугубо государственными программами строительства недорогого жилья. Население покупает его, или арендует по низким ценам. А строительные компании стимулируются привилегиями от государства в виде налоговых льгот. Впоследствии такие программы останавливаются государством по причине насыщенности рынка жильем, и помощь оказывается адресная. Государственная политика в сфере регулирования инвестиционными процессами пересматривается в большинстве стран с развитым сектором социального жилья. Общую обеспокоенность вызывает тот факт, что имеющихся предложений жилых помещений недостаточно для удовлетворения существующих потребностей в жилье. К тому же, существует политическая неопределенность относительно будущего финансирования социального жилья во многих странах. Растет интерес к поиску инновационных источников финансирования, анализа существующих систем относительно экономической эффективности, увеличивается интерес к государственным гарантиям, продуктивному сочетанию средств, развитию сотрудничества с частными застройщиками и получению инвестиций от институциональных инвесторов. Доказано, что жилью социального жилого фонда не хватает привлекательности для привлечения внимания инвесторов. В большинстве случаев арендодатель рассчитывает на получение материальной выгоды. Постоянное же снижение количества социальных жилых зданий объясняется, в частности, тем, что возведение новых социальных домов почти не происходит и одновременно определенное количество жилых помещений выпадает так называемого круга обязательств. Такие “обязательства” — это договоры, устанавливающие срок, в течение которого помещения могут сдавать в аренду как социальные. Подписание новых договоров владельцами не проводилось, поскольку они (договоры) не гарантируют долж-

ный уровень дохода. Поэтому есть мнение, что такого вида обязательства должны обеспечиваться муниципалитетами и федеральными землями, поскольку именно последние компетентны в вопросах строительства социальных жилых помещений.

Ключевые слова: государственное регулирование, инвестиции, социальное жилье, жилищная политика, строительная отрасль.

Formulation of the problem. The solution of the housing problem today is considered as a priority task in many countries of the world. In general, Western European governments allocate substantial funds for social housing programs. Such figures are: from 0,1–0,3 % of GDP – Italy, Greece to 1,2–1,4 % of GDP – Finland, Denmark and Austria. France provides housing for citizens (including preferential ones) each year at 1,9 % of GDP. By share in the structure of the real estate, most public buildings were built in the Netherlands – almost a third of the total housing stock; followed by Austria, Denmark, Britain, France, Finland and Sweden – 19–23 % of the total fund, which means that almost a quarter of all families live in social housing, that is, the population receives one way or another state support for rental housing or payment for housing and communal services.

Analysis of recent research and publications. In recent years, the problems of the construction of social housing in the economy of Ukraine were considered in the writings of A. Bogdanenko, O. Nepomnyaschiy, T. Nechyporenko [4], S. Shevchuk [3], and others. The mentioned authors investigate the state and problems of housing and communal services development in the country, they proposed various

mechanisms for attracting additional financial resources to housing construction. However, they practically do not substantiate the approaches taking into account the experience of developed countries in the world to reform the state regulation of construction of social housing, does not systematize the assessment of the effectiveness of the state policy of construction of social housing and determine the direction of its improvement.

The purpose of the article – to analyze the state regulation of the problems of investment processes in the construction of social housing in the context of European experience.

Presentation of the main research material. European states have faced the problem of overpopulation, which is relevant since the end of the Second World War [1]. Then Germany, Italy, France and England were subjected to a large influx of refugees from other states. Since then, virtually all European states have policies on social housing and housing construction as a priority in their development.

In France, you can see the lack of clarity in the distinction between private and public housing. This is due to the fact that a large number of privately owned companies provide housing market control. A large number of French families live in social housing.

And private companies engaged in the construction of this type of housing, receive state privileges in the form of tax privileges. Upon completion of the construction, residential premises are rented to families (citizens) who are low-income, and rental prices for this type of housing are set by the state. Determine who will be granted the right to social housing by private companies and local authorities, which share the authority to identify individuals. The average waiting time in the queue for receiving it in France is ten months. The rent for social housing in France is by far much smaller when comparing market prices. At the same time, about half of the inhabitants are also participants in residential subsidies provided by the state [2].

In general, Western Europe does not have a single social housing program, which must be carried out by all members of the union. But all countries have signed a document that addresses the eradication of poverty over the coming years. In this area, much work is being done, according to the FEANTSA (European federation, which combines national organizations and deals with the problems of homeless people), there are 3 million people without living conditions in Western Europe [3].

Investing in (building, reconstruction, etc.) the social housing stock in the EU countries takes place by attracting: financial resources of the central, regional and local authorities; private investment and donations. According to the latest trends in the provision of social housing in the EU, the central authority is gradually moving away from addressing the problems of this nature, thus involving local au-

thorities in the lead in resolving these issues.

If you take as an example Sweden — the cost of providing social housing (demolition of old residential buildings, construction of new ones, work on reconstruction, repair, maintenance) is distributed among the central government and the municipality in the ratio of 50 to 50. Denmark — here the solution of similar issues lies in residential commercial organizations. For this they receive certain privileges from the state in the form of tax privileges and subsidies. In Holland, in the social housing sector there are residential associations, often of a private type. In Austria, companies owned by local or central government, trade unions, banks and other entities. In the UK, the provision of social housing for the population in need of it — the prerogative of municipal organizations (to a greater extent) and residential associations (to a lesser extent). Housing associations in England are independent non-profit organizations that are registered accordingly and provide regular reporting on their activities. In France, in accordance with the current legislation, at least 20 % of residential buildings must be allocated to low-income citizens in each complex building.

Problems of state regulation of investment processes in the construction of social housing in Sweden. In Sweden, the practice of solving the problem of social housing is as follows: new construction is rarely used and poor families receive mostly reconstructed old housing. Expenditures for reconstruction are divided equally between the state and municipalities, which rent it to the poor in rent at a reduced

rate. At the same time, city authorities remain the owner of housing and is responsible for maintenance and repair of social housing stock, but the poor can not redeem it. Therefore, the mortgage lending system is much less developed and built on lease, which is quite affordable thanks to high pensions. Private organizations operating in the interests of the poor in the system of accounting needs and distribution of housing, there are no, and the municipalities report only to the state. The government subsidized the demolition of outdated housing units in some parts of Sweden – most often in the old industrial cities. Some residential units were sold to cooperative tenants or private property owners. Tenants have the least rights in these sales, they can affect court decisions, but only in the prescribed manner. Other residential units were purchased by tenants, despite a sale-prohibiting law that could jeopardize the functioning of a fair rental system in Sweden. The right to buy also applies to rented private homes. In the period of new construction, the municipal sector is in a very good condition, its share in the new construction approximately corresponds to its share in the total volume of housing stock (about 20 %) [4].

The provision of demand-side subsidies remains one of the main areas for investment in social housing stock in countries with a developed social housing sector. However, high spending on demand side subsidies for the state budget has led to a revision of these payments in some countries (for example, in the UK). Great Britain is one of the richest countries in the world with a stable economy. However, millions of

citizens live in relative poverty and systematically lose the benefits of a prosperous society. Hence, social housing is a fairly common way of providing housing to the population.

For social housing development programs, multi-component and financial complexity is rarely required in commercial construction. The European Federation of Social Housing has conducted a deep analysis of funding programs in six European countries. It shows that typical schemes for the financing of new buildings in France make up 76,5 % of loans, 10 % – on the assets of entities providing housing, 8 % – with subsidies from local authorities, 3 % – from state subsidies and 2,5 % – from subsidies of employers. In Denmark, distributed programs of funding of 2 % consist of a bonus for residents, 14 % – from municipal subsidies and 84 % – with a guaranteed loan (guaranteed by the municipality). In the UK, cross-subsidization programs are increasingly being used; this happens when commercial objects are used to finance the construction of 20 % of social housing [5].

Currently, there are two issues in the area of social housing investment: growing needs and reducing funding. The number of households registered on the list for social housing in the states has increased since the onset of the global financial crisis. However, as a result of the crisis, the reduction of public spending has become necessary and inevitable. This led to disproportionate effects in the residential sector. Everywhere there is a need for safe decent housing available at the lowest levels of income. As a result of the global financial crisis, the context in which housing systems

functioned also changed, and its future is uncertain. In the past, a social housing fund could be used to provide shelter to vulnerable and poorly populated groups in most European states. However, as a result of the current crisis, the need for social housing has not only increased, but also diversified. Housing needs elderly, young people (first-time residents), middle-income households, and vulnerable groups and groups.

Attracting assets of the European Investment Bank (hereinafter – the EIB) to the construction of a housing social fund. The EIB on Housing follows the principle of subsidiarity of the European Union. However, for this bank, housing and social housing is not the main sector of activity. The social housing sector has grown even more recently as a result of the demand for financial products to support it. The EIB reacts to the demand for loans, then and in the case if the bank is reported on them in the form of specific projects. The EIB representatives emphasized that it is a body that follows the policy (in the social housing area), therefore, it does not develop a policy, but responds to it (at the national level). In general, the bank finances some programs of affordable and social housing as part of local integration and inclusive plans for sustainable urban development and housing policies that meet the criteria for selecting the EIB for this sector.

The International Monetary Fund notes that the government's participation in the mortgage market is, among other things, expensive from the point of view of public financing, and at the same time it was not very effective in increasing the amount of housing owned [6]. It is argued that state interference in

the mortgage sector is aimed at financing the institution of home ownership and is the cause of financial instability and rising housing prices. Very little attention is paid to the main link between financial markets and the dynamics of housing markets. As a result of previous financial policies and the global financial crisis, the housing crisis not only led to an increase in housing needs, but also destabilized national banks in some developed economies. Experts emphasize that this is a problem, since mortgage loans are partly funded in international capital markets. As a result of the fall in housing prices, mortgage loans have risen in price compared with the value of housing laid down on their basis. Many people currently have negative assets, especially those who entered the market after 2007. In a number of Western European countries, the rules for obtaining access to mortgages have become more stringent, and the criteria for obtaining them have increased. Many people are no longer able to afford housing. And if they, moreover, have no right to social housing, they become dependent on a small private housing sector leased with a very high rent.

Conclusions. Drawing attention to the problems that are present in the field of providing social housing for the population and the regulation of investment processes in the same area, nevertheless, we can note that combining the efforts of the state and private capital allows for the possibility to erode social housing structures and in much larger volumes. It is also important that the governments of the EU member states are increasingly taking decisions on the possibility of further redemption of social housing. Thus, the social housing

fund is turning into an affordable, gradually solved the problem of the lack of social housing estates, there is a correction of social behavior of low-income citizens. Thus, there is a very ramified and extremely flexible system of providing poor people with affordable housing with the participation of all structures of society – the state, local authorities, business – and a clear division of functions and mutual responsibility.

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