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STATE REGULATION OF HOUSING CONSTRUCTION IN UKRAINE

*The ways of further development of residential areas that require improvement of legal regulation of investment and construction activity are proposed. Principles of the process of drafting regulations on construction are grounded.*

*Keywords: public policy, housing, demand dissatisfaction, legal regulation, principle.*

**Ковалевська О. П. Державне регулювання житлового будівництва в Україні**

*Визначено шляхи подальшого розвитку житлової сфери, що вимагає вдосконалення нормативно-правового регулювання інвестиційно-будівельної діяльності. Обґрунтовано принципи процесу розроблення нормативної бази з питань будівництва.*

*Ключові слова: державна політика, житлове будівництво, незадоволення попиту, нормативно-правове регулювання, принцип.*

**Ковалевская О. П. Государственное регулирование жилищного строительства в Украине**

*Определены пути дальнейшего развития жилищной сферы, требующей совершенствования нормативно-правового регулирования инвестиционно-строительной деятельности. Обоснованы принципы процесса разработки нормативной базы по вопросам строительства.*

*Ключевые слова: государственная политика, жилищное строительство, неудовлетворенность спроса, нормативно-правовое регулирование, принцип.*

**Introduction**

Nowadays it is a time when active formation of comfortable and efficient accommodation spaces for the population in Ukraine becomes one of the most important objectives of public policy. This problem is being solved within the framework of housing policy at the expense of housing development, changes in its structure; increasing the funding and increasing the volumes of reconstruction and repair works of existing housing stock as well as protection of rights of housing stock users and owners.

**Analysis of recent research**

The importance and significance of the theme attracts the attention of many scientists, among which we can distinguish such as: A. Asaul, I. Brizhan', V. Babaev, S. Bushuev, P. Buben-ko, V. Buzyrev, P. Borschevsky, V. Bolshakov, V. Heyets, N. Gura, E. Datsiy, V. Dorofiyenko, I. Dragan, B. Danylyshyn, V. Dubischev, J. Geller, E. Egorov, M. Yermoshenko, T. Zavora, I. Zapatri-na, D. Zhukova, A. Karlova, T. Kachala, M. Kore-tskiy, V. Kirnos, E. Klyushnychenko, I. Korkun, I. Kucherenko, V. Kravchenko, Y. Lega, R. Larina, V. Lyubarov, V. Mamutov, Y. Mantsevych and others.

**Statement of research objectives**

– to identify ways of further development of housing sphere that requires improvement of

normative and legal regulation of investment and construction activity;

– to justify the principles of the process of drafting regulations on construction.

**Results**

During the last decade in the construction complex of Ukraine there have been considerable structural and technological changes associated with the overall reform of economic and social policy in the state and the implementation of inter-national norms and standards, both in design and in construction of housing for civil and industrial purposes.

Public administration body governing building complex in Ukraine is the State Construction Committee of Ukraine, whose core competencies include:

– development and implementation of national policy in the field of construction, architecture, urban planning, housing and communal services; the development of system adequate to current economic conditions and forms of state regulation of these areas;

– contribution to the formation of market relations, social partnership, system of state guarantees for the workers in investment, construction and housing and communal spheres;

– coordination of management bodies' work in Ukraine on matters within the competence of

the State Committee on Construction, Architecture and Housing Policy of Ukraine;

- conducting scientific and technological policies, development of normative documents' system on construction, urban planning, engineering searches, design and operation, capital repairs and reconstruction of housing and communal spheres of economy;

- development of state housing policy and participation in its implementation; preparation of proposals for the formation of development programs of social sector and communal infrastructure [1];

- policymaking of structural adjustment of the base of construction industry and industrial building materials and the promotion of its implementation;

- taking practical measures to improve urban planning and system of settlement, improving the quality of architectural planning and architectural art-based solutions of buildings, structures and enterprises during building the cities and other settlements in order to create valuable habitat for population [2].

Legal and institutional arrangements of any activity in the field are regulated by a number of laws and regulations, including: Laws of Ukraine «On investment activity» (1992), «On the basis of urban planning» (1992), «On Architectural activity» (1999), «On the territory planning and building» (2000), «On licensing of certain business activities» (2000), resolutions of the Cabinet Ministers and orders of the State Committee on Construction, Architecture and Housing Policy of Ukraine, state building codes of Ukraine and standards.

Currently 1300 normative documents of the state level (state building codes, standards, etc.) are valid in Ukraine, including about half of the normative documents of the former Soviet Union, of which 10 percent are state building norms.

Much of the normative materials in construction legislation occupy legal and technical documents. Normative documents in the construction industry include design standards, technical requirements for building materials and structures, rules of organization and technologies of building production. State Construction Norms (SCN) contains general requirements for different types of construction activity. They are developed for products, processes and services in urban planning and building (research, design, construction, reconstruction, planning and building of settle-

ments and territories) and in the field of organization, technology, management and construction economics. These rules are approved by State Construction Committee of Ukraine.

Institutional building codes (IBC) are developed by relevant state agencies under the approval of the State Construction Committee of Ukraine in case of State Construction Norms' absence, and, if necessary, the establishment of requirements exceeding or supplementing the requirements of SCN, taking into account specific character of activity of organizations and enterprises of these state agencies.

The regional building codes (RBC) contain regional rules development of human settlements and territories. They are developed by local state administrations with the approval of State Construction Committee of Ukraine.

State Standards (SS) establish organizational, methodical and general technical requirements for objects of investment, including construction and industrial production of construction supplies, ensuring their development, production (manufacturing) and exploitation (use). They are approved by the relevant economic ministries, departments, and in building sphere by the State Committee for Construction, Architecture and Housing Policy of Ukraine.

Technical Specification (TS) establishes requirements for specific types of industrial production of construction and other purposes, its use, packaging, labeling, acceptance, control and testing, transportation and storage. They are approved by the concerned organizations with the agreement of the State Construction Committee of Ukraine or other agencies, which belong to the sphere of production organization of relevant products. The generalized document in the construction is the Building Norms and Rules (the BNR). It should be noted that a large number of currently existing building codes was adopted in Soviet times, which therefore require urgent adjustment of their content in accordance with the present level of technological development. For example, in Ukraine there are no regulatory requirements for the design and construction of buildings up more than 73.5 meters. Therefore, all high-rise objects are considered experimental and their projects must be agreed in the Ministry of Construction. Thus, the development and approval of technical requirements for the construction of tall buildings is a priority of building regulations. The BNR contain not only technical but also legal norms.

To ensure the development of innovative construction industry there is a need to constantly update and improve the normative base in this sphere. Development in Ukraine of the normative base on construction, adapted to the international requirements, solving the problem of raising the technical level, quality and reliability of domestic products and ensuring its competitiveness are possible only with identifying key directions of the normative base's development of construction in Ukraine in the years ahead.

In this regard «The Concept of implementation of public policy on the normative base of construction in Ukraine till 2015» (Order of July 14, 2010 № 1436-r) was developed and approved by the Cabinet of Ministers of Ukraine. Its purpose is to establish principles and mechanisms of public policy implementation on the normative base of construction.

This Concept implies that in the process of developing the normative base on construction the following principles should be observed:

- transparency and accessibility for all participants in the construction market (investors, customers, designers, contractors, government agencies, consumers);
- consistency, coherence and unification of terminology normative legal and acts, regulations of technical documentation;
- priority of mechanisms of technical regulations' application in the process of implementing unified public policy in the construction sphere;
- use of international experience and taking into account the specific features of the construction industry;
- ensuring planned manner and gradual process of development of new, revision and updating of existing regulations of a technical nature and normative documents [5].

Given the proposed goal the basic principles of the development of the construction's normative base are:

- ensuring the safety and security of buildings and structures;
- providing an innovative model of industry development;
- promoting development of domestic production;
- creating conditions for fair competition in the market of construction products and works;
- ensuring proper identification and compliance of construction, building materials and products according to their purpose;

- achieving the rational use of national resources;
- removing unnecessary restrictions and technical barriers in the construction market [3, 4].

Developing the effective normative base for the construction sphere, which should include normative and legal acts of the Verkhovna Rada of Ukraine, the President of Ukraine and the Cabinet of Ministers of Ukraine, normative acts of a technical nature (state building codes, industry construction standards) and regulations (standards, specifications) requires :

- formation of professional space for drafting the norms and standards in the construction sphere;
- cooperation with international and regional organizations on the matters of drafting norms and standardization in the field of construction;
- providing feedback of developers of normative base on construction with the consumers and regulatory authorities.

As result of implementation of this concept the following can be achieved:

- development of normative base on the construction matters with defining the mandatory requirements for buildings, structures, production of construction supplies and taking into account new technologies and efficient development;
- dissemination of normative base on construction for the period of the life cycle of buildings;
- development of mechanisms for monitoring compliance with safety requirements;
- improvement of mechanisms for the accelerated introduction of innovative products;
- preservation in the normative base for building national architectural, technical and technological features, traditional approaches to development of human settlements;
- development of normative base on construction for the two consumer groups - designers and developers of software design;
- harmonization of normative base on construction and conformity assessment procedures of construction products with regulatory framework and procedures that operate in the technically advanced countries (regions);
- revision of state standards, building codes and regulations of the former Soviet Union;
- adapting state building norms to the normative base of the European Union and harmonizing national normative documents in the construction with the referred basis [5].

In order to improve state regulation of construction the Law of Ukraine «On amending cer-

tain legislative acts of Ukraine to improve state regulation in the field of housing construction» was adopted in 2010.

It introduces certain changes in the Housing Code of the Ukrainian Soviet Socialist Republic, the Civil Code of Ukraine, the Law of Ukraine «On investment activity», «On local self-government in Ukraine», «On the planning and building of the territories», «On financial and credit mechanisms and property management in construction of housing and real estate operations», «On the prevention of the effects of the global financial crisis on the construction industry and housing construction» and others.

In 2011 the Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine completed the preparation of regulatory acts of the Government needed to implement the Law of Ukraine «On regulation of city planning», which entered into force in March 12<sup>th</sup>, 2011. In accordance with the requirements of the mentioned Law, the central executive authorities drafted the resolutions of the Cabinet of Ministers of Ukraine, which settled a number of issues related to reform of city planning, including the following:

- Resolution of the Cabinet Ministers of Ukraine from 13.04.2011 № 461 «The question for the commissioning of completed construction projects»;

- Resolution of the Cabinet Ministers of Ukraine from 13.04.2011 № 466 «Some questions of implementing the preparatory and construction activities»;

- Resolution of the Cabinet Ministers of Ukraine from 23.05.2011 № 547 «On the approval procedure the application of construction standards, developed on the basis of national technological traditions, and construction standards, harmonized with the regulations of the European Union»;

- Resolution of the Cabinet Ministers of Ukraine from 25.05.2011 № 548 «On approval procedure of the examination of urban planning documentation»;

- Resolution of the Cabinet Ministers of Ukraine from 23.05.2011 № 549 «On the formation of territorial bodies of the state archive of house inspections»;

- Resolution of the Cabinet Ministers of Ukraine from 23.05.2011 № 551 «On amendments to the resolution of the Cabinet Ministers of Ukraine dated from December 5<sup>th</sup>, 2007 № 1396»

(On Licensing Certain Types of Business Activities in Construction);

- Resolution of the Cabinet Ministers of Ukraine from 23.05.2011 № 553 «On approval of the exercise of state architectural and construction control»;

- Resolution of the Cabinet Ministers of Ukraine from 23.05.2011 № 554 «Some aspects of professional certification of responsible contractors in certain types of works (services) related to the creation of architectural objects»;

- Resolution of the Cabinet Ministers of Ukraine from 25.05.2011 № 555 «On approval of procedure for public hearings for consideration of public interest during the drafting of urban planning documentations at the local level»;

- Resolution of the Cabinet Ministers of Ukraine from 25.05.2011 № 556 «On procedure for exchange of information between the town-planning and state land cadastre»;

- Resolution of the Cabinet Ministers of Ukraine from 11.05.2011 № 557 «On approval of procedure of the placement the construction objects to the IV and V degrees of complexity»;

- Resolution of the Cabinet Ministers of Ukraine from 25.05.2011 № 558 «On the approval procedure for maintenance of activity of state architectural and construction inspectorate of Ukraine and its territorial bodies with the necessary resources»;

- Resolution of the Cabinet Ministers of Ukraine from 25.05.2011 № 559 «On the urban planning cadastre»;

- Resolution of the Cabinet Ministers of Ukraine from 11.05.2011 № 560 «On the approval procedure of construction projects and their expert examination».

Analysis of housing provision in Ukraine suggests that lack of support and control of housing construction by the state, lack of financial and credit system, the lack of stimulating factors in resolving issues of construction, greatly exacerbated problem of creating new housing in the country. High uncertainty of political and economic environment leads to a reduction in residential real estate construction, to increasing of the prices' level for existing housing, and, therefore, to dissatisfaction of the population's demand for housing.

### **Conclusions**

It should be noted that this negative situation in the area of housing construction deepened since the beginning of financial and economic crisis. Namely there was a decline in the construction

production as it has been demonstrated in previous sections of this work. Therefore, the questions of taking the construction industry out of the crisis, increasing the volumes of construction become of a very important character for the country today.

So, nowadays the domestic construction industry is in recession. The causes of this negative

situation for the construction industry are the lack of funding under the antirecessionary laws passed by the state to support the construction market, and that procedures, provided by anticrisis laws, were not developed or are in various stages of de-velopment.

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