

## New system to be introduced to provide the population with housing

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**On October 28, President of the Republic of Uzbekistan Shavkat Mirziyoyev held a meeting on the issues of providing the population with housing and development of the mortgage market.**

It should be noted that on October 21, 2016, the President of the Republic of Uzbekistan adopted a resolution "On the Program for construction of affordable residential buildings on updated model projects in rural areas for 2017-2021", a month later, on November 22, "On measures for implementing the Program for construction and reconstruction of affordable apartment buildings in cities for 2017-2020". In accordance with these documents, large-scale creative work covered both villages and cities of the country. Large-scale housing construction has been carried out everywhere.

In 2016, 13 thousand houses were built in rural areas within the framework of state programs, the private sector – multi-storey houses for 13 thousand 189 apartments. 4 trillion 330 billion UZS were allocated for these purposes.

In 2017, 28 746 houses were built within the framework of state programs, including 20 287 in villages and 8 459 in cities. At the same time, entrepreneurs built multi-storey houses for 16 136 apartments. In total, 44 882 houses and apartments worth 6 trillion 211 billion UZS were built.

Last year, the scope of creative activities expanded. Within the framework of state programs, 42 183 houses were built, including 25 276 in villages and 16 907 in cities, the private sector built multi-storey houses for 19 741 apartments. 12 trillion 133 billion UZS were allocated for construction of a total of 61 924 houses and apartments.

Over the past period of 2019, almost 30 thousand houses and apartments were erected within the framework of state programs, including more than 15 thousand in rural areas and 14 957 in urban areas, entrepreneurs built multi-storey houses for 19 481 apartments. 12 trillion 24 billion UZS were sent for construction of a total of 49 thousand 458 houses and apartments.

According to calculations, it is necessary to build 145 thousand apartments annually to fully meet people's needs for housing. This requires almost 27 trillion UZS, which is more than 23 percent of the state budget.

Allocation of a significant part of the state budget for housing alone is impractical. Moreover, without participation of private sector, it is difficult for the state to fully meet people's needs for housing. In this regard, issues of gradual introduction of market mechanisms in mortgage lending system, increasing the role of private sector in housing construction were discussed at the meeting.

New system provides for the procedure in accordance with which the construction of multi-storey housing will be carried out by business entities. The state will allocate land, as well as funds to banks for mortgage loans.

Necessary measures will be taken to prevent the growth of housing prices and ensure its accessibility. Starting from 2020, 16 thousand families will be allocated subsidies from the budget for the initial payment of interest on loans. Through subsidies, borrowers will be covered by 10 percent of initial payment, as well as interest on loans in excess of 12 percent in Tashkent city and 10 percent in other cities. This new system will be implemented as an experiment in Andijan, Namangan, Fergana, Bukhara, Samarkand and Tashkent regions. In other regions, the current system will remain, it will compete with the new one.

The lack of clear criteria for selection of families in real need of housing, existence of misuse in this procedure was criticized at the meeting.

Responsible officials were instructed to develop transparent criteria for selection of low-income families, formation of permanent working commissions in the district (city) departments of the Ministry of Economy and Industry. It was noted that the commissions should include representatives of banks, financial, tax, makhalla and other agencies, the issue of allocation of houses should be solved with a wide public discussion.

Special attention was paid to reformation of housing construction in rural areas. In order to compete and, as a consequence, quality in this sphere, the customer's function will be gradually transferred from Qishloq Qurilish Invest to the private sector. In 2020, 8 thousand of 12 thousand houses will be built according to the current order, the remaining 4 thousand – by the private sector. The Ministry of Finance, the Ministry of Economy and Industry have been instructed to develop a new procedure for construction of housing by private sector.

The need for wide use of innovative building materials to reduce the cost and improve the quality of housing was noted.

For example, the use of aerated concrete and foamed concrete instead of brick will eightfold reduce gas consumption in production and fivefold increase the heat capacity.

Issues of improvement of urban planning standards, connection of houses built in villages to utilities, prevention of unauthorized construction of housing on cultivated areas, strengthening the protection of such sites were also discussed, appropriate tasks were set at the meeting.

Responsible officials' information was heard and priorities for the future were determined on the issues discussed at the meeting.

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