

THE MARKET APPROACH TO LOCAL MARKETS OF HOUSING AND COMMUNAL SERVICES OF UKRAINE

It's not said a lot about the issue of market relations in the sphere of the necessary needs of the people. In the first place among such needs can be put needs for food, shelter and warm clothing, warmth and comfort [1]. The vast majority of these needs find their satisfaction in local markets. These include markets such as food markets, catering services, housing markets and housing services, items of clothing, furniture and home repairs, and more.

Today, utilities in Ukraine is in a state of stagnation [2]. Housing fund, which was built in the Soviet Union, requires constant repair and modernization. A lot of internal engineering networks come into disrepair, leading to insecurity of residents houses with vital components such as water, electricity, gas. It should be noted that the state of main housing funds has reached a level at which will be impossible to prevent technogenic accidents in the near future [3]. In the unstable economic situation and rising prices for materials and maintenance of residential buildings it's necessary to improve tariffs on all public utilities immediately. Low rates make it impossible to provide quality service. Current rates - an average of 1.42 USD / m². - are being in use from 2008 and has long been unprofitable [4].

In light of recent reforms of housing taking place in Ukraine, the most significant is the need to transfer buildings that are in municipal property now to management society condominiums. The ultimate goal of this reform is the elimination of utility companies that currently serve homes and the transfer of buildings to condominiums' balance. However, it should be noted that at the moment these utilities also dealing with a number of problems the community that go beyond the concept of "housing services".

These problems must be considered:

- cleaning "abandoned" areas - that are such territories that are not included in the calculation of tariffs for the maintenance of the building and the local area (MBLA), but that are on the territory controlled by the company. These areas can act abandoned motels, private sector, substations and other facilities that are on the local area;

- watering area. This service is not included in the tariff for MBLA, however, the need for irrigation area is one of the priorities in the summer;

- trimming and other work with trees to bring them in proper sanitary condition. Another necessary

service for safety life of residents that is not included in the tariff for MBLA, but costs a lot;

- removal of bulky waste as a necessary service for the city because of its large accumulation impede travel or even pass on the surrounding local area. Furthermore, it should be noted that it is necessary not only to take out the garbage but to bury it in a landfill also, which requires the company's expenses;

- the maintenance of children' and sports grounds is also an unbearable burden on the shoulders of utility companies. The peculiarity of this type of work is the fact that the poor state of children' playground can cause injury or even death of people using this construction. Given the fact that serving housing utility companies there are no workers who may inspect, make defective acts and repair these engineering structures in the staffing, we can conclude that most of the existing children' and sports grounds are not in the best condition. Redecorating is the only way to serve the given above engineering facilities. And, of course, these costs are not included in the tariff for MBLA fall exclusively to the enterprise;

- lack of technical passports for homes is another significant obstacle to optimal functioning of the company. Because of the high cost of production (from 20 to 60 thousand HRN) for one registration certificate, the company can not do this thing. However, this year the Odessa city council decided to allocate money for the production of technical passports for further transfer houses to condominiums' balance [5].

Basic income of utilities at the time is paying bills for maintenance of the building and the local area. This way of income is approximately 80% of total annual turnover.

The remaining 20% of the company gets through the following sources:

- return of the operating costs of tenants in non-residential premises;

- return on tenants operating costs of internal electric power;

- the use of basements for private purposes;

- payment for the use of non-residential premises;

- service entities that are deployed on the territory entrusted to the company;

- pay for the maintenance of territory adjacent to private garages;

Table 1

**Generalized distribution company's
expenses on tariff components**

Tariff's component	The relative magnitude of expenditures
Cleaning of local area, basements, technical floors, attics	25 %
Cleaning of staircases	2 %
Maintenance of elevators	2 %
Maintenance of internal heating systems, water supply, drainage and sewerage drain, carrying and protective structures, wooden products, vents	11 %
Current repair of structural elements, engineering systems and technical devices and external elements of improvement	24 %
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Lighting of public spaces, basements, pumping water, electricity of elevators	10 %

- payment for the use of sheds;
- shipping of accounts of urban single settlement center to the end user;
- pay for sanitation services;
- the use of outbuildings;
- other income.

The most significant of these items of income is the return of the operating costs of tenants in non-residential premises at a rate of 11%, payment fee area adjacent to private garages at a rate of 3%, return on tenants operating costs of internal electric power at a rate of 2%. Everything else is no more than 4% of revenue the utility.

It should be noted that in addition to their income, these enterprises receive budget subsidies. Approximate list of investment programs subsidized by the city budget each year consists of 11 items and includes:

- maintenance of abandoned areas located on the territory controlled by the company;
- maintenance areas that are not covered by the public, is not included in the tariff during its calculation for different reasons;
 - watering local area;
 - removal of large debris from the local area, which now serves;
 - demolition, pruning and cutting trees that are on the local area served by the company;
 - the maintenance of children' and sports fields that are on the local area served by the company;
 - cover the difference between the cost of electricity, laid down in the tariff and paid at the moment;
 - cover the difference between the cost of utilities such as heating, lighting, water and sanitation, are directly related to the provision of services for maintenance of houses and local territories that were incorporated in the rate and are paid at the moment;
 - the maintenance of old and emergency fund, whose inhabitants are exempted from paying the tariff for maintenance of houses and local areas;
 - cover the difference between the minimum wage laid down in the tariff and is payable at the moment.

Given the huge volume of required subsidies, the city budget is not able to fully repay the necessary additional financing. Partial funding is usually not more than 50% of subsidies that these enterprises have to get from the budget leads to the fact that the company has to spend money that could be spent on much needed thing as a maintenance engineering components of the house, on those cost items that are missing government funding in full.

Presumably, the relative distribution of costs on businesses tariff components can be seen in table 1.

The remaining 25% of the costs the company spends on maintenance of administrative and engineering staff, as well as landscaping, the cost of which is not included in the tariff.

Based on the analysis, we can say that utilities are not only receiving incomplete for optimal functioning subsidies, but also ineffectively spend the money.

Looking at the structure of the base tariff for MBLA it can be noted that about 50% of the costs in this structure occupies current repair. Seeing that the costs for this part of the tariff does not exceed 25% of the costs of the enterprise, it is unclear where the money goes missing. However, at the same time it should be noted that so as tariffs for MBLA in Odessa were put in place in 2008, the costs inherent in the tariff does not cover the actual costs of maintenance of buildings and local territories. This is more than double the increase in the minimum wage, a huge increase in the cost of materials, electricity, fuel and other needed things.

However, it should also be noted that utilities has the right to reallocate the costs in the tariff structure, while not exceeding the total amount of all components [6]. With such redistribution utilities provide the most needed urgent services. As you can see above - these services are:

- cleaning of local area, basements, technical floors, attics;
- current repair of structural elements, engineering systems and technical devices and external elements of improvement;
- maintenance of internal heating systems, water supply, drainage and sewerage drain, carrying and protective structures, wooden products, vents;
- lighting of public spaces, basements, pumping water, electricity of elevators.

It can be noted that current repair of structural elements of the building is currently not done according to the plan, but in case of breakage. For example, it is possible to repair the roof, the current repair rate per year - 10% of the roof. Lack of roof repairs over the years leads to the fact that in case of breakage, the company repairing the roof area in excess of 10%. This suggests that one-time money for big repairs are taken from the cash flows of other buildings.

Looking at utility companies' costs that are not included in the tariff for MBLA, we note that the company simply need additional sources of income. Currently these may be the next source [7]:

- charging for the use of installations of house. They are used by companies such as ISPs, television companies, etc.

- charging for renting basements and attics, where can be installed such objects like "server", swap water pumps, etc.;

- reduction management, maintenance of which costs company extremely expensive and a partial increase in salaries for remaining employees;

- charging for service of engineering and architectural forms, which are on territory controlled by the company;

- receiving subsidies of city council in full.

We have already mentioned that we should understand the need to stimulate targeted research and development of local markets as an important factor in strengthening regional and municipal economy [8]. All of the above means that the immediate reform of the housing and utilities sector has to begin as soon as possible. This massive transfer buildings to condominium does not solve the problem, but also can make it much worse. At this point no one except the businesses that serve housing has no experience in this field, and this can adversely affect the state of technical components and engineering systems house.

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Лысюк В. М., Серов О. О. Ринковий підхід до локальних ринків житлово-комунального господарства України

Стаття присвячена дослідженню існуючих проблем житлово-комунального господарства України. Визначено найбільш суттєві проблеми ЖКГ, надано узагальнені витрати на утримання житлового фонду, розкрито проблемні пункти, із яких складається тариф на СДПТ. Запропоновано можливі шляхи вирішення проблемних моментів галузі. Обумовлена необхідність термінового реформування галузі і неефективність реформ, які проводяться в наш час.

Ключові слова: житлово-комунальне господарство, житлово-комунальний сервіс, реформування, утримання будинків та прибудинкової території, локальні ринки.

Лысюк В. М., Серов А. О. Рыночный подход к локальным рынкам жилищно-коммунального хозяйства Украины

Статья посвящена исследованию существующих проблем жилищно-коммунального хозяйства Украины. Определены наиболее существенные проблемы ЖКХ, даны обобщенные расходы на содержание жилого фонда, раскрыты проблемные пункты, из которых состоит тариф на СДПТ. Предложены возможные пути решения проблемных моментов отрасли. Обусловлена необходимость срочного реформирования отрасли и неэффективность реформ, которые проводятся в наше время.

Ключевые слова: жилищно-коммунальное хозяйство, жилищно-коммунальный сервис, реформирование, содержание домов и придомовой территории, локальные рынки.

Lisyuk V., Serov A. The market approach to local markets of housing and communal services of Ukraine

The article is devoted to research of the problems of housing and communal services of Ukraine. The paper identified the most significant problems of utilities, the generalized cost of maintaining the housing stock are given, the problematic points of the tariff for the maintenance of houses and local area are disclosed. The possible ways of solving the problem moments of industry. The need to reform the sector and the ineffectiveness of the reforms taking place in our time are caused.

Keywords: housing and communal services, housing and utilities, reforming, maintenance of houses and local area, local markets.

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