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**FOREIGN EXPERIENCE ACTIVITIES OF HOMEOWNERS ASSOCIATION**

*This article considers the peculiarities of management of apartment buildings by homeowners' associations in the aspect of comparative analysis of domestic and foreign practice. It reveals the Ukrainian specifics and the main differences in the formation and development of housing self-government in Ukraine, due to historical, objective, and subjective features. It is concluded that in modern Ukraine it is possible to build its own unique model of management of apartment buildings based on homeowners' associations, which can be based on the best foreign analogs, but at the same time transformed considering the specifics and peculiarities of the Ukrainian economy in general and housing economy.*

**Keywords:** *apartment house, Homeowners Association, competition, commercial, sector of housing management, social capital, traditions, private property.*

**Formulation of the problem.** Ukrainian housing and utilities sectors are in acute crisis, as evidenced by the low level of management of housing and communal facilities in Ukraine. Reforming the housing and utilities sector will require a comprehensive approach and systematic measures to improve its efficiency and the choice of the optimal model of management of housing and communal facilities based on the study of foreign experience.

**Purpose of the study.** The choice of the optimal model of organization of management of housing and communal facilities, considering the study and analysis of trends in world experience and their adaptation to the current socio-economic and political conditions in Ukraine.

**Methodology:**theoretical and empirical methods: analysis, synthesis, generalization, and comparison.

**Presentation of the main research material.** The homeowners' association (HOA) has become an umbrella term for various legal forms of housing cooperation existing in other countries. For example, such as: planning unit developments (PUD), condominium associations, housing cooperatives (Housing Cooperatives) in the USA and Canada; syndicates in France; apartment share societies in Finland; condominium associations in Ukraine; homeowners associations (HOA) and housing construction cooperatives (HCC) in Russia [1, p. 353-360].

**Analysis of recent research and publications.** The publications of Dolgalova O., Yeshchenko M., Fasolko T., Mуkhalchenko H., Udovychenko I., Seleznyova O., Babich V., Bubenko O., Brauer K., Kitsay A., Sidorov O., Plekhanov A. and several others are devoted to the analysis of foreign experience in the management of apartment buildings and activities of homeowners' associations. The conducted research allowed to reveal Ukrainian specifics and main differences of formation and development of housing self-government, as well as its role in the formation of an effective system of management of apartment buildings.

In the economic process, for more effective anti-crisis management, individual human behavior is becoming increasingly important: his personal, not subject to external control, conscientiousness and responsibility in production, economic policy, etc. Of relevance in this sense is the use of existing personal potential in the management of apartment buildings, since the housing and communal services industry has always deserved special “subtle” attention both from municipal authorities and the owners themselves. In this connection, let us turn to the practice of managing apartment buildings in various countries.

In many cities around the world, municipalities themselves are powerful landlords who are forced to develop their own mechanisms for interaction with residents - tenants. The largest homeowner is, for example, the municipality of Vienna, whose housing stock includes 220 thousand apartments.

Meanwhile, issues of apartment size and quality of services, reliability of rentals around the world remain the main typical issues that concern owners and tenants. They are the main reasons for the emergence of social movements, both homeowners and tenants. National organizations of tenants and homeowners exist today in the USA, Canada, New Zealand, Australia, India, Tanzania, and in almost all European countries. The largest of them are represented in Germany and Sweden.

They are the most widespread and permeate the country from top to bottom. In Sweden, the national organization of tenants is the largest and most influential. In every house, whether it belongs to the municipality or private homeowners, there is what they call a “contact committee”. This is very close to our concept of “domkom”. Accordingly, there are Rules of Residence and Charter. Local organizations at the building level exist to establish good neighborly relations, so that the house is clean and safe, so that children know with whom they enter the elevator, who lives above us, to the left and to the right [4, p. 117-118].

Another important task of such organizations is to protect tenants and apartment owners, including in court. Conflicts between apartment owners and tenants are resolved in housing court, where the interests of the resident and owner are necessarily protected by a lawyer from the tenants' union or a lawyer from the homeowners' union. In Germany, traditionally only a small number of residents own their own property - approximately 20% of the population. The rest rent apartments and houses.

They rent from private individuals because there is no public housing in the country at all. There are municipal apartments that are specifically designed for low-income families. To live in such a council house, you must receive a referral from the social security department.

In Germany, apartment buildings usually have a building manager or building management. They are responsible for organizational issues and troubleshooting in the house or individual apartments. In each house, the Rules for Living Together are posted, requiring that a certain order and cleanliness be maintained in the stairwells and in the yard. If in an apartment building there is no house manager or building management who resolve issues of providing housing services, then cleaning the entrances, snow and garbage in the yard is the concern of the residents (tenants). In addition, in many regions it is customary to sweep the street adjacent to the house once a week [5, p. 98-99].

In Montreal, several unique “social” housing levels stand out. The lowest of them are homeless shelters or “shelters”, which are run not so much by municipal services as by the Salvation Army. The next stage is social housing for the poor, it is also called “subsidized” and its residents, as a rule, are people living on social benefits. The municipality transfers the subsidy for the maintenance of the house directly to the house's account, and the house manager - the janitor - calculates the rent, considering the family's income level. There are special houses in Montreal that may belong to the municipality or local community.

To move into such a house, you must provide all documents on income, including the amount of money in your bank account. Rent in these houses is also calculated depending on income. Municipal funds for the maintenance of such houses come from the social, and not the housing, line of the city budget. The next step in the housing ladder are private rental houses, which are divided into three categories: cheap rent, regular, prestigious. Duplex houses are distinguished.

These are two-story houses with two entrances, in which the owner of the house lives on the first floor, and the second floor is specially intended for tenants. Such houses to a certain extent determine the appearance of the city: green, well-groomed, friendly. There are also many small 3-4-story private rental houses. Small areas are built up with multi-story rental buildings. In such buildings, there are no more than 100 apartments, and they are owned by private companies (often banks) that hire a superintendent - or otherwise a “tenant agent.” It is he who acts as the main buffer between the homeowner and residents. [7, p. 188-189].

He also hires other personnel: a cleaner, a mechanic and others, and enters all contracts for the operation of the house with specialized companies. His main task is “to make all residents happy,” which means that he resolves all conflicts that arise. Communication between residents of an apartment building and homeowners occurs only through memorandum letters. Through them they notify about upcoming repairs, rent increases, etc. There are never any meetings - only individual communication and letters. The building manager has long developed forms for all occasions.

In some countries of Eastern Europe and the Baltic states (Slovakia, Estonia, Latvia), the owners of premises in an apartment building have the right not to create a partnership - a legal entity, but to conclude a general agreement with the manager (management company) on the same conditions for all owners in the building. In this case, the body responsible for making decisions is the general meeting of owners, and the manager prepares his proposals for consideration and approval by the general meeting.

At the same time, the practice of managers in these countries shows that it is preferable for them to have a legal entity as a partner - an owners' partnership. and interact with its board, rather than enter into an agreement with all owners.

In France and Finland, after the construction of housing and communal services infrastructure, all its facilities are transferred to the municipality. All work is carried out through the municipality. Because, in the end, it is the municipality that bears political responsibility to the citizens. And citizens have the greatest influence - they vote. In France, utilities are predominantly municipal. At the same time, the experience of using concessions in public utilities is quite widespread.

This form is based on a concession agreement, according to which the utility enterprise is transferred to a private company for operation. The production of services is carried out at the expense of the concessionaire, and he has the right to collect payments from consumers for the provision of these services. At the same time, in France and Finland, along with nationalized gas networks and state-owned energy, there are also private companies, as well as companies operating based on a concession agreement. These companies are relatively small, but their role in improving the efficiency of public utility services appears to be very significant [12, p. 69-74].

In the countries under consideration, different forms of management of multi-apartment housing are used. There are municipal companies, and there are private ones. The owner of the house can rent out apartments and can sell apartments. In buildings where apartments are sold, societies of apartment owners are created, which enter into agreements for the maintenance of the house with a specialized company and separately with a specialized company that controls the quality of services, and, of course, with the municipality for the supply of water, gas, etc.

Owners of individual private houses can maintain their houses themselves. But homeowners also enter contracts with the municipality for the delivery of gas, water, and other services. And home maintenance, especially minor repairs, is a small business. And there are a lot of such companies.

If we talk about experience in the provision of public services, it should be noted that to manage urban life support facilities, forms of attracting private entrepreneurs through concessions are common in these countries.

The main positive aspects in the practice of providing public services in France and Finland are the widespread distribution of homeowners' associations, the experience of involving private entrepreneurs in property management and the widespread dissemination of information technologies in the field of public services. The widespread distribution of concessions is also important. For Russia, from this list, first, it is necessary, in our opinion, to introduce information technologies and involve private entrepreneurs in property management, through the mechanism of concessions.

In Ukraine, unlike the prevailing international practice, neither the establishment of HOAs is mandatory, as other mechanisms for managing the common property of an apartment building are allowed, nor 100% membership of tenants in already established associations. This means that the institution of HOA is formed in Ukraine in competition with other organizational and legal forms [2, p. 415-421].

Lack of traditions and skills of private property management among the Ukrainian population. P. Krasheninnikov notes that the "owner's psychology", which is "alien" to the former Soviet people, cannot develop overnight just due to the fact of apartment ownership. A long process of realizing the rights and obligations arising from the fact of owning housing is necessary [3, p. 190-196].

In England the first homeowners' associations appeared in the XIX century, the first law regulating the organization and activities of associations serving housing was adopted there in 1836, in France the law on the status of common property in apartment buildings has been in force since 1965 [1, p. 353-360]. The strongest tenants' organization in the world - the Swedish Tenants' Union (STU) - was formed in 1923 and has almost a century of experience. The goal of the Swedish housing movement was to achieve fundamentally new housing standards. According to experts, now Sweden has some of the highest housing standards in the world [2, p. 415-421].

Low level of social capital of apartment building residents. Weak formation of social capital of residents in apartment buildings in Ukraine is due to the heterogeneity of socio-economic composition of residents, low level of neighborly communication, trust, and interaction (especially in new buildings), etc. In this regard, the experience of development of neighborhood communities in Great Britain is noteworthy. The main concern of such organizations, just like residents' organizations in Swedish cities, is to unite residents in the house for the sake of creating a safe and comfortable social microclimate, in which the main characteristics are mutual assistance and mutual respect of interests. "The participation of residents is not a goal, but an important tool for achieving solidarity and better social contacts between the residents of the house and the neighborhood", - is declared by the Swedish law [4, p. 87-88]. In the studies of American sociologists and political scientists, one of the tasks of homeowners' associations along with real estate management is the development of a sense of community, social activity and education of mutual respect and tolerance [5, p. 963-965].

Mixed ownership of housing in one building. Ukraine is characterized by the presence of several owners in one apartment building (except for newly constructed buildings). The composition of residents of an average apartment building in Ukraine is represented by owners who have privatized their apartments, owners who have bought housing, tenants of municipal apartments, tenants, and all these categories have different levels of wealth and social status. All categories of tenants have different rights, obligations, and opportunities to influence their living environment. The existence of such legal-legal and social-property inequality negatively affects the process of self-organization and development of coordinated decisions by tenants in one apartment building.

In Western European countries and the United States, there are no apartment buildings with both municipal and private apartments; apartment buildings are either wholly owned by one owner (municipality, private person) or are condominiums. Each homeowner in a condominium is also the owner of the land plot included in the condominium. In world practice, condominium (condominium) - a close analog of HOA - is one of the main types of associations (or associations) of homeowners (community association). In the U.S. condominium is a unified complex of real estate, including a building, land, auxiliary structures and communications, and an association of citizens, who by their joint actions are aimed at achieving common goals, it is also an optimal opportunity for people who cannot afford to have their own detached house, but who still want to own a home [13, p. 162-164].

Non-obligatory participation of residents of apartment buildings in homeowners' associations. Abroad, every owner of residential or non-residential premises in a house automatically becomes a member of a homeowners' association (analogous to our homeowners' association). Relations between the owners are regulated by the charter and internal rules of the association, which determine the rights and obligations of the owners, establish the number of obligatory payments of homeowners, etc. The pragmatism of a Western homeowner, his desire to spend his personal funds rationally and economically on the housing services provided are the factors of active participation of tenants in the management of an apartment building and their understanding of the advantages of such participation.

For example, in the United States, the presence of tenants' associations in a building is presented to apartment buyers as an added benefit, as they can participate in the internal affairs of the building, select service organizations, and influence the cost and quality of housing services.

Under Armenian law, it is assumed that all residential buildings with at least 50 per cent of apartments privatized should switch to a "condominium" form of management, while the rest, which do not have a single non-privatized apartment, must become condominiums after a two-year period of free privatization. In Kazakhstan, for example, apartment owners' cooperatives (AOC) are created, the difference from the Ukrainian associations is that if membership in the HOA is voluntary, in the Kazakh AOC - mandatory for all residents of the apartment building [6, p. 67-68].

In Hungary, Estonia and several other Eastern European countries, the condition for privatization of housing (at least one apartment in a building) was the mandatory establishment of associations of owners in the building (homeowners' associations) [7, p. 67-68].

Narrowly specialized housing service. In the housing sector of developed countries there are professional management organizations, the functions of which are separate and separated from the functions of homeowners' associations. In contrast to the Ukrainian practice, the management organization is usually not responsible for the provision of communal services.

Differentiated system of state support for housing associations. The participation of the state in housing maintenance and support of owners' associations is more evident in post-Soviet and Eastern European countries. In these countries, today condominiums are characterized by problems like those faced by Ukrainian homeowners’ associations: high depreciation of housing stock, relatively low incomes of the population and its low activity. In Slovakia, for example, housing was transferred to new owners in the technical condition in which it was at the time of privatization. As a compensation for the state's refusal to repair the apartment building, the new owners were exempted from paying property tax (for 5 years). The state support of homeowners and associations in Slovakia consists in the development of bank loans for capital repairs of the building.

In Hungary, public utilities are legally obliged to install, at their own expense, communal metering devices for communal resources, and budget grants are provided to partnerships on a competitive basis to carry out repairs of the house (not more than 40% of the estimated cost) [9, p. 69-74].

Lack of qualified management personnel for HOAs. One of the main problems hindering the establishment and effective operation of HOAs in modern Ukraine is the low level of housing literacy of the population, lack of qualified management personnel. Abroad, the need to acquire special knowledge and skills in the field of residential real estate management is dictated not by legislative restrictions, but by market conditions: Western "experienced" owners will not entrust their property to unqualified specialists for management.

In London, there are special institutions of support for homeowners - centers of assistance to residents, such centers have professional psychologists, economists, sociologists. As a rule, they have state and municipal grants to work with residents and help various organizations of residents.

An example of such an organization is the London Neighborhood Development Foundation, which is an information, methodological and advisory center for individual residents, housing organizations [11, p. 87-95].

Finland was one of the first countries where graduates of the Polytechnic Institute (Tampere) in 1996 received engineering diplomas with specialization in the field of residential property maintenance. In Hungary, according to the Law on Homeowners' Associations, only persons who have undergone appropriate professional training can be condominium managers [8, p. 75-77]. In Germany, a house manager should have a higher education and possess such personal qualities as communication, negotiation, and conflict resolution skills.

Information openness and transparency of activities. The charters of American homeowners' associations contain a provision according to which the association at the first request of the owner is obliged to provide all the information on the amount of expenses for the maintenance and improvement of the house, and all expenses should be dictated by objective necessity [10, p. 45-54].

**Conclusions.** Thus, it should be noted that in most foreign countries - for example, in Hungary, Poland, Slovakia, the Czech Republic, France, the Netherlands, Mexico, the USA, Canada, Singapore, Malaysia - management in general is considered as a separate type of business activity for which management The organization receives remuneration from the owners of the premises, and the association (association, partnership) of home owners is responsible to the owners for the maintenance of the building. With this approach, the management organization is not responsible to the owners for the provision of public services.

It should also be emphasized that the approach to the management of apartment buildings, which is followed by managers in most Western countries, is since the manager or management organization works based on an agreement with an association of homeowners, and not with individual owners. All major management decisions, primarily regarding the management of finances and the conclusion of contracts for the purchase of goods and services, are made not by the manager, but by the governing bodies of the homeowners’ partnership (association). The manager prepares and substantiates recommendations for the board of the partnership.

Summarizing the results, the author considers it possible to note that the specificity of the housing sector development in Ukraine, due to historical, objective, and subjective features, does not allow to fully copy the foreign experience of homeowners' associations (even the most progressive, proven for decades). It is possible to build its own unique model of management of apartment buildings based on homeowners' associations, which will be based on the best foreign analogs, but at the same time transformed considering the specifics and peculiarities of the Ukrainian economy in general and housing economy.

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