Determination of development factors of the construction market

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Abstract. Field of housing construction constantly needs measures of business climate improvement. Provision of housing for citizens remains relatively low. Recently, state has been developing a new set of measures for shared-equity construction improvement. This area has a particular significance and scales for our country. Number of defrauded shareholders in the past allows estimate scales of losses both in the form of unfinished objects in the past and reputation losses of this direction of construction. This article proposes measures which are designed to form an informational base for forecasts of the development of construction and provide a positive result from the applied measures.

1. Introduction

Formation and increase of housing potential in Russian conditions occurs quite slowly. It is not a secret that housing provision of the citizens of the Russian Federation is not big. Russian economy is to be regulated with both economic, administrative and mixed methods. At that, housing construction is primarily performed at the expense of resources of private business and savings of citizens. Approximately, state is not building housing in any noticeable for economy amounts. At that, industrial management body, Ministry of Construction of the Russian Federation sets increase in the volume of housing construction as its goal. Significant results are not observed in connection with that state does not have any large-scale investments for this branch. In these connection, creation of the most favorable conditions for private initiative is critically important, as well as forecasting of the development of the situation for timely proposal of the best practices and regulatory measures.

2. Materials and Methods

Maintenance of the construction industry by the state can be performed effectively at consideration which factors and reasons are the drivers of growth, and what factors hamper the construction industry. Forecast of these factors is also required. At the present time, one of the most efficient is housing construction at the expense of contributions of citizens. Federal law form December 30, 2004 N 214-FL “On apartment block construction and other real estate co-funding and on amendments to certain legislative acts of the Russian Federation” regulates this field. Practice of the recent years showed that such a massive construction is not deprived of system weaknesses. The main among them is insufficient level of guarantees for citizens who concluded contract and are waiting for an object to be received in the future.

Nowadays, Russian shared-equity construction market reflects colossal changes. Branch governance board proposes unprecedented measures. Changes to the relevant legislation were developed for
improvement of protection of the rights of citizens who participate in shared construction of apartment buildings. The law developed by the Ministry of Construction of the Russian Federation was adopted which entered into force on January 1, 2017 was adopted July 3, 2016. This law established additional requirements for developers. Mechanism of deposit cash of the citizens to special escrow accounts was enacted. Creation of compensation fund for shared construction was also provided [1].

Key feature of the law is the establishment of requirements for the financial security of developers, namely, for the authorized capital of developers, depending on the square of housing being built. 2 500 000 rubles at the square of the construction unit no more than 1,500 square meters. When the volume of construction is close to 2,500 square meters, amount of the authorized capital must be 4 million rubles. At building of no more than 10 000 square meters statutory amount is equal to 10 million rubles. Authorized capital must be determined as a sum of 40 million rubles when the square of construction unit is equal to 25 000 square meters. Developer must have 80 million rubles, if the construction footprint is not more than 50,000 square meters. At maximum value of construction units is no more than 100,000 square meters, sum of capital equals to 150 million rubles. With square of units of shared construction equals to 250,000 square meters, sum of money on the account of the developer is defined as 400 million rubles. Authorized capital amounts 800 million rubles, if square of the unit of shared construction is no more than 500,000 square meters. At building more than 500 000 square meters, sum of money which is on the account of the organization must be at least 1 billion 500 million rubles.

This law also defines mechanisms of bank project financing for construction. It is planned to open escrow accounts for placing funds of participants in shared construction, that will be enacted from July 1, 2017. Escrow accounts are banking services on the opening of special accounts due to the Art. 860.7 of the Civil Code of the Russian Federation [2]. They can be blocked by a credit institution. Received money on these accounts can be transferred to the injured or aggrieved persons. Emergence of such foundations is governed by the courts. A loan agreement is concluded between bank a developer for usage of escrow accounts. It must contain the following parameters:

- Goals of the credit usage.
- Obligation of banking institution to provide necessary amount of money for completion of construction for the developer.
- Obligation of the developer on opening an account in the bank which issued the loan.
- Right of the Bank on request of necessary information.
- Indication of conditions on the for the buyer to deposit funds in escrow accounts in all of concluded contracts by developer.
- Term of the credit agreement.
- Responsibility of the parties, etc.

In addition to the considered measures, it is envisaged to create and maintain a single register of developers who attract funds from citizens on the basis of Agreement for Participation in Joint Construction of Apartment Buildings. Also, due to the list of instructions from the President of the Russian Federation from May 17, 2016, following the results of meeting of the State Council of the Russian Federation, the Ministry of Construction of the Russian Federation is realizing a complex of measures on creation and provision of compensation fund for shared construction. This fund has a special significance.

This fund was created for compensation of losses for citizens at problems of completion of construction of units by the developer's fault within as part of the equity participation agreement. Main tasks of this fund are reception of contributions from developers and control of their entries. Exercise of powers of the court-appointed manager in the bankruptcy case of the developer, if they made contributions to the compensation fund, at least for one object. Performance of payments of compensations to citizens, who are the participants in shared construction at bankruptcy of the developer. Provision of loans, including interest-free loans and financial assistance to new developer who took obligations on completion of the construction upon themselves. Formation of the compensation fund is assumed to be at the expense of the developers. They must pay contributions before state registration of the equity participation agreement. Existing mechanism of equity
participation agreement insurance, bank guarantees - will be abolished. Contributions to the compensation fund of shared construction will be differentiated, and the previously announced figure of 1% from the equity participation agreement (DDU) will not be a base tariff. This basic tariff to compensation fund has not been determined yet and now this is a large debating point. Fund may amount 40-50 billion rubles per year [3]. Indeed, contributions to compensation fund can not be the same for all. Make equal demands for large enterprises which has been working on the market for a long time, have good reputation and for enterprise, which was created not long ago and has not approved itself nowise is not reasonable and groundless. In our opinion this should be given special attention, as formula and method of calculation of contributions are in the talking stage.

Content of measures of housing conditions improvement is showed in the Picture 1. In the author's opinion, shared construction is a modern carrier for provision of housing construction. Growth expected by everyone may be obtained in case of formation of the new qualitative system for forecasting of the development of this direction of construction. Industrial management body together with the companies and associations of developers should realize and observe forecasts of the development of the field of activity with consideration of the proposed regulatory measures. Information base, work on which should be allocated in the separate unit takes a separate place in these forecasts.

First, it is necessary to realize pilot and experimental projects, on the basis of which all financial, technical and organizational consequences of the regulatory measures proposed by the state can be assessed.

Secondly, it is necessary to motivate developers to illustrate their activity fuller. Alternatively, it could be the transfer of information on financial transactions, processes of buying and selling construction resources to the special database, which is under the control of the Ministry of Construction of the Russian Federation.

Thirdly, system of creation of the objective ratings of developers on the basis of developers motivation to illustrate their activity is necessary.

Such methods of work with private enterprises improve the quality of the information base of the business construction development seriously. And as a result it allows to form the requirements to amount of contributions to the compensation fund, etc more reasonably. Within other fields of
construction, for example, when construction company attracts investment from the securities market, etc., the proposed approach also allows to improve the system of assessments and quality of projected growth for situation.

3. Results
Currently, work on the active discussion of the work of the compensation funds is visible on the basis of monitoring the activities of various SRO. Organization of the joint round tables with all interested parties to coinside in opinions is proposed. Nevertheless, it is important that formula and methodology for calculation was prepared by the industry experts, who possess not only necessary knowledges, but also have constant backward communication with all market participants. Indeed, industry will be able to avoid reception of damage with clear and understandable mechanism and economic justification of formula and methodology of calculation. Ultimate goal should be to exclude the problem of defrauded co-investors from the Russian practice. Construction companies will be able to increase the volume of housing construction on the scheme of shared construction with the growth of public confidence [4]. Citizens will be confident that their house will be built in any case. At that, main result which must be received by society is the exclusion of overpayment of money for the guarantees they were provided with.

Feature of the modern measures for improvement of housing construction is a small number of measures on improvement of informative security of situation in the industry [5, 6]. Proposed approach is aimed on solution of this task, improvement of quality of forecasts of development of the situation and, as a result, increase of feasibility and performance of government regulatory actions.

4. Conclusions
Taken in the recent times measures have already brought noticeable results. According to statistics of the Ministry of Construction of the Russian Federation, the number of defrauded co-investors has significantly decreased in recent years. But unresolved issues with the compensation fund are still explicit constraint to the dynamics of housing commissioning. Proposed methods for improvement of the housing construction conditions on the basis of improvement of estimates and forecasts of development of the construction industry may not bring the expectation. Developers who are forced to resort to various optimizations are not interested in disclosure of many data. At the same time, we believe, if the question will be to increase contributions to the compensation fund, or increase the disclosure, than realization of methods proposed above can become effective.

Currently, shared construction is one of the main directions of housing construction. That is why talking on factors of the housing construction market development it is appropriate to consider various forecasts in this field. It is impossible to increase the guarantees of all participants of the shared construction without forecast of the situation, as the past experience shows that this field of activity is extremely risky. Important condition for qualitative development of housing construction is promotion of amount of information on the current activity of developers and forecast of the behavior of different participants.

References
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