



A HISTORICAL LOOK AT THE MODERN PRINCIPLES AND PRACTICE OF REAL ESTATE OF DEVELOPMENT

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ABSTRACT

The review of the article presents the chronological history of modern development. This serves as a background against which the development of models for estimating the real value of development can be traced.

KEY WORDS

Development, institutional, urban planning process, modern development.

Introduction

Currently, the majority of urban development around the world is privately owned, and this trend continues to increase. Leading architectural researcher Reinier de Graaf recently stated that the initiative to build cities is increasingly taking place in the private sector. In many countries and capitalist economies, private companies and organizations are given responsibility for providing social housing, public facilities such as schools and hospitals, and public services and infrastructure. However, their interference in the development of cities has caused criticism and controversy, and the developers have been blamed for the poor results. In light of this, if this practice of municipal outsourcing continues, it needs to be further explored and refined for the benefit of urban communities around the world.

In addition, while the development of private property leads to about \$80 billion worth of new real estate investment each year, it also has its fair share of devastating financial failures that have serious consequences for many. The private sector is also vulnerable to economic cycles, and its analytical and management processes leave much to be desired. If the private sector is to continue to play a key role in the economy, its practices and professionalism must be improved.

Where do we begin to improve a process that is deeply rooted in the socio-economic context of our cities? Other "institutionalized" processes, such as governance structures, legal frameworks, health and education systems, and commercial and financial practices, are constantly being analysed both internally by practitioners and users in order to find more effective approaches and improve productivity. In contrast to these processes, however, private development is not questioned about its

fundamental principles and does not seek to improve its practices. For this reason, it is not regarded as an institutional discipline and does not command respect in the scientific and professional community.

Assessment of the Urban Development Process

Even though the urban production process has been relatively unexplored, it has somehow become intertwined or integral with the significant physical, economic, and social outcomes described and analyzed by economists and urbanists. Judging by the impact of development activities, they have very specific objectives, levels of decision-making, and procedural and managerial procedures, but these are not yet intellectually related to existing urban theory. Even though this process is detailed in case studies or instructed in how-to books, and even offers self-vaunting success stories, it has not been rigorously critiqued and analyzed that it requires, given its widespread practice and far-reaching implications, each of the consequences for so many people.

A complex and widespread definition of this process has been given by Patsy Healy (1992, 36): the transformation of the physical form, the set of rights, the material and symbolic value of land and buildings from one state to another through the efforts of agents whose interests and goals are the acquisition and use of resources, rules of exploitation, and the application and development of ideas and values.

While such a definition is useful for guiding practice, unless there is an associated critique of how it is done and why it is done, or an ongoing evaluation of how it works with the intention of progressing towards improvement, real estate development cannot be carried out. an intellectually honed discipline, and it will remain a profession, although Goetzmann similarly described finance as a technology or "way of doing things" that is "neither inherently good nor bad"; if such a way is offered as "increasing efficiency," then the satisfaction of that goal can be judged whether it is done well or not. Thus, the private development model that is so widely used today can certainly be assessed as to whether it provides urban development with "increased efficiency" compared to previous or alternative methods. However, to limit the evaluation of the development process to the more effective creation of constructed forms would be to ignore the other effects that it has on society, all those physical, social and economic aspects that are studied and around which criticism arises. Therefore, it is necessary not only to know and understand the model by which private development is practiced, but also to relate these details to the consequences that are evident as a result. As noted earlier, these effects have been described in detail in other studies, but the dynamics by which they are produced by specific model features have not been studied. Without this, the practice cannot be reasonably modified to improve the outcome.

Crucially, as the negative effects of ill-conceived projects become more pronounced, and as the confrontation between communities in need of physical improvements and the private developers who provide them intensifies, and as educational initiatives emerge to better train practitioners, the task of deeply understanding and critiquing the very ontological structure of the real estate development process takes on new significance.

The Historical Foundations of Urban Innovation

For most innovations, the context in which they are implemented provides support, challenges, existing adaptation processes, and a forum in which to decide whether they succeed or fail. The

complex process of private real estate development required a complex and accidental confluence of many trends, new thinking, and dramatic social action for its birth. The details of these factors are organized around the main components of the process: land and its use, modes of trade within capitalist real estate asset creation, urban space needs in the face of the constraints of form, and the ownership and management structure of urban land and buildings.

Explaining the appropriate conditions in time and place for the first strategic development of private lands, this section provides a fascinating prologue to the most important events in early England. Quickly moving through the fifteen centuries from the founding of the city of London by the Romans, through the dramatic changes brought about by William the Conqueror and the formulation of English property rights, he describes the formation of a unique relationship to land, its distribution, its use, its value, the responsibilities of its owners, and the conflicts that arise over control of it. During England's emergence from the Middle Ages, as well as the political and economic changes during Tudor rule, the concept of land was further modified and now focused not on its simple physical form, but on its financial dimension. In addition, the country has experienced a sharp increase in national prosperity, especially in the port and commercial center of London. Associated with the success of trade and the formation of a capitalist economy were methods of measuring financial performance, and talented businessmen applied them to a wide range of commercial activities, including, respectively, land transactions.

The catalyst for the development of real estate in London in the 17th century was the growing demand of the population for housing. The chaotic methods of its provision have faced serious restrictions from the royal and municipal authorities. New philosophies and cultural progress were used to find solutions and improve urban outcomes, and the first English-born architect rethought the spatial and physical nature of urban forms. In the absence of state housing, capitalism guided the decisions of private enterprise in full force. Land ownership became a certain type of economic activity, and builders quickly began to erect buildings of varying quality. As capital markets catered to this new business activity, it was seen as the production of a expendable, decaying structure as opposed to land of constant value, and trade markets were created to accommodate both components.

The Birth of Modern Real Estate Development

A new model of urban development was born in the stage of capitalization was caused by these forces. Combining innovative approaches with suitable traditional methods, the brave participants implemented the first private urban development projects in the form in which they continue to be carried out today. They achieved a number of notable achievements that gave impetus to this activity and its recognition by influential personalities and commentators of the time.

One of the first entrepreneurs, John Russell, combined a commercial pedigree with the service of Henry VIII and was awarded, among other honors, the title of 1st Earl of Bedford and the well-located lands of Covent Garden. He settled his family on the estate, but it wasn't until the growing demand for housing was met by concessions for well-planned and thoughtful development projects under the Stuarts that the 4th Earl innovatively conceived a residential area with open areas. square and parish church. His son, the 5th Earl, continued to expand the project, adding commercial spaces, cafés, and theaters for the rest of the century. Also at Henry's court was Thomas Riotsley, an ambitious colleague of Thomas Cromwell, who took a new financial approach to the land, acquiring a vast estate north of the Earl of Bedford, called Bloomsbury. As 1st Earl of Southampton, he lived close to the estate,

though not on its grounds, and it was his great-grandson, the 4th Earl, who followed Bedford's lead and created a residential area in Bloomsbury Square. This estate was merged with the Bedford estate as a result of his daughter's marriage to the heir of that family, and today it continues to be owned and operated by this aristocratic line.

Although the landed aristocrats had the advantage in their private building activities, it was the commoner Nicholas Barbon who designed the structure of the real estate trade so that all its components at all stages could be defined from a financial point of view. A well-known economic commentator, he provided a compelling case for real estate pricing, although he covered it up with the notorious behavior of an investment patron and personified today's recognized speculative developer. While his ingenious deal structures expanded the sources of capital for private development, his calculations and designs rejected the contributions to society made by other practitioners.

As an innovative business model, these first attempts were risky, though generally profitable, while London's wealth and population grew. The private development model was adopted by other aristocratic landowners to create urban estates, but was also implemented by many builders and financially astute commoners in this and other growing urban areas of England. At the end of the century, the codification of this process is evident, and thanks to its solid incorporation of the economic, political, and social principles of the time, it became the key to the administration of many of the new colonies founded then and in the following century.

A New Look at Real Estate Development: Theory, Principles and Models

By studying the historical formulation of the model of private urban development, the knowledge gained is added to the understanding, discussion and study of the activities currently being carried out. In this way, its theoretical construction is reinterpreted and incorporates some of the fundamental principles and motives that initially stimulated innovation and created an urban environment that is fairer and more beneficial to all.

The details and dynamics revealed in the historical narrative are gathered into a detailed description of the activity and an identifiable business model is described.

Innovations related to a new approach to land control and use, larger-scale production of building forms, the creation of investment assets, and complex relationships with the public sphere are presented. The model of private urban development, as it has been identified historically, is then criticized in terms of its objectives, analytics, processes, and efficiency. Based on new scientific research, the evaluation system includes economic, physical and social aspects.

The study focuses on the very processes by which a constructed form is created for the use of citizens, converted into financial assets with far-reaching appeal, and has a variety of impacts, positive and negative, on the surrounding community and the public at large. In doing so, the assessment is made both in terms of how it happened at the time, as far as historical data can show, and in terms of how such heritage is currently operating.

In conclusion, the focus is on the effectiveness of the private real estate development process, identified and better understood by studying its earliest formation. The disclosure of fundamental principles, objectives, and procedural issues is intended to advance the theoretical framework of the real estate development process. In this way, the globally diffused model of urban development can be subjected to a more rigorous assessment and critical examination, with certain analytical and

managerial functions being modified and improved, and its integration into a mutually beneficial symbiosis with urban communities being formulated and promoted. In addition, such an intellectual foundation of real estate development practice supports the academic progress of the industry.

A historical period of time in the face of an ancient British town. A historical time interval is chosen for a purpose. The common notion of giving someone free space in exchange for some benefit is undoubtedly deeply rooted in people's social activities. However, the transaction itself has always been informal, both legally and temporally: the availability of space, the control over its use, and its barter value differed significantly for primitive man in a cave. early agrarian settlements, serfs of feudal times, or even many citizens of classical civilizations.

The formal concept of real estate as a stable, owned and marketable asset has not yet been formed. Moreover, claims to land have been inextricably intertwined with the power structures of many civilizations. It is clear that since land has been the primary resource for meeting basic food and shelter needs, it has been considered a highly desirable asset around the world for centuries. However, while highly desirable as such, it has invariably been firmly held in the hands of a relatively small number of people around the world and for centuries. That is, until the very structure of obtaining the necessary resources of existence has changed dramatically. If we focus here on the European circumstances, the feudal system that had dominated economic and social conditions for centuries gradually disintegrated as it was challenged by the emergence and persistence of trade, mercantilism, and then industrialization. European countries had a population of workers who were not necessarily associated with the cultivation of the land, and they were usually located in urban areas, where trade activities were concentrated and production systems were established. In addition, successful merchants and industrialists often sought to be present in cities for business efficiency, political proximity, or social advantages. By the 16th century, England had experienced the emergence of numerous centers of agrarian trade, in addition to the use of the superbly constructed fortifications and major buildings of the City of London as a key port for some exotic imports, the arrival of European migrants, and the location of some small crafts and trade.

Royal residences in the city of Westminster also sprang up nearby, housing providers of services to the crown, various ministers and councillors, as well as hangers-on to society.

The evolution of these two cities, or rather the several miles of land between them, was observed in detail during the 17th century by numerous typography historians such as Stopes, Strype, and Summerson. Vanessa Harding, a well-known historian of the era, notes that London was undergoing "rapid and even revolutionary changes, especially with regard to its social development." The political, philosophical, economic, and social changes that accompanied this growth contributed to the emergence of modern London, modern business, modern science, modern politics, modern literature, and modern English man. Indeed, as usual in such dramatic times, the stories of the people who organized, manipulated, benefited from, or disrupted such changes made for fascinating and enlightening reading:

The 17th century in London was a period full of significance and growth. Few events of the past are so interesting, and none of them can show such fateful events as the Civil War, the last of the great epidemics, the [Great] Fire, and the exile of [King] James II... Century found London to be a wooden city. and left it a city of bricks – "from sticks to bricks," as King James I wittily put it.

It was during this time that the population almost doubled, and London went beyond its Roman walls and moved confidently westward, towards Westminster. The resulting need for housing, the potential of well-located land, new economic adventurism, social activism, the vacuum of municipal government, and many other features of this century gave rise to a new method of modifying the London printing press and the people who did it. It is an incipient process of private development as an organized economic activity.

Although this model did reach its essential formulation in about fifty years, from the 1630s to the 1680s, its emergence was not revolutionary, but rather gradual, similar to the gradualist interpretations of the Industrial Revolution by scholars in recent years. At the dawn of the 17th century, the first outbursts of activity began, and at the end it was firmly established in the modern capitalist city of London.

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