

**GET YOUR REAL ESTATE ACTIVITY IN ORDER IMPROVEMENT
BASED ON FOREIGN EXPERIENCE**

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ABSTRACT

This article analyzes foreign experience in regulating real estate activities. Three types of models are proposed to identify the strengths and weaknesses of real estate regulation in a number of countries: hard, medium and soft. According to the author's conclusion, based on the analysis data obtained from a number of countries, the most effective model of regulation of real estate activity is considered to be a strict model, which ensures a high level of the quality of services provided due to high requirements and regulation by the state and the professional community.

KEYWORDS

Real estate, real estate market, real estate disposal, residential and non-residential premises, real estate activity, realtor, real estate regulatory model, real estate, agent.

Introduction

In our country as a result of the ongoing market reforms, expropriation and privatization of state property, a class of private owners, including real estate owners, appeared in the country. Today, they can not only use and own this real estate, but also dispose of it. The development of commodity-monetary relations and the formation of a multi-system economy in the country, in turn, led to the emergence of essentially new markets, such as the commodity exchange, money and credit market, securities, and the market of various services. The real estate market occupies a special place among these types of markets, which means that it is the central link of the entire system of market relations. in Uzbekistan Although the Law "On Real Estate Activities" was adopted on December 22, 2010, and the National Standard of Real Estate Services (No. 1 RXMS) "General requirements for internal rules of real estate services quality control" was adopted on July 12, 2011 Due to the fact that the real estate and real estate business of Uzbekistan is very "young" compared to the real estate business not only of the West, but also of developing countries, special attention should be paid to the study of effective mechanisms for regulating foreign real estate activities and the possibilities of their practical application in Uzbekistan. The potential of improving the quality of self-regulation in Uzbekistan has not been completed, which will allow the introduction of mechanisms that will raise the quality of real estate services to the level of the best analogues in the world in the near future.

A realtor is a person who provides mediation services in the real estate market.«The term realtor appeared in the United States in 1916 and was registered as a special mark of the association of realtors. Currently, foreign realtors are mainly engaged in real estate brokerage» [1]. Real estate

activity - in the real estate market, which is carried out by independent persons who organize contracts (sale, purchase, exchange, rental, mortgage, leasing) with real estate and the rights to it (buildings and structures, residential and non-residential premises, land plots). business activity. The purpose of such activity is definitely to make a profit.

Real estate activities, as well as «may include brokerage and agency activities, property management, attracting private investment in the creation and development of real estate, transfer of residential buildings to non-residential areas, reconstruction and reconstruction of buildings" [1].

Literature review on the topic

Among the economists of the CIS countries, who carried out their scientific research and research on the subject, V.A. Shanyukevich et al. «Basic real estate information» [2] studied the theoretical and practical aspects of real estate activity, while G.V. Fedotov and B.A. Volkov «Economics is immovable» [3] in the educational manuals and M.A. Kotlyarov, Dj. Drain, A.B. Bril et al. «Development real estate» [4] conducted research in the field of real estate, real estate and developer activities in their monographs. Among the economists of our country, Sh. Shoha'zami, who developed regulatory models of real estate activity and development concepts on the regulation of real estate activity «Real estate activity» in his selected reports [5], we can cite A. Asaul, V. Yodgorov and others who were engaged in real estate management research.

Research Methodology

In the process of research real estate activity and its regulation The works of foreign and domestic economists were researched and analyzed regarding the features of foreign practice, their place in the real estate market. The article effectively used methods such as theoretical observation, systematic approach, observation, generalization, analysis, and synthesis, as well as real estate activity and its regulation conclusions and proposals were formed regarding the problems and their solutions.

Results and discussion

The United States is one of the oldest real estate markets in the world. «Realtor» the term itself appeared in the USA in 1916 and became the official trademark of the National Association of Realtors (NAR). «Only NARA person who has permission to use the trademark and is a member of the country's National Association of Realtors can be called a realtor, otherwise the profession is called a real estate agent. «Realtor» and «real estate agent» the terms mean performing the same functions, but the status of the realtor is higher, as additional requirements are imposed on him, which increases the quality of service and the level of customer confidence» [1].

The real estate market and real estate services are of great importance for the national economy of the United States, and the development for many related industries, as well as one of the main national ideas - "Every American has a home!" is the driver of the idea. «The reputation of the profession and NAR influence is so great that even the US President attends the association's annual conference in Washington" [1].

In the United States, the legal regulation of the relationship between a realtor and a client is strictly regulated and defined in special regulations (Agency Law). «In addition to legal regulations, compliance with the Code of Ethics is also mandatory. For the Western world, the code of ethics is

not only a set of recommended rules, but also strictly regulated guidelines for the conduct of real estate activities, which are as mandatory as compliance with the laws of the country. NARthe code of ethics is based on principles organized in the form of an abbreviation (OLD CAR – old car), each letter represents one of 6 basic principles» [6] (Figure 1).

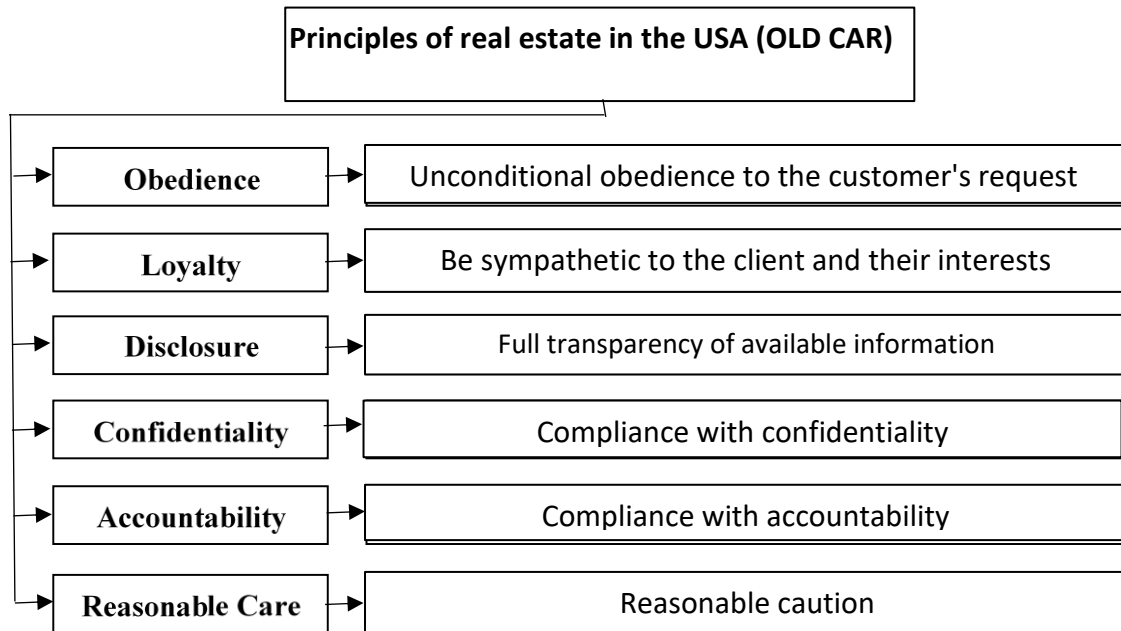


Figure 1. Principles of real estate in the USA (OLD CAR)*

Source: compiled by the author based on information from the official website of the National Association of Realtors USA [National Association of Realtors USA (NAR), www].

A candidate who wants to become a realtor must study the code of ethics and pass a series of tests before complying with it and confirm that he meets the high standards of the realtor profession. High requirements are placed on the candidate's moral qualities, first of all, the absence of a criminal past, for which the US Department of Real Estate thoroughly studies the application and checks its accuracy through government databases.

«At the next stage, the candidate undergoes 45 to 180 hours of special study (depending on the state), and then passes an exam on knowledge of the basics of legal and professional activities in school.» [7]. Then the candidate must pass a more complex test - an exam at the state real estate department; if lucky, the candidate will get a license. Most states require continuing education every two years. It is also important that the license issued is valid only in the territory of the state from which it was obtained.

After that,«a realtor must join a self-regulating organization, have professional insurance, and work for a real estate company for 2-3 years. Only then can he start his own business. A major competitive advantage of joining NAR is access to a single real estate database (MLS), although only realtors who are members of the association have access to it.»[7].

Real estate in the US is a prestigious and highly paid profession, the success of which is based on a high level of competence, a long-term reputation as a professional and strict adherence to laws and a code of ethics. The main task of a realtor is mediation, which consists of searching, selecting a

property, conducting negotiations, collecting documents and closing the deal. The "purity" of the transaction is checked by the real estate firm or the lawyers of each party, the notary checks the completeness and confirms the signatures.

in France«real estate activities are divided into three areas: buying and selling, renting and property management. There is a separate license for each route. Mandatory requirements for the candidate: no criminal record, a state diploma with at least three years of study in "Law", economics, real estate, a license issued by the local prefecture (carte professionnelle - professional card), as well as mandatory professional insurance» [8]. In France, the role of a realtor is to mediate. The guarantor of the "purity" of the transaction is a notary who has full access to information on all possible real estate situations.

«In Germany, the trademark "realtor" is not used, which forces to maintain a high standard of service quality, instead the term "real estate agent" (Immobilienmakler) is used. The main requirements for a real estate agent in Germany are a criminal record and a license from the Chamber of Commerce.»[9, Immobilienverband Deutschland (IVD), www].

Requirements for educational level, compulsory professional liability insurance and membership of the national real estate association (Immobilienverband Deutschland, IVD) do not exist and are voluntary, which leads to a decrease in the quality of services and the reputation of the profession.

Professional agents voluntarily undergo specialized training and join a national real estate association, which is an important competitive advantage in front of clients. The legality of the transaction is confirmed by a notary, who guarantees the "purity" of the transaction.

«Real estate prices in Great Britain are among the highest in the world, which makes the activity of the agency very popular. This activity was carried out in 1979, 2007, 2012, etc. regulated by the legal documents in the field of real estate and self-regulating by the Independent Network of Estate Agents (INEA) and the National Association of Estate Agents (NAEA)» [10, The Independent Network of Estate Agents (INEA). controlled by organizations such as www]. It should be noted that realtors are not required to have education, license, criminal record, or membership in self-regulatory organizations, so the quality of services and consumer confidence in them varies from agency to agency and real estate agent.

In Spain, there are no special requirements for real estate agents, they prepare the documents, including checking their "cleanliness", after which the documents are handed over to the notary, who takes great responsibility, and if there is even the slightest doubt about the documents, he refuses to carry out the transaction.«Realtor professional insurance in Spain is not mandatory and is carried out on a voluntary basis. The exception is Catalonia, where real estate agents are required to undergo training and be registered in a specialized register.» [11, La Asociación Profesional de Administradores y Agentes Inmobiliarios (APAGI), www].

There is no special state regulation of real estate activity in Russia. There«In 2002, compulsory licensing was abolished, and bills regulating this activity were rejected several times. In 1992, the Russian Guild of Realtors (RGR), a national association of professional participants of the real estate market, performing self-regulatory functions, was established. Today, its influence on the market is not so great, because membership in RGR is voluntary. According to the National Agency for Financial Research - NAFI, this is not an indicator of the quality of services provided.» [1].

In Uzbekistan, real estate activities are carried out by the stateLaw "On Real Estate Activities" adopted on December 22, 2010regulated based on Currently, its new project is being developed.

Compulsory licensing was abolished in 2020. In 2012, a national association of professional participants of the real estate market performing self-regulatory functions - Association of Real Estate Organizations of Uzbekistan (RTU) was established. Since RTU membership is voluntary, its impact on the real estate market is currently limited.

The Benelux countries - the Netherlands, Belgium and Luxembourg - have one of the strictest models of agency regulation. This is it«the model combines a high share of state and professional-public regulation, as not only mandatory licensing but also mandatory membership of a self-regulatory organization (Institut Professionnel des Agents Immobiliers – IPI) is regulated. In this case, each agent is given a personal identification code, which is recorded in all documents, including the contract with the client. Joining the National Association of Realtors involves three years of study, passing exams and obtaining an agency certification, followed by an internship with an experienced broker.» [12, Institut Professionnel des Agents Immobiliers (IPI), www].

Having studied the features of regulation of real estate (agency) activities in different countries, we present their main distinguishing features (Table 1).

Table 1 Comparison of models of real estate regulation in different countries*

	USA	France	Germany	Great Britain	Russia	Uzbekistan	Spain	Benelux countries
1. Model of regulation of RF	Solid model	Solid model	Medium model	Medium model	Soft model	Soft model	Soft model	Solid model
2. National association	NAR	FNAIM	IVD	INEA	RGR	RTU	SISTER	IPI
3. Licensing	+	+	+	-	-	-	-	+
4. Insurance	+	+	-	+	-	+	-	+
5. No conviction	+	+	+	-	-	-	-	+
6. Regulation based on legislation	high	high	medium	medium	low	medium	low	high
7. Professional reputation	high	medium	medium	medium	low	medium	low	high

Source: compiled by the author.

Based on the above, it can be noted that real estate (agency) activities are regulated differently in different countries, so three types of models can be distinguished depending on the level of regulation of this activity: hard, medium and soft model (Figure 3).

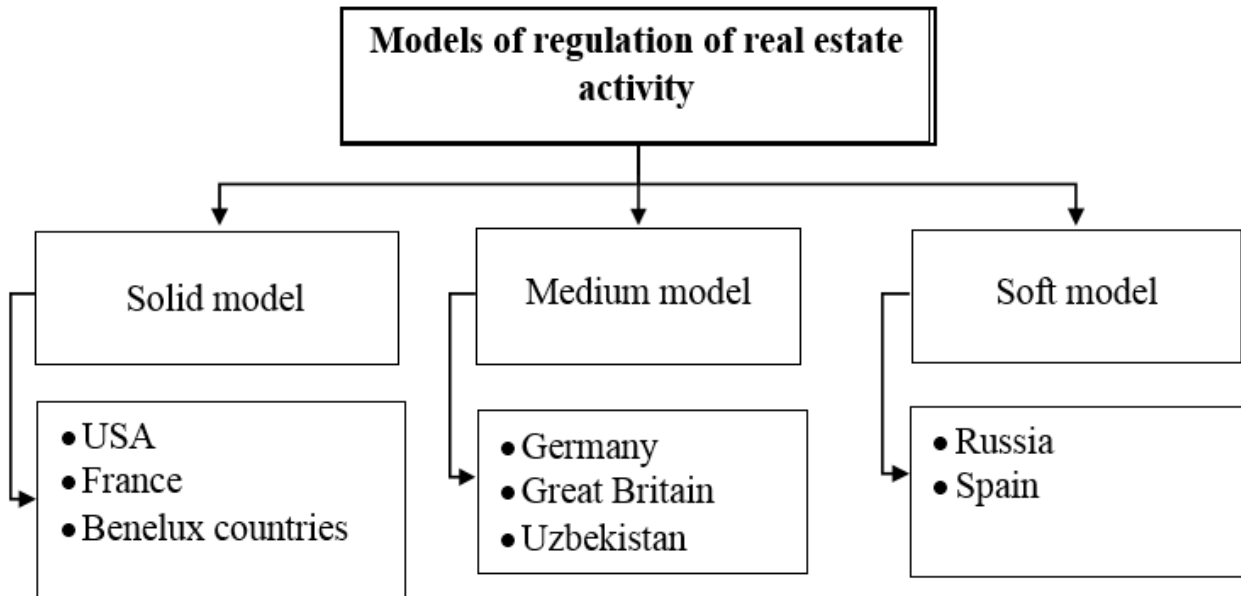


Figure 3. Real estate regulation models*

Source: compiled by the author.

Models of regulation of real estate (agency) activity:

- strict model of regulation of real estate activities - high level of regulation by the state and professional community, high requirements for real estate agents, high quality services with minimal risk for the client;
- the average model of regulation of real estate activity - partial regulation by the state and professional community, minimum requirements for real estate agents, quality of differentiated services with minimal risks for the client;
- soft model of regulation of real estate activity - low level of regulation by the state and professional community, lack of important requirements for real estate agents, quality of services differentiated by the average level of risk for the client.

In conclusion, based on empirical data from different countries, in our opinion, the most effective model is the strict model of real estate regulation, which ensures a high level of stability in terms of the quality of services provided due to high requirements and regulation by the state and the professional community.

Professional associations of realtors in Europe and the United States are striving to increase the influence of self-regulation of real estate activity in order to improve the quality of professional activity. Figure 3 shows the levels of global self-regulation of the real estate industry.

Self-regulation of real estate activity consists of five levels.«At the global level - International Real Estate Federation (FIABCI), this federation summarizes the world's best experience, organizes international conferences to share experience and develops methodological materials. Since 1951, this federation has been a unifying link for real estate market professionals from around the world without administrative control. The International Real Estate Federation includes 70 countries, 90 national associations, more than 40 real estate professionals and more than 1 million association members.» [13, International Real Estate Federation (FIAVSI), www].

«European Association of Real Estate Professions (CEPI) is an international non-profit organization established in 1990 in Brussels. It unites the national associations of EU professionals from 19 countries and thus the customers' own brand»[14, European Association of Real Estate Professions (SEPI), www]. The purpose of the association is to develop the market of real estate services by expanding internal and external relations, organizing research projects, and training future real estate professionals.

The international level (National Association of Realtors - NAR) is available for countries where national associations use the "realtor" trademark, which forces these associations to gradually implement a policy of transition to high quality standards of real estate services.

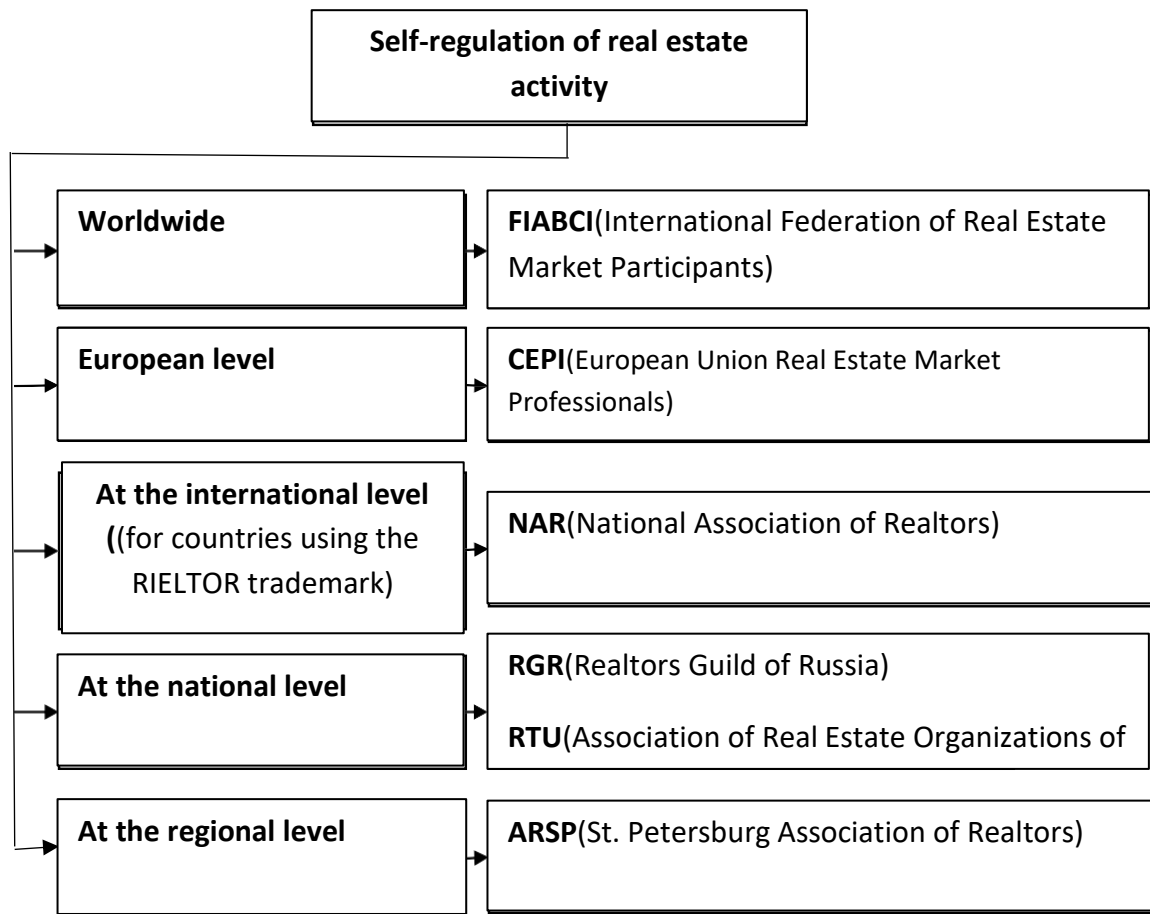


Figure 4 - Realtor Self-Regulation*

Source: compiled by the author.

At the national level, each country has its own association of real estate professionals. As we mentioned above, such an association in Uzbekistan is the Association of Realtor Organizations of Uzbekistan, which was established in 2012 and unites 41 realtor organizations from different regions of our republic (2020 data). The main tasks of the association are: presentation of the "realtor" trademark, creation of standards of professional activity and code of ethics for realtors, interaction with state bodies, participation in the formation of the regulatory legal framework, personnel training, etc.

Conclusion

Thus, summarizing world experience, we can distinguish three models of regulation of real estate activity: hard, medium and soft. Due to the fact that the real estate and real estate business of Uzbekistan is very "young" compared to the real estate business not only of the West, but also of developing countries, special attention should be paid to the study of effective mechanisms for regulating real estate activities abroad and the possibilities of their practical application in Uzbekistan. It should be noted that the potential for improving the quality of self-regulation in Uzbekistan does not end, and this will allow the introduction of mechanisms that will raise the quality of real estate services to the level of the best world analogues in the near future. It is also desirable to adopt and implement the new version of the Law of the Republic of Uzbekistan "On Real Estate Activities" developed in 2023.

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