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# ФІНАНСОВІ ІНСТРУМЕНТИ СТАЛОГО РОЗВИТКУ ЕКОНОМІКИ

*V Міжнародна науково-практична конференція  
27 квітня 2023 року*



Чернівці  
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2023**

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Відповідальність за достовірність та точність поданих матеріалів  
несуть автори.

Ф 59      **Фінансові** інструменти сталого розвитку економіки : матер. 5-ої міжнар. наук.-практ. конференції (Чернівці, 27 квітня 2023 р.). – Чернівці : Чернівець. нац. ун-т ім. Ю. Федьковича, 2023. – 496 с.  
ISBN 978-966-423-787-8

До збірника включено тези виступів науковців, представників органів місцевого самоврядування, студентів, присвячені розв'язанню проблем досягнення стабільного розвитку економіки завдяки використанню фінансових інструментів.

УДК 336.02:330.34(082)

ISBN 978-966-423-787-8

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## **FINANCING AFFORDABLE HOUSING IN THE CONTEXT OF THE DEVELOPMENT OF STABLE INTERNATIONAL SOCIAL PARTNERSHIP**

The IMF Managing Director admits that in 2022 a series of upheavals, including a senseless war, will completely change the picture of the economy and lead to a new stage in migration processes [1]. The problem of gradual attraction of funds from international donors for the implementation of integration projects of affordable housing for internally displaced persons is becoming more relevant, since without their participation such large-scale projects simply will not be implemented. In this context, it is worth noting that in many sectors of the economy in the world there is an increase in the priorities and level of social responsibility, management of corporate social programs of economic agents, society and the state for the development of social partnership. The main motives that activate the social responsibility of companies and top managers include both improving the image and winning a tender or competition, entering new markets [2, pp. 101-105].

IFC Regional Director for Europe Alfonso Garcia Mora recognizes that the war leads to significant economic losses in Europe, so the key task for IFC will be to increase efforts to engage with all stakeholders, including the private sector, government and partners [3]. This approach helps to develop the private sector in developing countries and implement investment-attractive projects that have both sufficient financial support and business prospects to attract foreign investors. In the conditions of the deterioration of the economic situation, scientists Andersen Steffen,

Cristian Badarinza, Lu Liu, Julie Marx, Tarun Ramadorai (2022) emphasize changes in the adoption of financial decisions by households about the purchase of housing [4, pp. 3398-3440]. Gita Bhatt (2023) recognizes that a rapidly changing economic backdrop leaves less maneuvering room for policy, while structural forces – geopolitical fragmentation, climate change, an aging workforce, and the advent of digital money – have greatly complicated the underlying policy challenge [5, p. 2].

Ukraine has a clearly expressed mixed mechanism of financial support for the development of the affordable housing market. In terms of the choice of financial methods, special attention should be paid to the form of expression of financial relations, which determines the specific ways of formation and use of lending, budget financing and self-financing. Therefore, there are market, state and mixed mechanisms of financing the development of the affordable housing market.

Under the first type of mechanism, the basis for financing housing construction is the funds of economic agents and the population attracted for investment purposes. This form of financial support prevails in highly developed countries due to the formed middle class, stable banking system, developed housing mortgage lending markets and mortgage-backed securities. At the same time, we emphasize that despite the market mechanism for solving the housing problem, it is also subject to economic and administrative regulation and supervision.

The state mechanism for financing the development of the residential real estate market involves the attraction of budgetary and extra-budgetary resources to solve the housing problem in society. At the same time, given their limited nature, it cannot be dominant in any economic system. That is why most models of financing of housing systems are determined by a combination of market and state type of financial support and are of mixed type. It has quite practical application, does not exclude public or private participation in the development of the residential real estate market.

The mixed mechanism of financial support for the development of the residential real estate market is most clearly manifested in conditions of financial stability, when the implementation of aggressive deposit policy by banks led to an excess of liquidity in the banking system, so banks were interested in the

implementation of long-term mortgage housing programs. Instead, in the context of financial instability, many banks suspended their residential mortgage lending programs, which partially contributed to the monopolization of the mortgage market.

Since Ukraine has formed a mixed mechanism for financing the affordable housing market, one of the forms of such cooperation and as an alternative to financing the construction of residential real estate is the creation of investment and construction consortia [6, pp. 116-120]. Their activities in the markets of affordable housing and mortgage lending contribute to solving not only the issue of housing provision of the country's population, but also to expanding the capacity of the financial market, diversifying its institutional structure and financial instruments. From the point of view of the formation of the affordable housing market, it creates mechanisms for reducing the cost of borrowed resources, forms and balances the interests of mortgage market participants, ensures the achievement of socio-economic effect in the process of consumption by market participants of the relevant mortgage housing product.

Thus, in order to quickly provide affordable housing, it is necessary to develop a national algorithm for value creation: a favorable regulatory environment; functional supply chains; affordable investment and financial instruments for developers, construction companies, as well as end users who will rent or buy housing.

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