

## **HOUSING MAINTENANCE AND COMMUNAL SERVICES: THE NEW AREA OF MARKETING IN UKRAINE**

*Key words: housing maintenance, communal services, condominium, maintenance tariffs, structure of housing, private management companies, municipal management companies*

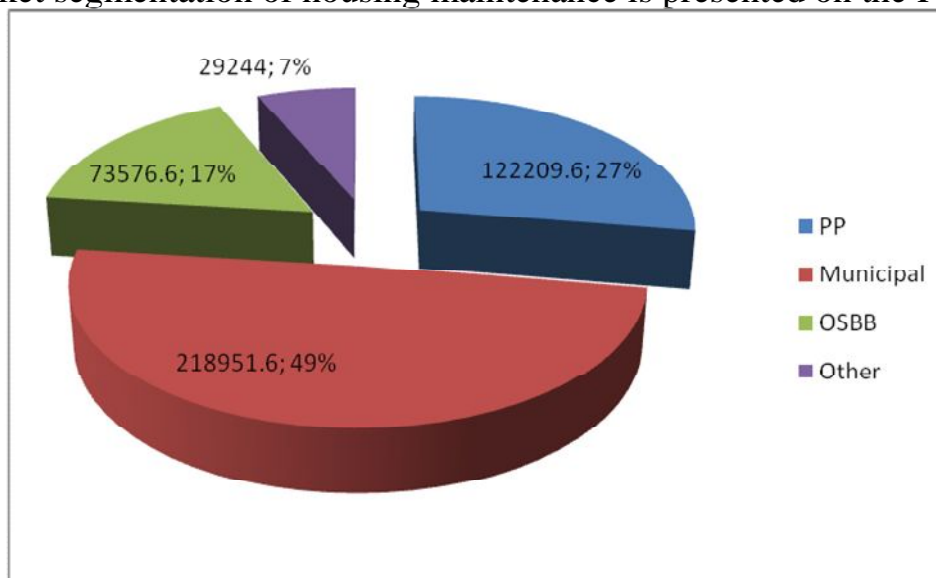
Housing maintenance and communal services in Ukraine - one of the most important industries. It combines a range of services we need. This is the sector of the economics which deals with the quality of life, satisfaction of human needs.

At this time the major threats to economics are: baseless tariffs for housing and communal services; extremely slow development of competitive market relations in this industry; delay in the implementation of effective economic incentives; lack of investment needed for the modernization and development of the industry.

There are three basic methods of housing management exist in Ukraine:

- 1) Condominium, when the co-owners manage themselves by electing own Management and Chairman.
- 2) Management of an individual manager or a private management companies.
- 3) Administration by municipal management companies.

The market segmentation of housing maintenance is presented on the Fig. 1.



**PP** – privat management companies 122209.6 m<sup>2</sup> (27%)  
**Municipal** - municipal management companies 218 951,6 m<sup>2</sup> (49%)  
**OSBB** –73576.6 m<sup>2</sup> (17%)  
**Other** – 29244 m<sup>2</sup> (7%)

Fig. 1 Segmentation of housing maintenance market in Ukraine

There are 595 private management companies registered in Ukraine that serve 122209.6 m<sup>2</sup> (27%), 14328 OSBB (Ob'ednannya spsvvlasniksv bagatokvartirnogo budinku) that serve 73576/6 m<sup>2</sup> (17%). The monopoly of municipal management companies is kept. Owners of apartment buildings can not the choice of services executor due the lack of proposals in this market.

Management company established for the management, operation, sanitary and technical maintenance of apartment buildings under contract with the condominium.

After the adoption of the Law of Ukraine of 14.05.2015 number 417-VIII "On peculiarities of ownership in an apartment house" ("Pro osoblivost zd ysnennya prava vlasnost u bagatokvartirnomu budinku") much changed the rules of law "On Condominiums" "Pro ob'ednannya spsvvlasniksv bagatokvartirnogo budinku". By decision of the owners of condominium all or part of the management functions can be delegated to the manager. The law sets that if within one year from the date of enactment of this Act condominiums, which are not created its own form of governance will be administered by local council (municipal) appointed manager.

During 2015-2016 a number of registered condominiums (OSBB) greatly increased and reached over 15 thousand.

Condominiums (OSBB) are simultaneously consolidated consumer (the representative of all co-owner) and consolidated performer (the representative of all contractors that provide maintenance and service). This greatly simplifies the end-user relationships with other market players.

Although the competitive environment in this market segment formed very slowly, and his condition is quite far from the market-oriented, we can talk about the formation of new area of marketing activity - marketing in housing maintenance.

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**Kirlash M., Yelizarov I., Kaplun D.  
Mel'nikova I., research supervisor  
Kryvyi Rih National University**

## **INTERACTIVE MARKETING**

*Key words: marketing, marketing communications, advertising, interactive market*