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## TRENDS IN THE EXIT OF UKRAINIAN REAL ESTATE AGENCIES TO FOREIGN MARKETS

**Introduction.** The global real estate market is an important component of the global economic system. The properties of real estate as an object of market relations is caused by the specific features of the real estate market that operates simultaneously in two fields – commercial and financial. The integration of the Ukrainian real estate market into the global market space calls for the adaptation of the organizational and legal framework of the activities of all its players.

**Review of recent publications.** Both Ukrainian and foreign scientists paid attention to the study of current real estate market. Among them are V. Bereshchak, O. Bulyuk, K. Chau, S. Craft, N. Davydenko, S. Hassan, K. Kortam, M. Krajewska, R. Lloyd, O. Nosachenko, T. Ostashko, K. Pavlov, E. Siemińska, O. Strishenets, O. Voronchenko and others. However, some issues regarding integration of the Ukrainian real estate market in the global one remain debatable and need further research.

**Result of the research.** The imperfection of norms and rules in the field of real estate activity, the absence of clear organizational requirements and regulation of the relationship between real estate agencies and domestic and foreign consumers of real estate services led to the extreme shadowing of the real estate sector. Due to the absence of a licensing procedure in estate transactions, the services provided in this field are low quality and do not meet the world standards. Moreover, there are numerous abuses at the stages of construction and implementation of objects. [1]

Thus, we can claim that opacity is the major current concern of the domestic real estate market, which hinders the movement of domestic companies in two directions (Fig. 1) of reaching the European and global level.

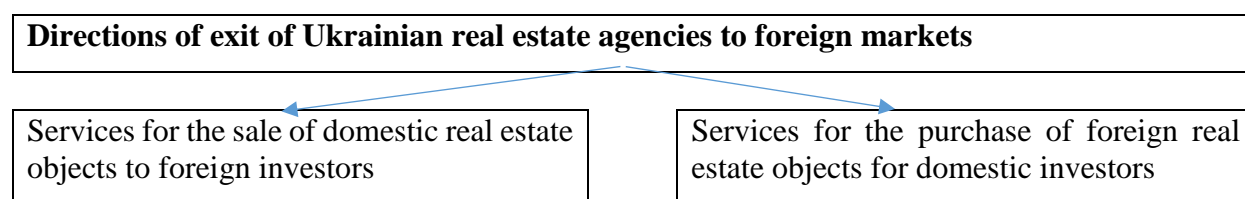


Fig. 1. Directions of exit of Ukrainian real estate agencies to foreign markets  
*[created by the author]*

Unregulated market relations in real estate, first of all, negatively affects buyers of unfinished housing, who finance construction at the first stages of the production cycle, because unscrupulous developers withdraw money from the construction process through the formation of financial pyramids, thus, leaving unfinished construction. Next, the state joins the chain of victims, since it has to solve problems that arise due to unscrupulous developers, and spend budget funds to complete facilities. An example of such a situation can be seen in Kyiv, when the Kyiv City Council made a decision to exempt the properties of the bankrupt Ukrbud from equity participation. This allowed the holding company Kyivmiskbud, which is 80% owned by the city, to resume construction work on 23 unfinished objects of the previous developer [2].

Such financial frauds in the construction sector are becoming one of the most important reasons why foreign investors do not seek to enter the real estate market of Ukraine with their capital. Despite the fact that real estate investment is one of the most reliable sources of passive income in the world, real estate prices have a constant upward trend. Therefore, real estate investment is considered a very profitable and fairly safe investment of money. Every eighth foreign currency unit of the capital invested in the Ukrainian economy is invested in real estate. Moreover, considering that a third of foreign investments come from offshore Cyprus, it is unlikely that these investments can really be considered purely foreign.

The reason for foreign investors' mistrust of Ukrainian market players is the fact that there is no real estate licensing in the country, and therefore, compliance with the quality standards of their activities is not formally monitored.

**Conclusion.** Most foreign clients do not want to work with agencies without licenses that would confirm professionalism, experience and reliability. After all, in many countries, unlicensed real estate activity is either prohibited by law, or the license is a guarantee of the quality of the realtor's services, or licensed specialists must work in the agency.

### References:

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2. Kyivmskbud undertook to complete the unfinished facilities of Ukrbud. NV Business. Retrieved from <https://nv.ua/ukr/biz/consmarket/ukrbud-kijivmiskbud-dobuduye-ob-yekti-ukrbudu-novini-ukrajini-50059039.html>.