

# Problems of Management of Multiple Apartment Houses By Direct Owners

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**Abstract:** This article presents the state of the system of direct management of apartment houses in Uzbekistan, legal framework, contractual relations, application of the method of direct management by landowners, implementation mechanism, advantages and disadvantages of this method, existing problems and their solutions. given.

**Keywords:** The method of management by direct landowners, contractual relations, the mechanism of implementation of the method of management by direct landowners, the advantages and disadvantages of the method of management by direct landowners.

Direct management requires that every homeowner enter into contracts with contractors who maintain and repair the home, as well as with resource providers. The choice of the method of (direct) management of multi-apartment houses by the landowners means that the property owners are ready to carry out the work of managing the common property in the house independently, without involving management organizations and creating a homeowners' association.

The method of direct management by landowners means that landowners carry out management activities independently to organize the effective use of their property without the involvement of any intermediaries. In choosing such a method of management, on the basis of the decisions of the general meeting, the owners of the buildings enter into agreements with the persons carrying out the relevant activities to ensure the maintenance and repair of the common property.

Thus, in such a management system, landowners act as a party to the contracts entered into when concluding contracts (Figure 1).

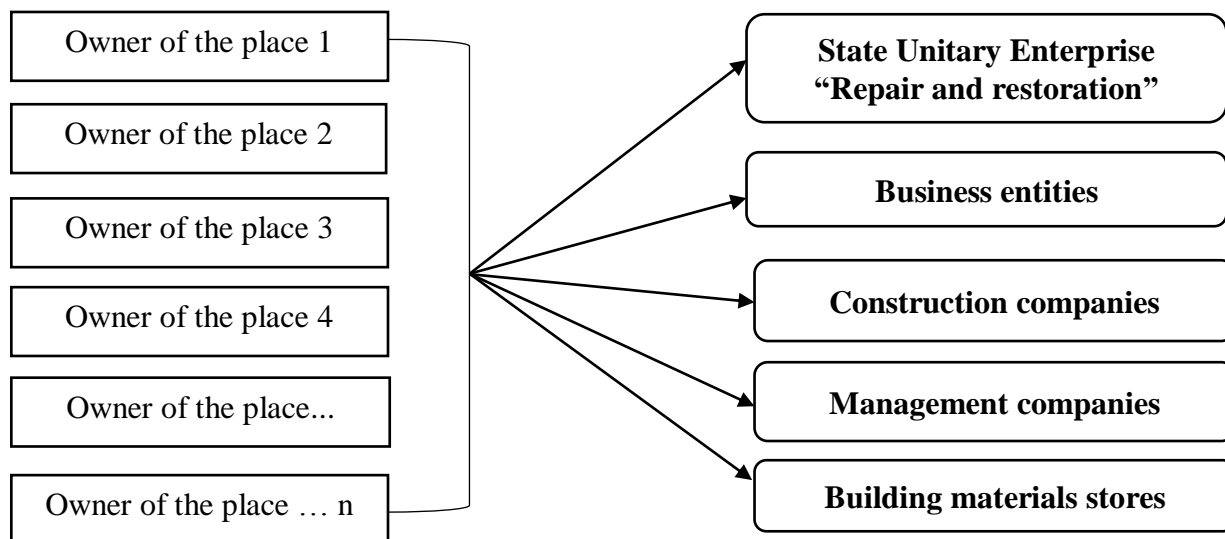


Figure 1. Procedure for concluding contracts by landowners

However, some contracts are made on behalf of each owner who directly manages the apartment building. Such contracts include: cold and hot water supply, gas supply, heating and heating supply, sewerage and wastewater disposal, electricity supply and solid household waste disposal (Figure 2).

This method is very suitable for houses with a very small population and people living in this house with the same social and material status. However, there is also the disadvantage of this method, there will be no single organization responsible for the quality of utilities to the landlord.

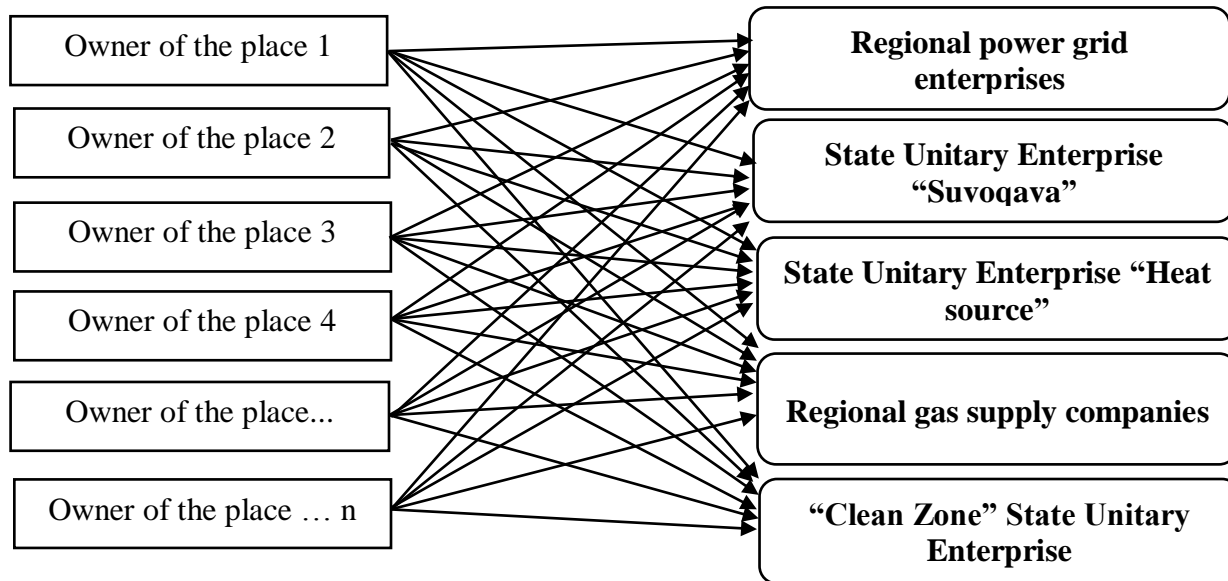


Figure 2. Some contracts concluded by landowners

In our study, the application of the direct management method of management of apartment houses in Uzbekistan and the analysis of their general situation was carried out (Table 3).

The need to create real competition in the utilities sector and to motivate owners to cover various losses at their own expense remains relevant, so it is important for owners to determine which management method is right for them and who is more profitable and efficient to contract for utilities.

Table 3

**Problems of application of management method by direct landowners**

№	Criteria	Implementation mechanism	Advantage	Disadvantage	Solution
1.	Management method	Directly managed by the owners or trustee of the premises	Selection of landowners by agreement	High risk	This method should only be applied to a single apartment building
2.	Managerial status	The individual is the chairman	Independent	It has no legal status	An individual is a person who determines the powers of the chairman
3.	Form of ownership and licensing of activities	-	Cost reduction	Failure to appoint a specific financially responsible person	-
4.	Procedure for organization	By election at the general meeting of owners	Cost reduction	Only the location depends on the voice of the owners	Determining the procedure for holding a general meeting of landowners in the relevant articles of the law
5.	Contracts with Third Parties (Suppliers and Contractors)	Contracts With the consent of each homeowner, all homeowners participate as a party to the contract	The fact that the contracting relationship is not complicated	The absence of a clear responsible person	Development of standard forms of contracts with third parties
6.	Protecting	The owners of the	-	Lack of legal	Defining the rights of landowners in

	the rights and legitimate interests of homeowners	premises protect their rights and interests personally or through representatives		protection	the relevant articles of the law
7.	Home management costs	General management right	Cost reduction	Lack of optimal cost management	Develop procedures for using consulting and outsourcing services in some cases
8.	Establishment of administrative staff	-	Cost reduction	Absence of governing states	At the general meeting, the individual is the one who makes decisions on determining the responsibility of the chairman
9.	Workforce and staff composition	-	Cost reduction	Lack of union of workers and employees	Development of the procedure for hiring workers and employees for one-time or one-time work and a standard form of the contract concluded on the basis of civil law
10.	Provision of fixed assets and material equipment	-	Cost reduction	Lack of tangible assets	-
11.	Opportunities to obtain bank loans	-	Cost reduction	Acceptance of general liability in credit relations	Development of the procedure and mechanism for obtaining bank loans
12.	Payments for services rendered by landlords	Payments are determined based on the amount of each contract	That the number of payers is small	Variety of opportunities for landlords to pay for services	Develop general meeting decisions on the payment of fees by landowners
13.	Salary and bonus procedure	Remuneration in the form of bonuses to the Chairman and members of the Audit Commission is not available in other cases	Costs can be set arbitrarily	Non-accounting and non-registration of remuneration or bonuses paid to the Chairman of the Board and members of the Audit Commission	Develop general meeting decisions on salaries and bonuses
14.	Accounting and bookkeeping procedures	The chairman and the audit committee are accountable to the general meeting, otherwise the accounting is voluntary	No extra time is spent on documentation	Failure to report to chairpersons in a timely manner	Deciding on the accountability of the Chairman and the Audit Commission at the general meeting
15.	Procedures and methods of accounting for expenses	The costs are general and the land is distributed to the owners	-	Lack of distribution and calculation method	Develop a clear order
16.	Circulation of internal regulatory documents and the order of accounting	Documents related to the general meeting, general fundraising and agreements with third parties, reports of the managing chairman	Documentation is limited	Lack of legal force of a number of documents and lack of accounting reduces the reliability of data	Development of standard forms of some types of primary documents
17.	Procedure	Optional and limited		There is no clear order	Develop a procedure for applying

	for maintaining management accounting				management accounting
18.	Tax relations	-	-	Non-taxation of income allocated to the Chairman and the Audit Commission	Determining the requirement for the Chairman and members of the Audit Commission to file a declaration of income
19.	Audit procedure	Places can be organized according to the wishes of the owners	That the audit status is optional	There is a possibility that the owners of the premises will not be able to pay for the audit services	Develop an audit procedure

Thus, the method of direct management according to the established criteria is evaluated as follows:

- for multi-apartment houses, direct management is considered expedient in some cases (when all the buildings belong to only a few owners), but in country practice they are rare. This mainly applies to managed houses and serviced dwellings;
- the general implementation of this method of management is not effective, so it is not used in practice;
- establishment of direct legal relations with each service organization without any intermediaries (in calculations, contracts, selection of service organizations) due to the high level of protection of the interests of owners in the direct management method, but currently the owner does not have the necessary knowledge it is significantly limited;

We consider it necessary to take the following measures to eliminate the existing problems:

1. In the direct management of multi-apartment houses, a single house should be considered as an object of management;

Only then will the direct management of multi-apartment houses be facilitated and the cost of repairing and renovating houses will be reduced. In this way, the wishes of the owners can be fulfilled.

2. Introduce a condition for filling out income and remuneration (for the purpose of taxation of personal income) and income declarations to be paid to the chairman of the apartment house or the trustee and members of the audit commission;

This eliminates the inability of individuals to evade taxes illegally and to receive fees and bonuses in the form of envelopes.

3. Preparation of methodological and normative manuals by the Ministry of Housing and Communal Services on the procedure for direct management of apartment houses and their submission to the chairman or trustees;

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