

# Performance and problems of the housing sphere in Russia

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**Abstract.** Systematization of risks in the field of housing-and-communal services and recommendations on the neutralization of problem zones were offered. The objective is the diagnostics of the situation in the sphere of housing-and-communal services and the identification of risk zones. The author concludes that the information on risk factors is necessary for the creation of the system of risk prevention, and assumes further development of the measures for the effective management in this sector.

## 1 Introduction

One of the priority directions of social-and-economic development of society is the reforming of the housing sphere, which create the necessary conditions for activity of the human. At the same time the housing-and-communal services (HCS) play the important role in the development of the territorial infrastructure, including comfort of the dwelling, its engineering improvement, quality and reliability of transport services, communication and other household services, on which the quality of life and social climate in the settlements depends.

The current performance and the existing problems of the housing sphere in Russia prove the crisis performance of the branch: low level of management; insufficient level of quality and inopportuneness of the rendered services; high expenses, connected with the use of outdated technologies and backwardness of the competitive environment. All this facts cause serious concerns, and cause the need of research in the field of identification and prevention of the risks and threats, putting life support of the population in the country into a difficult situation. That is fraught with serious social consequences. That also predetermines importance of search of the effective tools of regulation and control of the risks, existing in the housing sector.

The analysis of references proved, that some countries of Central and Eastern Europe managed to overcome the problems, which are characteristic of the stage of formation and development of the housing-and-communal services market. Thus, gradually the organizations, serving the inhabited sector were divided according their specialization, as it influenced the quality of providing utilities. As a result has led to the increase of the healthy competition among the private municipal companies of identical specialization and to the decrease in risk-taking in this sphere [5; 9; 10].

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Thus, the developed Western European market of services forms requirements to the management in companies, and failure to meet those requirements makes a company non-competitive. In those countries the insurance the liability by the running company arises, if incorrect actions of the manager have led to causing damage to the homeowner [11, 13]. In the author's opinion, the situation with quality of the provided utilities and the arising risks in the sector could change in case of introduction such legislation in the Russian. Besides, the competitiveness of managing organization increases because of existence of the certificates, confirming its professionalism, experience and financial stability as well as steady following to the standards in housing sector [1].

In the conditions of domestic economy the general performance in the housing sector is rather difficult despite the carried-out transformations, and some negative tendencies prevail. Special attention to the existing problems of housing-and-communal services of the country is caused by relevancy of this social-and-economic segment of the state, in which more than 50 thousand economic subjects (the enterprises, associations, cooperatives, etc.) work, being focused on the formation of the civilized habitat of the population of Russia. And, unfortunately, this environment constantly tests different types of the dangers, risks and threats, connected with insufficient ensuring its development; that makes the identification of the negative tendencies, reducing normal functioning of social institutes in the most important segments of human life, very relevant.

## 2 Materials and Methods

According to the experts, today the catastrophic depreciation of fixed assets (on average 60%), the annual growth of tariffs on the utilities, unfairly high cost of new housing, which does not correspond to income of the most part of the population, poor control of housing, generating corruption and crime is observed in the housing-and-public utilities. The need of the complex solution of the imminent problems has prime importance, as the branch requires purposeful and drastic measures, which would reduce risk of the municipal-and-power chaos in the country, which emergence is significant at the moment.

Risk in the housing sector represents uncertainty of any adverse events, probability of damage or loss, both for the enterprise, and for society in general, because of the decline in the quality, timeliness and availability of the services provided. Effective functioning of the housing-and- communal utilities enterprises depends on early diagnostics of possible risks and on the subsequent management of them. The directed impact on risks in many respects depends on the quality of the made decisions, which ensure stable activity of the enterprises, providing utilities. Thus, the research on the matters, connected with the decrease in uncertainty and risks in the housing-and-communal sphere is expedient [2, 20, 21].

The efficiency of activity of the enterprises of the housing-and- communal sector is affected by different types of risks. Therefore for search of the optimal solution of the existing problems in the housing sphere it is necessary to carry out systematization of the existing types of risks.

**Table 1.** Characteristic risks of housing-and-communal utilities in Russia

Types of risks	Characteristic of risks
Political risks	Possibility of losses or reduction of profit, which are the consequence of state policy; probability of receiving administrative penalties because of the violation of the law.
Economical risks	The risks, connected with uncertainty of market prices of fuel, non-payments of consumers, reduction of the liquidity and lack of funds for settlements with contractors.

Ecological risks	Probability of the emergence of negative changes in the surrounding environment or the remote not-favourable consequences of these changes, arising because of the negative impact on the environment.
Technical risks	The risks, connected with malfunction of electric equipment and gaps in the pipelines; they are caused by high wear of the equipment and heating systems, there is the increase in autumn-and-winter period.
Production risks	Possibility of the losses or additional costs, connected with the unsatisfactory condition of housing stock, fixed assets, poor quality of materials and other resources.
Social risks	The risks, connected with ensuring socially significant functions, namely granting housing-and-communal services for the population.
Financial risks	The risks, arising because of imperfection of tariff policy and, as a result, negatively influence the indicators of financial results.
Regional risks	The risks, connected with the features of the economic, political, and social status of certain regions, such as budget deficit, low level of income of the population.

As the practice proves, there is the significant quantity of unresolved serious problems in the housing sector and also there are negative factors of economic-and-organizational and administrative character which lead to the low level of controllability objects of housing-and-communal utilities in general [22, 23].

According to the experts, at the moment there is the lack of specific and accurate rules of monitoring on charge of volumes of different types of municipal resources, legally significant and available data, concerning the resources accounting, infrastructure of data collection, the existing authentic database in the electronic form. For example, the absence of authentic accounting, of energy resources can be the threat for investment planning in the branch, the cause of distortion of price signals, reduction in cost of the branch assets, it can also be the hindrance to objective assessment of economic effects of holding actions for energy saving and, eventually, it can lead to lowering of overall performance of the housing-and-communal sector [3].

### 3 Results

According to the research results, it is possible to offer the following classification of risks according to definition of zones of admissibility of housing stock risk, connected with its service:

**Table 2.** Zones of risk emergence for the housing stock, connected with its maintenance

Risk-free zone	Zone of admissible risk	Zone of critical risk	Zone of catastrophic risk
<ul style="list-style-type: none"> <li>- Expenses are insignificant, profit is made</li> <li>- New housing stock of high-quality construction, taking into account a warranty period</li> <li>- Wear of 0-20%</li> </ul>	<ul style="list-style-type: none"> <li>- Repair work, mainly of daily character (maintenance)</li> <li>- All the costs are considered in the price</li> <li>- Housing stock with wear of 21-40%</li> </ul>	<ul style="list-style-type: none"> <li>- Considerable amounts of works of capital character</li> <li>- Emergence of accidents, works on their elimination</li> <li>- Losses of resources, financial losses</li> <li>- Housing stock with wear of 41-60%</li> </ul>	<ul style="list-style-type: none"> <li>- Work in the emergency mode, a lot of accidents</li> <li>- Huge losses, irreversible process of deterioration of the housing performance</li> <li>- Unfitness for accommodation</li> <li>- Housing stock with wear of 61% and more</li> </ul>

Generalizing the existing classifications of risks, peculiar to the housing sector, it is possible to divide them into five main groups:

1. Risks (threats), arising within the management at the housing-and-communal utilities enterprises, are first of all connected with the inefficient structure of management, low level of management quality, the absence of the qualified personnel, regulating processes of ensuring housing. And also the main negative moment is the lack of full participation of citizens of their housing management.

2. Risks (threats), connected with the development of housing-and-communal utilities in the construction sector of the branch, to which considerable resources are allocated. The state decisions are made, various financial mechanisms are used, attempts of implementation of various concepts and programmes at the state level become. But at the same time the condition of the construction sector remains critically hard.

3. Risks (threats), connected with the tariff policy of the active increase in prices for housing-and-communal services. In most cases these threats are the result of inflation, decisions, made by the management of the housing-and-communal utilities enterprises and the economic policy pursued by the Government of the Russian Federation. The increase in the municipal tariffs is the negative response of the population, concerning the pursued housing policy of the state and of the regions, to which high power and fuel consumptions, as well as the corruption desires of the heads of housing-and-public utilities are shifted.

4. Risks (threats) in the sphere of municipal-and-engineering infrastructure of the housing system differ in variety, depth and importance. One of the main objectives of reforming of the housing-and-public utilities is the decrease in the costs of production of the utilities, corresponding to the standard parameters of quality, which are carried out on the innovative basis.

5. Social threats are a special type of threats. They arise as the reaction to negative development of housing: shortage of housing, high level of depreciation of fixed assets, accident rate, high cost of housing, critical growth of tariffs, etc. Strengthening of these threats is connected with the level of their impact on life-supporting conditions of the citizens' accommodation.

The carried-out systematization of risk factor is the basis for the creation of system of timely quality control of the activity in the housing-and-communal utilities by introduction the optimum mechanism of risks prevention and elimination.

In the author's opinion, various models of the risk management, united in the system of risk management, representing the difficult multistage process, directed to the decrease in the probability of possible risk of the economic entity can act as such a mechanism.

Depending on the size of risks, they are possible to be neglected, shifted to other organization, lowered, minimized or avoided. But, it should be noted, that in the domestic practice risk management in housing sector is a poor tool.

The following measures are necessary for the minimization of risks in the branch:

- improvement of standard regulation;
- creation of new market mechanisms of construction and development of economic communications;
- formation of organizational-and-economic aspects of the investment projects implementation, updating and modernization of engineering infrastructure of the municipal services and facilities in the housing sphere;
- development of the business activity in production and realization of housing-and-communal services, taking into account their specifics and special social importance;
- improvement of tariff and financial policy and solution of other tasks [4].

Taking into account, that risks are interconnected, and their elimination is completely impossible, their influence and damage in case of realization can only be reduced. Within full development of the market relations in the sphere of utilities expedient implementation of the programme of regulation of risks, which has to cover all the nuances of emergence of risks in the control system of housing stock of this or that economic subject, is supposed.

The innovative managerial decisions, directed to the increase in the efficiency of functioning of the housing-and-communal services of the enterprises, connected with identification of risks, their analysis, minimization of negative consequences of risk events are to be generated.

## 4 Conclusions

In general risk management assumes the implementation of a set of measures, directed to the decrease in influence and probability of any negative actions, factors or events. Risk management, organized properly, leads to maximizing profit, to the increase in competitiveness of the housing-and-communal utilities enterprise and to the decrease or complete elimination of the adverse effects, caused by separate types of risks. The decrease in level of risks is the important task; social-and-economic safety of the country's citizens depends on the efficiency of risk-management in the housing sector.

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