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### **ENHANCING THE EFFICIENCY OF HOUSING CONSTRUCTION DEVELOPMENT IN UZBEKISTAN UNDER MARKET REFORMS**

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#### **Abstract**

Housing construction is a key sector influencing socio-economic development, urbanization, and living standards in Uzbekistan. In recent years, the country has implemented market reforms aimed at increasing housing supply, improving affordability, and attracting investment into the construction sector. This thesis analyzes the efficiency of housing construction development with a focus on institutional and financial factors. The results show that sustainable development depends on coordination between state regulation, mortgage financing, and private investment, while challenges such as regional disparities and affordability constraints still remain.

**Keywords:** housing construction, Uzbekistan, market reforms, investment policy, urban development

#### **Introduction**

Housing construction plays an important role in economic growth and social stability, as it directly affects population welfare, living standards, and urban development processes. It also contributes to job creation, stimulates related industries such as construction materials and banking, and supports the overall development of urban infrastructure. In Uzbekistan, this sector has become a strategic priority due to rapid population growth, ongoing urbanization, and steadily increasing demand for affordable and modern housing.



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In recent years, the government has implemented a series of reforms aimed at improving housing supply, expanding mortgage lending systems, and encouraging greater participation of the private sector in construction activities. These reforms include simplification of construction procedures, development of housing programs, and support for public-private partnership mechanisms. Despite these efforts, the sector still faces a number of challenges related to housing affordability, regional imbalance in development, and limited investment efficiency.

Therefore, analyzing the main factors influencing housing construction development is necessary to better understand current trends and to identify effective directions for further improvement and sustainable sector development.

### **Main part**

Housing construction development in Uzbekistan is determined by the interaction of institutional reforms, financial mechanisms, and investment activity. Institutional improvements such as simplified land allocation, updated construction regulations, and more transparent administrative procedures have created a more favorable environment for construction activity and investment attraction.

Financial mechanisms also play a key role in sector development. The expansion of mortgage lending and state housing programs has increased housing affordability and supported demand growth. According to the Central Bank of the Republic of Uzbekistan, the volume of mortgage lending reached 21.2 trillion soums in 2025, increasing by about 29% compared to the previous year, which demonstrates strong financial support for housing demand and market expansion. Investment activity, including public-private partnerships, supports the expansion of housing supply and modernization of urban infrastructure. At the same time,



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official data shows that approximately 3.8 trillion soums were invested in housing construction in the first quarter of 2025, with the majority coming from private investment sources. However, challenges such as high construction costs, regional disparities, and uneven infrastructure development continue to reduce overall sector efficiency and require further policy attention.

To address these challenges, it is necessary to strengthen state support mechanisms aimed at reducing construction costs through improved supply chains and local production of building materials. In addition, expanding affordable mortgage programs and increasing long-term financing sources can improve housing accessibility for the population. Regional development policies should also focus on balancing investment distribution by directing more resources toward underdeveloped areas and improving basic infrastructure. Strengthening coordination between government institutions, private developers, and financial organizations will further enhance the efficiency and sustainability of housing construction development in Uzbekistan.

### **Conclusion**

The study shows that housing construction development in Uzbekistan depends on the balance between institutional reforms, financial systems, and investment flows. Significant progress has been achieved in recent years, but key challenges remain unresolved.

Improving mortgage accessibility, strengthening institutional frameworks, and expanding private investment participation are essential for sustainable development of the housing sector. Coordinated policy actions will ensure long-term efficiency and balanced urban growth.



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