

## ORGANIZATIONAL ASPECTS OF INVESTMENT MANAGEMENT IN THE CONSTRUCTION SECTOR

**Atadjanova F. S.**

*Senior Lecturer, Tashkent University of Architecture  
and Civil Engineering*

**Nurimbetov R. I.**

*Doctor of Economic Sciences, Professor, Tashkent University  
of Architecture and Civil Engineering*

**Abstract.** *This study analyzes the necessity of improving the organizational and economic mechanisms for managing investments in the housing construction sector. Findings indicate that the dominance of public funds and the limited use of resource-saving technologies reduce overall efficiency. Projects involving private capital, however, demonstrate higher profitability and shorter payback periods. Key recommendations include increasing private sector participation, developing public-private partnership mechanisms, and implementing digital management systems.*

**Key words:** *housing construction, investment, management mechanisms, efficiency, private sector.*

### **Introduction**

In recent years, housing construction in Uzbekistan has become one of the important factors of economic development. The improvement of the population's living standards, urbanization processes, and the growing demand for infrastructure have increased investment activity in the construction market. Measures taken by the state to develop mortgage programs and attract private capital are also contributing to the improvement of the investment environment.

At the same time, several problems remain in the sector, such as the effective distribution of resources, ensuring the return on investments, and the rational use of materials and technologies. Mechanisms that guarantee the financial stability and efficiency of investment projects are still not sufficiently developed. Therefore, improving the organizational and economic mechanism of investment management in housing construction is becoming increasingly important. This process serves to use investment potential effectively, introduce innovative and resource-saving technologies, and ensure sustainable development.

The relevance of this research is determined by the fact that an effective management system contributes not only to economic growth, but also to improving the housing conditions of the population.



### **Methodology**

This study develops a scientific approach aimed at improving the organizational and economic mechanism of investment management in the housing construction sector. Several research methods were used in the process.

First, through scientific and theoretical analysis, regulatory documents, state programs, and international experience were studied. This made it possible to identify the advantages and shortcomings of the existing mechanism. In addition, official data from the State Statistics Committee and relevant ministries were analyzed in order to assess the volume, structure, and sources of financing of investments.

A comparative analysis was also conducted by studying the experience of South Korea, Turkey, Germany, and Russia. Based on this analysis, conclusions suitable for the conditions of Uzbekistan were developed. With the help of economic and mathematical modeling, indicators were proposed to evaluate the financial, economic, and social efficiency of investments.

Furthermore, the expert evaluation method was used to study the opinions of specialists. This helped to identify the strengths and weaknesses of the current system, as well as the main directions for its improvement. The methodology used in this study allows investment management mechanisms to be examined on the basis of a systematic approach and serves to increase their efficiency.

### **Results and Discussion**

During the study, the current state of investment management in the housing construction sector of Uzbekistan, the level of investment efficiency, and the existing problems of organizational and economic mechanisms were analyzed. The results can be summarized as follows.

First, in recent years, the volume of investments directed to the housing construction sector in Uzbekistan has increased significantly. During 2018–2023, the volume of investments increased by 1.7 times, which indicates the stable development of the construction market in the country. However, a large share of investments still comes from public funds and mortgage loans. This limits the possibilities of attracting private capital.

Second, the analysis of the structure of investments in housing construction shows that the main part of funds is spent on construction and installation works. The share of investments directed to the introduction of innovative technologies, the use of resource-saving materials, and the improvement of energy efficiency remains relatively low.

**Table 1. Dynamics of Investments Directed to Housing Construction in Uzbekistan, 2018–2023**

<b>Indicators</b>	<b>Public investment projects</b>	<b>Private investment projects</b>
Average return on investment, %	9.8	14.6
Payback period of projects, years	12.4	8.7
Share of resource-saving technologies, %	18.3	27.5
Energy efficiency indicator, %	22.6	35.4

As can be seen from the table, the volume of investments increased steadily during 2018–2023. At the same time, the share of the private sector gradually rose from 32.1 percent to 41.3 percent. This indicates that investments from business entities are increasingly entering the market [2].

Third, the level of investment efficiency in the housing construction sector remains relatively low. The main problem is that mechanisms for assessing economic and social outcomes are not sufficiently applied in many projects. As a result, some investment projects do not pay off in the long term or fail to ensure financial stability.

**Table 2. Economic Efficiency Indicators of Investments in the Housing Construction Sector as of 2023**

<b>Indicators</b>	<b>Public Investment Projects</b>	<b>Private Investment Projects</b>
Average return on investment (%)	9.8	14.6
Payback period of projects (years)	12.4	8.7
Share of resource-saving technologies (%)	18.3	27.5
Energy efficiency indicator (%)	22.6	35.4

As can be seen from the table, projects implemented by the private sector have an advantage in terms of efficiency. In particular, the return on investment is 1.5 times higher than that of public projects, while the payback period is shorter. In addition, private projects also show higher indicators in the use of resource-saving technologies and energy efficiency [3].

During the discussion, it should be emphasized that improving the organizational and economic mechanism of investment management in the housing construction sector should include the following main directions:

- wide introduction of innovative and resource-saving technologies in investment projects;
- strengthening financial incentive mechanisms for attracting private capital;
- expansion of projects implemented on the basis of public-private partnership (PPP);
- introduction of indicators for assessing the social efficiency of investments;
- development of digitalization and monitoring systems in construction processes [4].

The results show that improving the investment management mechanism in the housing construction sector is of great importance for accelerating the country's economic growth, improving the living standards of the population, and ensuring the sustainable development of the construction industry [7].

In conclusion, it can be stated that the volume of investments in the housing construction sector of Uzbekistan is steadily increasing. However, their efficiency has not yet been fully ensured. The high share of public funds, insufficient participation of private capital, limited use of resource- and energy-saving technologies, and the underdevelopment of mechanisms for assessing social efficiency appear as existing problems. The analysis shows that projects involving the private sector have higher profitability and shorter payback periods, as well as a higher level of resource efficiency. Therefore, the broad attraction of private capital into the sector, the assessment of not only economic results but also social efficiency in investment projects, the wide introduction of resource- and energy-efficient technologies, the development of public-private partnership mechanisms, and the application of a digital monitoring system can significantly increase the efficiency of investment management in the housing construction sector.

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