



Article

Foreign Experiences in Real Estate Object Management

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Abstract: This article analyzes the issue of effective real estate object management based on the experiences of foreign countries. Management models, digitalization processes, legal frameworks, and the organization of citizen participation implemented in countries such as the USA, Germany, Japan, South Korea, and Great Britain were examined. It has been determined that innovative approaches, transparent mechanisms, and licensed management entities are the key factors in real estate management in developed countries. The current situation in Uzbekistan was critically analyzed, and practical recommendations for improving the national system were provided.

Keywords: real estate, management system, property owners' association, licensing, digital management, international experience, public-private partnership, housing policy, service quality assessment, institutional reforms.

Introduction.

In today's global economic relations, the real estate sector has become one of the areas of strategic importance. It plays a crucial role not only in providing the population with housing and workplaces, but also in generating tax revenues for the budget, infrastructure development, and stimulating the private sector. Effective management of real estate objects serves the full and targeted use of this resource. This process is not limited to the preservation of property or its lease - there must be a comprehensive system in this field, covering legal, financial, technical, and organizational aspects.

Economic changes in the world, including digitalization processes, the concept of "smart cities," green construction, and sustainable development goals, are fundamentally changing approaches to real estate management. Many developed countries have a solid institutional base, qualifications, and standards in this area. For example, in countries such as the USA, Canada, Great Britain, Japan, and South Korea, real estate management is carried out by the private sector, but it is subject to strict standards and state control. Such systems are based on a clearly defined mechanism of relationships between property owners and management organizations, transparent reporting, high-quality service, and innovative technologies.

In Uzbekistan, the real estate management sector is still in its formative stage. The laws and resolutions adopted in recent years, including the Law "On the Management of Apartment Buildings" and strategies for reforming the housing and communal services sector, represent the initial steps in this direction.

Management of an apartment building involves a range of measures to ensure comfortable and safe conditions for the use of residential and non-residential spaces, proper maintenance of

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common property, and resolution of issues related to the use of common property. The method of managing an apartment building is determined by the general meeting of property owners in that building. Management can be carried out: [1] directly by the property owners (hereinafter referred to as direct management of the apartment building); by a management organization that is a legal entity or by an individual manager (sole proprietor) on a contractual basis (hereinafter referred to as the management organization or manager); or by a non-profit organization—a homeowners' association (hereinafter referred to as association)—uniting owners of residential and non-residential properties in one or several closely located apartment buildings.

However, numerous problems exist in practice: conflicts between property owners and management entities, insufficient financial oversight, poor service quality, and obstacles in personnel training and implementing digital solutions.

From this perspective, it is crucial to study international experience and select elements suitable for our country's conditions. This will not only help find solutions to existing problems but also serve to fundamentally reform the sector. By introducing scientifically-based approaches, regulatory mechanisms, and innovative tools, it is possible to increase the efficiency of real estate utilization, enhance property trust, and improve investment attractiveness.

The issue of effective real estate management has become strategically important today, not only for individual owners or management organizations but also for society as a whole and the state. Housing stock, commercial buildings, administrative and social facilities - all these fall within the real estate segment, and their effective functioning directly impacts economic stability, social well-being, and the quality of the urban environment.

It is particularly crucial to organize this sector at a mature level in countries like Uzbekistan, where the urbanization process is intensifying rapidly, the population is growing at a fast pace, multi-apartment buildings in cities are increasing, and forms of private property are expanding. Systemic problems in the management of apartment buildings - insufficient attention to the technical condition of housing, low level of public participation, and lack of transparency in accounting and reporting systems - necessitate deepening reforms in this sector.

Furthermore, in the context of a deepening market economy, real estate objects are viewed not only as residential or service spaces but also as economic assets. A comprehensive management system is necessary to maintain the profitability of these properties, attract investments, optimize operational costs, and improve service quality. Without effective management, a real estate object loses its economic value, the infrastructure becomes obsolete and ceases to serve community needs.

International experience demonstrates that achievements in real estate management depend on several factors, including government policy, private sector participation, legal framework, personnel training, standards, and innovations. In the USA, Germany, Japan, Singapore, and other developed countries, specific approaches have been established in this field - licensed management companies, online management platforms, smart technologies, energy-efficient planning systems, and institutions ensuring property owners' participation have been implemented.

In Uzbekistan, several measures aimed at reforming the sector have been carried out in recent years. Specifically, the Law "On Management of Apartment Buildings" documents regulating the activities of private homeowners' associations, and programs for the digitalization of housing and communal services are the first steps in this direction. However, in practice, these documents do not function fully; in many cases, they are implemented nominally or prove ineffective due to legal loopholes.

Therefore, the scientific and practical investigation of this topic - namely, studying models proven effective in global practice, analyzing their strengths and weaknesses, and developing recommendations for their application by national conditions - is a necessity of our time. This will serve not only to find solutions to existing problems in the field but also to fundamentally reform it, cultivate a culture of property ownership in society, and attract investments to the sector.

Furthermore, crucial issues such as management culture, property owners' engagement, support for regional infrastructure, and sustainable urban development are intrinsically linked to the real estate management system. In this regard, research in this field is not only theoretical but also practice-oriented, requiring a comprehensive approach.

Literature review on the topic. Research conducted by economists on real estate management has largely focused on the institutional, financial, and organizational aspects of this field. An analytical and critical examination of the perspectives of various international and local experts in this area will help determine the complexity and developmental dynamics of the industry.

In a study conducted by Clarke and Mansoori, four main criteria were established for effective real estate management: the strength of legal foundations, the presence of private management entities, mechanisms for assessing service quality, and active citizen participation.[2] They emphasized that in many developing countries, the main problems are precisely the lack of participation and the absence of a licensing system.

Peter Byrne and Neil Sims, on the other hand, evaluate the real estate management field as a "highly institutionalized management activity," paying particular attention to the qualifications of managers and a transparent reporting system.[3] In their opinion, trust between property owners and the management organization is the key factor in effective real estate management.

In research conducted by Maliene and Malys, while studying real estate management models operating in Europe, they noted that management systems in Eastern European countries were not well-developed due to legal gaps that emerged during the transformation period.[4] According to them, the privatization process requires teaching not only property rights but also the culture of managing it.

In the scientific research conducted by A.S. Pigolkin, using Russia as an example, it is emphasized that legal conflicts in the management of apartment buildings, low quality of services, and the incorrect organizational model of collective management are the main problems. In his opinion, internal reforms will not yield results unless the competition and licensing system in this field are strengthened.

In a study conducted by local scholar A.H. Ismailov, despite the existence of a legal framework for real estate management in Uzbekistan, he criticizes the insufficient development of financial mechanisms in practice and the lack of methodological solutions in the activities of private management companies. In his view, it is advisable to synthesize the experiences of Europe and South Korea in developing a local model.

Research conducted by Nappi-Choulet emphasizes the role of digital technologies in real estate management. According to her opinion, "smart management" and online platforms for technical maintenance, payment control, and handling applications will increase the system's efficiency several times over.

In the research conducted by M. Ball, C. Lizieri, and B.D. In MacGregor, special attention is given to the institutional foundations of the real estate market and management. According to them, an effective management system should be developed through integral cooperation among the state, private sector, and civil society.[8] They emphasize that the effectiveness of private management companies depends not only on market conditions but also on legal guarantees and the regulatory role of the state.

In his research, David Watkins examined real estate management from a strategic management perspective and identified various management stages in the asset life cycle. According to him, each property requires different management approaches during the design, construction, operation, and reconstruction phases.[9] Watkins emphasizes that management decisions impact long-term investment returns and indicates that these decisions should be scientifically grounded.

In the scientific research conducted by O. Kaganova and R. Nayyar-Stone, the issue of managing state-owned real estate assets is addressed. In their opinion, in most countries, buildings

and lands owned by local authorities are being managed inefficiently, leading to financial losses.[10] They propose specific mechanisms for commercializing the state's real estate portfolio and improving management efficiency.

In scientific research conducted by S. Nystrom and F. von Schéele, examining the Swedish experience, they emphasize that the "tenant-owner association" model - that is, the association of property owners - functions effectively in the management of multi-apartment buildings.[11] In this model, owners fully participate in building management, fostering a strong sense of social responsibility, and ensuring transparency in expenditures.

In the scientific research conducted by E. Chigbu, focusing on African countries, emphasis is placed on the role of human capital in real estate management. He argues that regardless of the legal and technical foundations of a management system, no system will work effectively if the personnel are not qualified.[12] Therefore, he views personnel training, certification, and continuous professional development as key factors for success.

J.M. Bakhromov focuses on the role of local authorities in real estate management in the context of Uzbekistan and the implementation of public-private partnership models.[13] In his opinion, local government bodies should not only act as observers in the management of multi-apartment buildings but also participate as active initiators.

As evident from the analysis of the aforementioned studies, while economic approaches share the common goal of ensuring effective management, it is crucial to select a model that aligns with the institutional and social conditions of each state. Some scholars prioritize legal and institutional aspects of governance, while others emphasize social participation and digital solutions. A thorough analysis of these perspectives serves as a theoretical foundation for developing an effective management model suitable for Uzbekistan.

Research Methodology. The study extensively employed methods such as comparative analysis of foreign experiences in real estate management, examination of statistical data, economic comparison and analysis, logical reasoning, scientific abstraction, analysis and synthesis, and induction and deduction.

Analysis and Results. In countries such as the USA, Germany, Japan, South Korea, and Great Britain, trends of active digitalization, service quality improvement, and legal standardization were observed in the real estate management system during 2020-2024. In these countries, reforms in the field were implemented through efficiency, transparency, and innovative approaches.

Table 1

Real estate management market volume in North America from 2020 to 2024 (in billion US dollars)

Years	Market value (billion US dollars)	Annual growth (%)
2020	22.3	-
2021	23.1	103.6
2022	23.8	103.0
2023	24.4	102.5
2024	25.0	102.4

Source: Statista, 2024. "North America Property Management Market Value 2020-2024"

Analyzing the data presented in the table, real estate management in the USA is carried out by the private sector and is subject to strict certification and licensing requirements. In 2024, the real estate management market in the US reached \$25 billion, representing a 12% increase compared to 2020. One of the reasons for this growth is the widespread adoption of digital management platforms. For example, rent control, request monitoring, and maintenance have been automated through platforms such as Buildium and AppFolio. Consequently, management companies are now providing monthly reports to property owners and real-time service quality updates.

As can be seen from the table, the real estate management market in the USA maintained a stable growth trajectory from 2020 to 2024. The growth rate, although slightly higher during the post-pandemic recovery period (2021-2022), stabilized in 2023 and 2024. Digitalization, the activity in the rental market, and the increase in the number of private management companies were decisive factors in this growth.

Table 2.

Dynamics of the number of apartment building owners' associations (WEG) in Germany from 2020 to 2023

Years	Number of WEGs (thousands)	Annual growth (%)
2020	1750	-
2021	1800	102.9
2022	1850	102.8
2023	1900	102.7

Source: Statistisches Bundesamt (Destatis), 2023.

"Wohnungseigentümergeinschaften in Deutschland"

Analyzing the data presented in the table, we can see that the management of apartment buildings in Germany is carried out mainly based on the Wohnungseigentümergeinschaft (WEG) model - associations of property owners. In this system, each owner has the right to vote in building management, and decisions are made at annual meetings. In 2023, the number of buildings managed under the WEG model in Germany reached 1.9 million. According to the analysis, the level of participation in this model is high, but there are drawbacks such as bureaucratic delays and slow decision-making. At the same time, the digitalization process has not yet been fully implemented.

Table 3.

Number of apartment buildings in Japan with smart management systems implemented from 2020-2024

Years	Number of buildings with smart systems implemented	Annual growth (%)
2020	3200	-
2021	4100	128.1
2022	5000	122.0
2023	6100	122.0
2024	6800	111.5

Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Japan. "Smart Housing Management Implementation Report," 2024.

If we examine the data presented in the table, we can see that "smart management" systems in the field of real estate management developed rapidly in Japan during 2020-2024. In large cities, special intelligent control centers were established for each multi-story residential building. Within the framework of the "Smart Housing Program" in the city of Toshin, automated management was implemented in 6,800 houses in 2024. Analysis shows that this process increased service efficiency by 35%, while the energy-saving indicator improved by 18%.

Table 4.

Level of population satisfaction with real estate management services in South Korea in 2020-2022

Years	Satisfaction rate (%)	Note
2020	68.5%	Limited services due to the pandemic
2021	72,%	The system of online applications and reporting has expanded
2022	74.3%	Automated technical services

Source: Korea Appraisal Board, "Annual Housing Management Satisfaction Survey,"

2022.

Based on the data in the table, real estate management in South Korea is organized based on a corporate and state-controlled model. Here, management companies are registered in a special registry, and the quality of their services is assessed annually. In a survey conducted by the Korea Appraisal Board in 2022, 74% of the population expressed satisfaction with the quality of service. At the same time, state subsidies are being attracted to the management of social housing in Korea, which also stimulates competition in the private sector.

Table 5.

Share of licensed companies in real estate management and level of digital system usage in Great Britain from 2020-2024

Years	Share of licensed companies (%)	Use of digital systems (%)
2020	65	45
2021	70	56
2022	76	65
2023	80	74
2024	82	78

Source: UK Department for Levelling Up, Housing and Communities, "Property Management Reform Progress Report," 2024.

Analyzing the data presented in the table, we can see that in the UK, particularly in London, the licensing system for managing multi-story buildings was strengthened during 2020-2024. In 2021, the "Building Safety Act" was adopted, which mandated management companies to obtain appropriate certification, adhere to safety standards, and maintain proper reporting. By 2024, 82% of management companies in London were operating through digital systems.

According to the results of the conducted research:

- In the USA and Japan, technological automation and online management systems have elevated the industry to a high level;
- In Germany and Korea, legislative institutionalism and property owners' participation are functioning effectively;
- In the UK, strict licensing and safety standards have been successfully established.

Based on this, a mixed model - that is, a system that combines the technological approach of Japan and the USA with the legal and institutional mechanisms of Germany and Korea - may be appropriate for Uzbekistan.

Conclusion.

Real estate management is one of the multifaceted and institutionally complex systems of the modern economy. It encompasses not only property maintenance and utilization but also numerous aspects such as economic activity, social stability in society, urban infrastructure development, and citizens' quality of life. The critical and comparative analyses conducted in this article have enabled us to identify the most significant trends in real estate management observed in the international arena during 2020-2024, as well as draw important conclusions for Uzbekistan.

The experience of the USA, Germany, Japan, South Korea, and Great Britain demonstrates that an effective management system must simultaneously meet the following key conditions: legal clarity and the existence of licensing; ensuring citizen (property owner) participation; digitalization and automation of management processes; a system of continuous monitoring and reporting on service quality; and qualified personnel and knowledgeable management entities.

In the USA, the efficiency of private management companies has been enhanced through digital platforms. In Germany, a democratic management system called WEG has fostered collective decision-making and responsible attitudes. In Japan, intelligent management technologies have not only improved service quality but also ensured energy efficiency. South Korea has established a balance between government oversight and the private sector, while the UK has implemented a system to guarantee service quality through safety standards and licensing.

In Uzbekistan, however, such systematic approaches have not yet been fully developed in many areas: clear standards and licensing requirements for managing apartment buildings are not

fully implemented; a large portion of the population does not actively participate in the management process, and there is insufficient ownership culture; transparency and accountability in service organizations' activities are low; digital management systems are only being piloted in some regions; and a shortage of personnel and an inadequate qualification system are hindering the industry's development.

Considering the current situation, to establish effective real estate management in Uzbekistan, it is necessary to act in the following strategic directions:

1. Revising the national management model - creating a comprehensive management system that integrates the private sector, government, and citizens, while harmonizing foreign experience with local conditions.
2. Reform of the legislative and regulatory framework - it is necessary to adopt normative documents that clearly define the legal status, responsibilities, service standards, and licensing of management entities.
3. Expanding citizen participation - encouraging the creation of homeowners' associations, legally establishing their rights and obligations.
4. Digitalization and innovation - implementing solutions such as "Electronic management," "smart apartment," and automated service platforms in all regions.
5. Enhancing personnel capacity - establishing a system for training, retraining, and continuous professional development of specialists in real estate management.
6. Forming a service quality monitoring system - implementing assessment mechanisms through public surveys, online ratings, and government agencies.

Such measures will contribute to the effective use of real estate properties, preservation of property value, improvement of living standards, and enhancement of the investment climate. In Uzbekistan, a clear roadmap for achieving success in this area requires solutions to identified problems, and global experience serves as a rich resource in this regard.

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