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DOES WAGE KEEP UP WITH INCREASES IN HOUSING PRICE? EVIDENCE FROM TASHKENT CITY, UZBEKISTAN

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Abstract:

Housing has tremendous social and economic impact on total living environment. It has direct and immediate influence on health, education, economy and environment, also political and social life of any society (Sinha, 1978). This research paper focuses on the relationship between housing price and income in Uzbekistan. The paper aims to answer the key question are whether labor income growth is keeping up with housing price growth? Therefore, during conducting research, we emphasize on issues of undersupply of affordable housing and mismatch of property rise and income in capital city of Uzbekistan, Tashkent. Availability and affordability of decent housing has become an important economic and social concern in Uzbekistan. Findings indicated that housing costs are very high in Tashkent city compared with other regions which caused a shortage of supply housing especially for low-income groups. There is a need for government to pay more attention to housing needs of middle income groups.

Overall, the data represent a first consideration that housing is the main source of wealth for most households in the capital city, Tashkent. According to data analysis, the value of the households' main residence accounted for 60.2 percent of total real assets in the capital and as much as 49.5 percent of total household assets in 2018. It is evidence that the value of a households' residence represents the largest share of the household's total asset portfolio. Thus, policies and regulations that affect households' ability to obtain, use, and profit from their immovable assets will certainly matter for their ability to generate an income. The second consideration is that home ownership is strongly correlated with income and net wealth in Tashkent.

Keywords: wages, income, housing, housing affordability, housing price, Tashkent, Uzbekistan.

Background of the study

Housing is at the heart of the growing economic divides in every nation, also in the economy of Uzbekistan. This is because productivity growth in the city, which comes with higher wages and better jobs, increases in labor productivity lead to increased household labor income because people receive higher real wages, because they work longer hours. In fact, this has accelerated in recent years, as housing price increases in metropolitan regions, especially in capital cities have outpaced wage increase. Recent research papers showed availability and affordability of decent housing has become an important economic and social concern in the capital of Uzbekistan. The affordability of housing depends on the growth of household incomes and the

rate at which these incomes are growing relative to housing prices. Thus, housing affordability depends on the functioning of the labor and the housing markets as well as the regulatory and policy framework. Housing prices depend on housing supply and demand, which in turn depend on economic growth, demographic changes, the regulatory and policy environment. The State Statistical Committee of the Republic of Uzbekistan (2022) shows that the average annual population is increasing at a growth rate of 1.9 percent during the period of 2000-2022. In the same period, the total number of population shows an increment of 26.4 percent that is from 24.48 million to 35.3 million. As of January 1, 2022, the urban population amounted 50.8 percent of the total population in Uzbekistan. In the capital, Tashkent is having housing deficit of between 4 to 6 units per 1,000 of the population. Tashkent is a place attracting the youth from all other regions of the country. Currently, housing question is one the major urban issues. In the early years of independence, the demand for new housing was not as acute; therefore, it did not receive as much attention from the new Uzbek government as other aspects of the economy. The housing assets are the most important store of value for households in Tashkent. One of the main factors in the increase in housing prices is the influx of people from other regions to Tashkent. It is important to mention that high wages and good living conditions in the capital have led to population growth from year to year. The diagram below provides information on migration to Tashkent and the Republic of Uzbekistan over the past decade. We can see that migration to Tashkent city has been growing for the last 5 years.

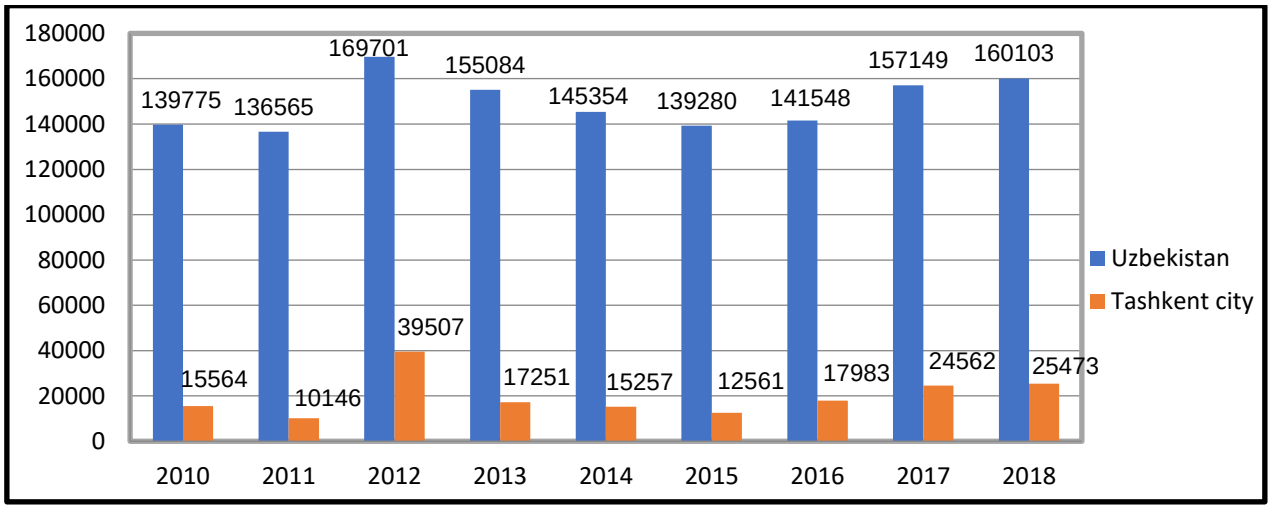


Figure 1. The numbers of immigrants in Tashkent city and Uzbekistan

Many of the lower-skilled jobs of the future will be created in successful cities, but it is increasingly hard to live a decent life in one of these cities on a low wage. That is not just a problem for the janitor. It is a problem for the city and the economy itself. (Sarah O'Connor, 2018). Hosing properties are in stronger demand as population increase (Shuid, 2016). We can see similar observation in China (Chen 2007, Liu 2008, Li 2012, Shi et al., 2016), India (Gopalan et al., 2015), Malaysia (Jeffrey Boon, 2017) and Yemen (Wa'el et al., 2010). In Uzbekistan, lack of supply of housing affordable for the young professionals creates major hardships in the capital, Tashkent, but this has not stopped the youth migrate to the city from regions to establishing new families and homes. Young people and newcomers to the capital city are significantly affected, while older generations owning homes in prime locations have benefited from the in the value of these assets. Increasing demand for housing in the major cities, starting from the second half of 2005, is mostly attributable to the growing volume of remittances by Uzbek labor migrants in USA,

Russia and Kazakhstan. The significant remittances by labor migrants have direct implications for the housing market in Uzbekistan. Russia and Kazakhstan are important destinations for labor migrants from Uzbekistan.

Rational for Research

Housing instability and persistent financial stress harm families' economic, physical, and emotional well-being. Low housing affordability in agglomeration centers could effectively shut out tenants, newcomers, and the young from good job opportunities, thus limiting growth and inclusion. In fact, the most productive metropolitan areas have also seen the highest increases in housing prices. Theory predicts that increases in productivity should increase labor demand, which in turn should lead to increases in employment that can be expected to raise the local cost of housing. Growth in housing prices relative to labor incomes will ultimately determine whether housing affordability becomes a growing problem. Housing is unaffordable in metropolitan centers because the construction of new homes has not kept up with demand. Housing shortages and the rise in home prices prevalent in Uzbekistan showed that housing market is not functioning effectively. While policy incentives have favored homeowners since beginning independence, less attention and resources have been devoted to easing the potential barriers and market restrictions that would allow housing supply to respond to increases in demand.

Housing is now seen as the most important national issue in capital city and concern has risen in an additional since 2000. Housing price has started to rice in the beginning of independence. Housing prices rose by 10 percent in 2018 relative to the same previous year and continuing on an upward trend since 2008 that surpassed the levels observed before the international finance crisis. Accordingly, the national statistics reveal that in order to fully meet the population's housing need, it is necessary to build 145 thousand flats per annum. It requires almost 30 trillion sums, which account for more than 23 percent of the national budget (State Committee of the Republic of Uzbekistan, 2019). Alarmingly, 32.1 percent of households in the capital do not own a house in the year 2018. The rapid growth in housing price has raised concern regarding the sustainability of the housing sector of Tashkent. As such, land and housing assets are a source of wealth inequality, have an important impact on spatial inequality. Moreover, change in housing price in capital cities and agglomeration areas are more extreme than in other regions, for instance Tashkent city, growing faster in countries where there is housing price growth, falling faster where there is a decrease. Many papers showed that housing prices in agglomeration centers are growing faster than the average in the country where there is housing price growth, also the price falling faster than average in places where prices are falling.

Significance of the research

Previous papers indicated that one of the main problems today is that the growth of housing price is not in line with the rise in wage prices. This research aims to answer the key question are whether labor income growth is keeping up with housing price growth and to explore various elements affecting to housing price and income. As productivity increases, labor demand should increase, thus leading to higher wages, higher employment and higher housing prices. Although increases in productivity should lead to higher wages, they also lead to increases in employment, which in turn raise the local cost of housing. Another major problem today is that average housing prices are much higher than household incomes. If people want to buy a house in Tashkent in Uzbekistan, they need to save at least five years of income. All families need to safe, stable, healthy place to live. The low-income group is unable to get these loans and cannot afford housing with high price. The need for houses is an essential problem low-income group often encounters.

There is housing shortage in Uzbekistan caused by both the rapid growth of population and the rapid growth of demand for housing. Consequently, this rapid growth of housing demand caused increasing in the housing cost and made the problem more complicated.

Many research papers suggested that wages and employment growth have indeed followed increases in productivity. However, housing prices are also higher or the highest in big cities and centers of agglomeration where prices are rising. They are rising faster in the most productive cities and centers of area. For example, in European cities, in Denmark Dublin labor productivity measured as GDP per person employed grew by 13 percent between 2012 and 2018, while over the same time real housing prices grew by 35 percent (Labor productivity is measured by the volume index of GDP per capita in PPS. PPS = purchasing power standards). As a result, lack of affordable housing is a bigger problem in the agglomeration centers. Again case of Denmark, the share of households spending more than 40 percent of their disposable income on their housing is 11 percentage points higher in cities compared to rural area of the country. In Uzbekistan, more than half of the income is spent on rent, leaving the rest of the population's needs low. In fact, after the population spends its main income on rent, radically reduces their focus on children's learning and health.

Scopes of the Paper

The research paper is consisted of 5 main chapters, including Conclusion and Recommendation. First chapter introduction on research paper, second chapter is dedicated to literature review on the current housing price and income scenario, the sufficiency of affordable housing and factors influencing to hosing and income. Section 3 well presents research methodology used to analysis the relationship between housing price and income in Uzbekistan. Section 4 analyses and discusses results according to data collation and data analyzed. Eventually, in the last chapter 5, the research paper will give overall conclusion to this research study and recommendations for future implementation.

LITERATURE REVIEW

Housing price and income

There are number of studies that have discussed housing price and income level globally under different circumstances. It was established that a high housing deficit in the low-income group is due to low saving rate, high interest and inflation rates as factors hampering. Higher wages should serve as a magnet to pull people toward urban centers and regions with higher productivity. However, in the presence of restrictions on housing supply, the optimal geographic allocation of workers will not be reached. Large price differences between regions will make it harder for workers from lagging regions to move, because the credit hurdle is higher for them (Saks 2008). For instance, Hsieh and Moretti (2017) argue that stringent regulations in high-productivity areas hinder growth, as landowners compete with workers for the benefits of productivity. The idea is that the government can influence the extent to which workers benefit from increases in productivity through land and other regulations. For instance, recent data for U.S. metropolitan regions show that rents have grown much faster in cities with greater restrictions on land use. Cai and Lu (2015) discussed housing affordability beyond the income and price terms in China. They identified four dimensions being affordability, accessibility, amenity and adequacy which might be appropriate for housing. It was further established that income constrained consumers were making trade-offs between housing costs and the quality of housing that they consume. Housing affordability is important for a wide range of reasons. Perhaps, the most fundamental (economic) factor is that housing is the single largest expenditure item in the

budgets of most individuals and households (Quigley and Raphael, 2004). The benefits from addressing the problem of housing affordability will improve the functioning of the housing market. Housing market constraints do not only affect housing conditions, but they also have implications on the unemployment rates, which were already high before a coming surge in the growth in the labor force, as well as the efficiency with which capital is used.

Labor productivity increases have led to increases in household incomes. As cities and their surrounding regions have experienced increases in productivity, labor demand has increased, leading to increases in employment and wages. There is some evidence of decoupling between productivity growth and wages in EU member states - in the sense that real wage growth has been slower than in the past compared with productivity growth (Schwellnus, Kappeler, and Pionnier 2017). When measured at the national level, housing price averages have generally not been rising faster than wages. Data at the national level suggest for the European countries that wages have been growing faster than housing prices, albeit with a few exceptions, including Austria, Belgium, Estonia, Finland, and Germany. Similarly, the housing price-to-income ratio is lower in some EU countries than at the height of the housing bubble in 2006, while house prices-to-rents have been declining in a number of countries (EC and UN-Habitat 2016; Farole, Goga, and Ionescu-Heroiu 2018). In many EU countries, wage growth has so far outpaced increases in housing prices. Mainly, Granger-causality tests using national-level data find that increases in labor productivity do not necessarily lead to increases in housing prices in EU countries. There is some tentative evidence that productivity growth over the past few years has been correlated with higher housing prices across cities. Moreover, there are instances where housing prices have clearly increased faster than wages. For instance, in the United Kingdom between 2011 and 2015, housing prices increased by more than 20 percent in London, East England, and Southeast England, while real wages declined or, in the case of Southeast region, increased by less than 1 percent. On the other hand, in Yorkshire and Northeast England, real wages increased faster than housing prices. Similarly, in Bulgaria, housing prices have been growing faster than wages in Sofia, although this is not the case in all the country's other major cities.

According to Cox and Pavletich (2016) Housing affordability is related to income in which cost of housing does not exceed 30 per cent of gross income. When a household spends more than this amount, they are classified as "core housing need", whereas more than half of their earnings is in "severe housing need" (Lee, 2016). A household with family paying more than 30 per cent of his/her monthly incomes for housing is considered cost burdened and may have difficulty in affording necessities such as food, clothing, transportation and medical care. Aribigbola (2008) and Rose (2002) summarized the affordable housing as that with cost less than 30 percent of the monthly income of each household. The monthly installment for the low-income group should be not more than 30 per cent of a household family income per month. Cox and Pavletich (2016) point out that the largest household expenditure is the housing cost which is rising much faster than earnings. Short term affordability issue may be because of supply-demand, however in the long-term, it should be related to growing gap between fairly rising household incomes and speedy increasing housing costs (Gihring, 2000). With this in mind, it is sensible to compare house prices and incomes to measure housing affordability.

Table 1. Median multiple categories

House price-to-income ratio	Housing affordability rating

3.0	Affordable
3.1-4.0	Moderately unaffordable
4.1-5.0	Seriously unaffordable
5.1	Severely unaffordable

Housing affordability is generally assessed based on the relationship of housing cost to income. The definition, measurement, and distribution of income for renter households, and for all households, are central to the analysis of affordability, as well as to analysis of tenure choice and of the physical characteristics of housing demanded.

Overview of housing and income in Uzbekistan

Since the early 2000s, the demand for housing in Tashkent has been on the increase as more young people have entered adulthood, have formed their own nuclear families or simply have moved out of their parents' homes (Salimova 2012; Tokhtakhodzhaeva 2007). The housing situation has changed drastically since 2006 in Uzbekistan. The sharp rise of housing prices and the subsequent need for establishing a housing financial system has transformed the housing question in Uzbekistan (Perera and Salimova 2016). Regardless of this situation, the housing shortage is not immediately apparent in Tashkent due to strict regulations of rural to urban migration, preventing the uncontrollable population growth that is typical of other Asian cities. This is in reference to Asian cities, such as Beijing, Cairo, and Istanbul, Mumbai, Shanghai and similar cities which were not within the Soviet Union, and therefore, did not inherit urban growth control mechanisms (Salimova 2016). Nowadays, yet as much as 31 percent of the population in Tashkent lived in a household where total housing costs represented more than 40 percent of total household disposable income in 2018 (Salimova 2012; Tokhtakhodzhaeva 2007). Low monthly wages and high housing prices are the main problems of Tashkent residents. This is indicated to refer to "housing cost overburden" and it is also the measure uses to signal the lack of housing affordability. The housing cost overburden is especially high for younger households. The previous research papers indicated that national, regional and local police makers should reduce the housing supply barriers erected by the different levels of government. Overly restrictive land use and development regulation constrains housing growth and drives up prices. Researchers suggest that cities could encourage new construction or the redevelopment of existing structures by permitting appropriate floor-space ratios, building heights, and density in specific target zones.

Most people in Uzbekistan do not earn much money to cater for their families' basic needs, especially decent accommodation (average income 500$ per month). This has therefore resulted to the development of slum, poor and inhumane housing conditions in the country. The housing cost overburden is especially high for single households (47-53 percent of total household disposable income). Rent affordability is an important aspect of several long-term Government strategies of Uzbekistan. As rent is a substantial component of costs of living, there are two specific actions mentioned in the poverty delivery plan to 2017-2021, to ensure that future affordable housing supply decisions support our objective to achieve a real and sustained impact on poverty and to work with the social housing sector in 2018 to agree the best ways to keep rents affordable. The average monthly nominal accrued salary for June 2019 amounted to 2,232.4

ths. soums and increased, compared to the corresponding period of 2018, by 27.8%. In January-June 2019, it amounted to 2 092.6 ths. soums and increased by 30.1% compared to the corresponding period of 2018.

Table 2. Average nominal wage in Uzbekistan from 2010 to 2019, (thousand UZS)

Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Average nominal wage,	504,8	628,2	739,7	865,9	1 007,9	1 171,7	1 293,7	1 457,8	1 822,7	2 041,8

The year 2021 showed a positive trend in the growth of the real estate market in Uzbekistan, despite the long-term and interrelated consequences of the coronavirus pandemic, according to a study prepared for Spot by the international real estate agency Etazhi («Этажи»). According to data from the Center for Economic Research and Reform, at the height of the pandemic, when a lockdown was introduced across the country, demand for real estate fell by 87.1% (by 94.2% in Tashkent and 89.8% in the Tashkent region) compared to with the same period in 2019. In May-June, after the lifting of restrictions, the number of executed contracts for the sale of real estate in the country jumped by 25.9% and by 135.2% in Tashkent, respectively. Such a sharp jump in numbers in the capital is due to pent-up demand and the simplification of the permanent residence permit procedure. The growth indicator also reflected cases of transfer of real estate to the real owners of houses previously registered to other persons. In 2021, the primary real estate market of the capital also saw an increase in prices per square meter in certain areas. On average, prices in the city increased by 7-9% compared to the previous year. The average cost of one square meter was 8 million soums.

RESEARCH DATA AND METHODOLOGY

The paper aims to answer the key question are whether labor income growth is keeping up with housing price growth? Also, during conducting research emphasize on issues of undersupply of affordable housing and mismatch of property rise and income in capital city of Uzbekistan, Tashkent. In this context, data collected from two main different sources which these are internal and external to the subject of research. We used to collect information primary and secondary data for conducting this paper. During conducting research, mainly primary data collected from various literature, it may include electronic sites, books, different journal, the papers which done by other researchers and others. Mainly, data are used of the State Statistical Committee of the Republic of Uzbekistan.

It is important to mention that the following sources are used in the calculations: data from state statistical reporting, the results of regularly conducted sample surveys of economic activity of individual entrepreneurs and “dehkan farms”, household income and expenditure surveys according to the methodology recommended by the World Bank, as well as summarized data from the Central Bank, Ministry of Finance, Extra budgetary Pension Fund, People's Bank and the State Tax Committee of the Republic of Uzbekistan.

Data analysis were designed in term of the data accepted, received and also showed the participants’ demographic diagrams, figures, tables using to demonstrate housing price and income in Uzbekistan. The research paper performance statistics are limited. Nevertheless, the research paper can obtain financial reports and related data of Government and financial

organization, also Central Bank's annual reports and other significant information. So, it was some limitations during conducting current research, such as to find specific historical information, data, time limitation, some cost issues, the size of subject area as well as some data confident. Also, subject regression analysis conducted on Research, it is a main way of analysis relating variables to each other by regression analysis.

DATA ANALYSIS AND RESULTS

Wages and Income growth analysis

Nominal accrued wages - accrued income of individuals in the form of wages (hereinafter referred to as wages) of an employee in cash, including taxes and other payments in accordance with applicable laws, calculated by the employer for the goods produced (work performed or service rendered) an employee in a certain period of time (hour, month, year).

Findings indicated that the largest increase in the average monthly nominal wage by type of economic activity, compared with the corresponding period last year, was observed in education (35.3%), healthcare and the provision of social services (37.2%), banking, insurance, leasing and credit -mediation activities (31.8%), industry (23.0%) and construction (22.9%). A high level of average wages was noted for such types of economic activities as banking, insurance, leasing and credit and intermediary activities – 4 045.8 ths. soums (higher than the national average by 93.3%), information and communication – 3 774.4 ths. soums (80.4%), industry – 2 976.2 ths. soums (42.2%), transportation and storage - 2 632.9 ths. soums (25.8%), construction - 2 409. 2 ths. soums (by 15.1%). We can see in figure 3 all related data.

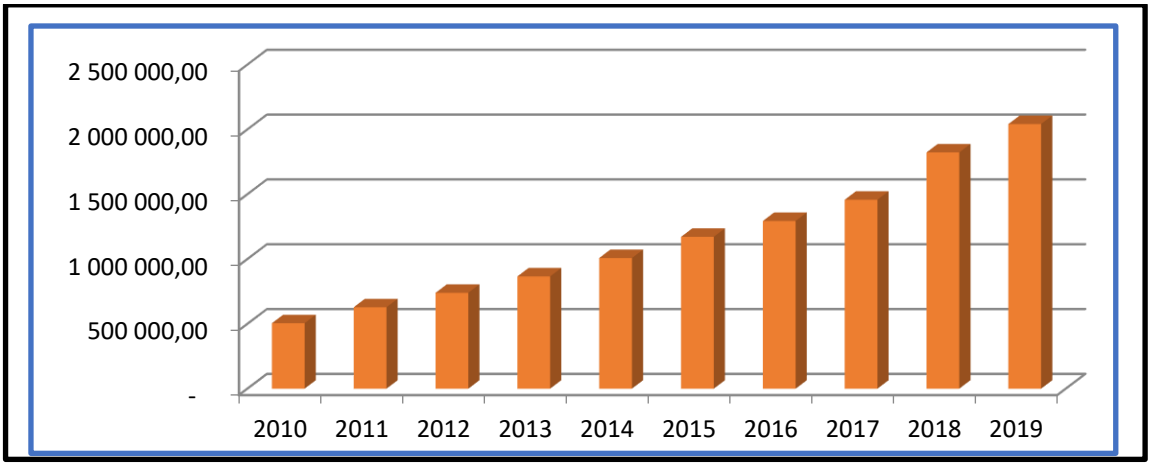


Figure 2. Change in average nominal wage in Tashkent city from 2010 to 2019, (thousand UZS)

In the total income of the regions, the largest share of income received from labor activity (income of employees and income from self-employment) was observed in Tashkent city (59.1%). Incomes from employment (income of employees and income from self-employment) have a significant weight in the structure of total income of the population. According to preliminary data, in January-June 2019, the total volume of the aggregate income of the population amounted to 153.3 trillion. soum and compared with the corresponding period of 2018, real growth rates reached 107.2%. Total per capita income amounted to 4590.9 ths. soums and compared with the corresponding period of 2018, real growth rates amounted to 105.2%.

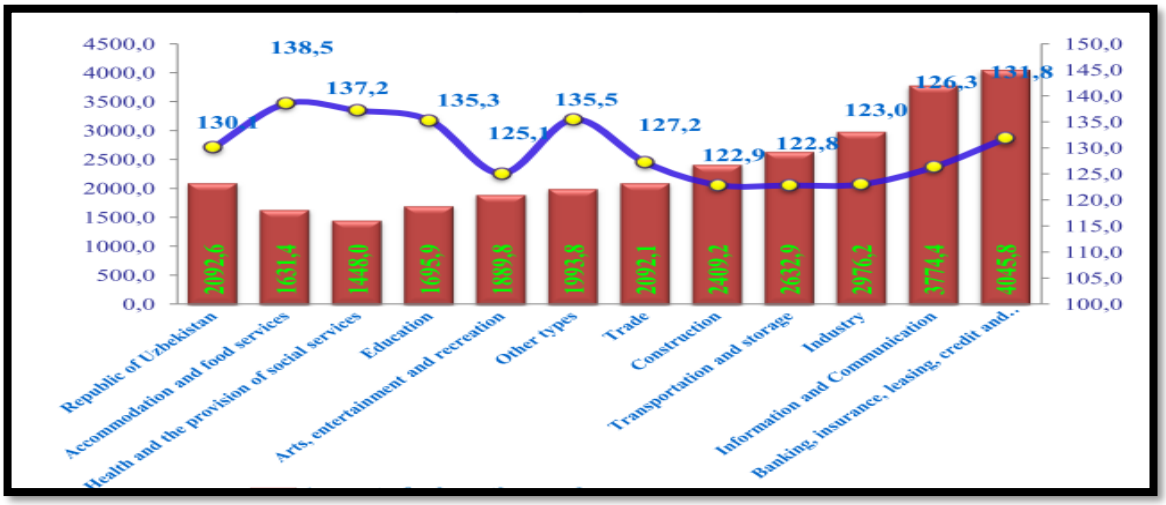


Figure 3. Average monthly nominal accrued wages by type of economic activity

The aggregate income of the population consists not only of income from labor activities of employees, but also from self-employment, own production of services for own consumption, income from property (interest, dividends, royalties, other property income) and income from transfers (pensions, benefits, scholarships, other current transfers). The largest part of the total income of the population in January-June 2019 was generated by income from labor activities (69.4% of the total volume of total income), which includes the income of employees and income from self-employment. The share of income from the production of services for own consumption in the total volume of the total income of the population was 2.1%, income from property - 3.7%, income from transfers - 24.8%.

The share of income from the production of services for own consumption and property income in the structure of the total income of the population of the republic was insignificant, and the share of such income in the city of Tashkent was 17.6%. all income of the population was 2.1%, income from property - 3.7%, income from transfers - 24.8%. On the other hand, during 2021, the volume cross-border money transfers to the country increased by 34% in relation to the previous year. Increasing total income of the population leads to an increase in the number of contracts for sale and purchase of housing and, consequently, an increase in value. By the results of the research, the coefficient of elasticity was value of 0.6-0.7%. Real estate prices react not immediately, but with some delay, due to the fact that people need some time to accumulate the required amount from the received transfers.

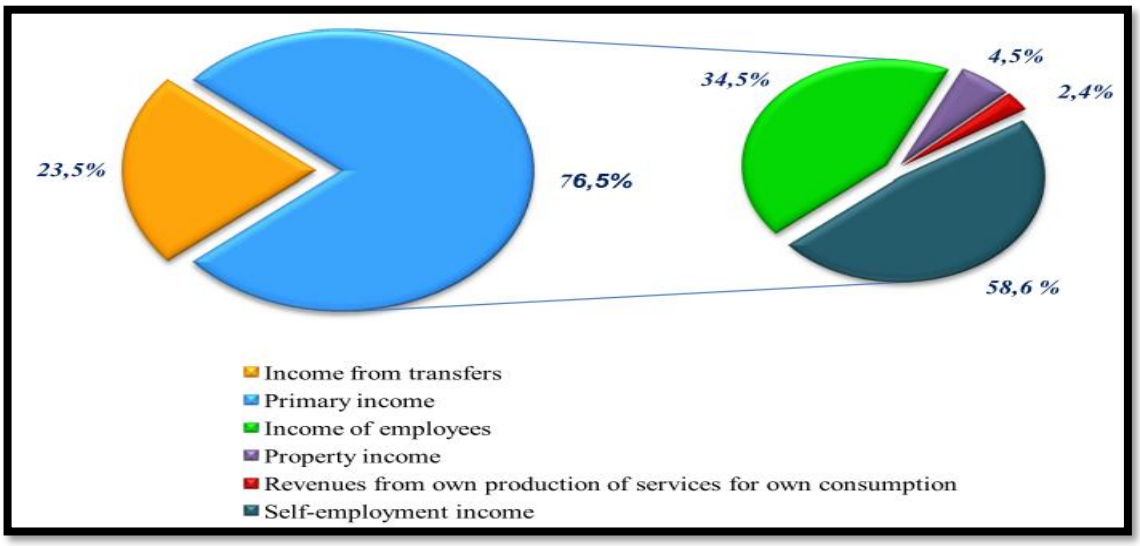


Figure 4. The structure of the total income of the population Uzbekistan, in 2019

Housing price analysis

The separation from the Soviet Union meant that the country was completely on its own in regard to dealing with its own economic, political, social and cultural issues, but without the necessary resources. The share of ownership and that of the private and social rental sector demonstrated in table 1. It shows that the numbers changing to has a relatively large social rental sector and a relatively small private rental sector. Data indicated that the current overall share of ownership in Uzbekistan is 51% and the current share of social renting 34%.

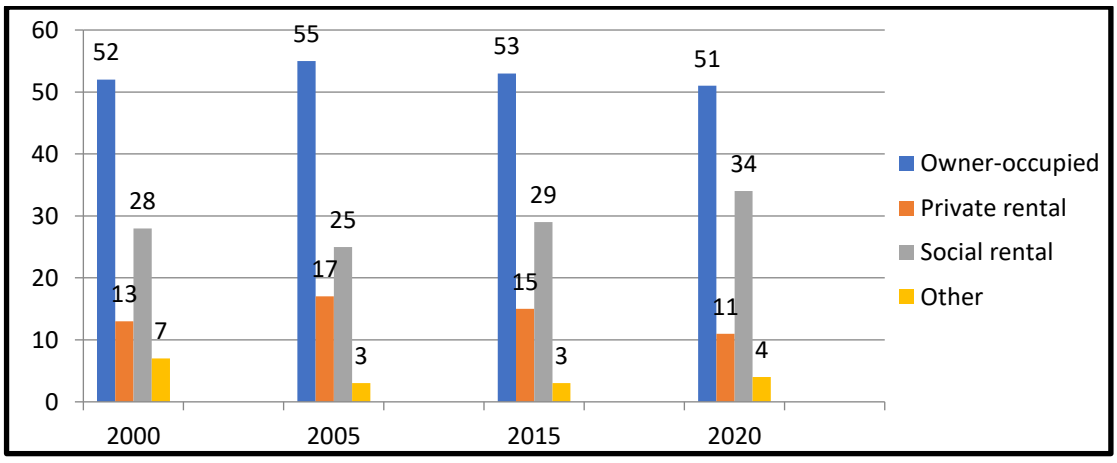


Figure 5. Share of forms of tenure in Uzbekistan during 2000-2020 (in %)

Starting from the second half of 2021, the real estate market will stabilize. The number of transactions in the III-IV quarters is still inferior to the number of transactions for the same period in 2020 however; it is growing more predictably and without sharp jumps. According to the Central Bank, at the end of 2021, 14.5% more purchase and sale transactions were made than in the previous year. At the same time, the share of transactions for the purchase and sale of housing in the capital in 2021 decreased to 29% compared to 33% in 2020. In general, demand in the secondary market remained high, prices continued to rise. The rate of price growth slowed down at the beginning of the year, but in the 4th quarter the prices for secondary housing jumped sharply: the average cost of secondary housing in the republic increased by 5.1% compared to

the 3rd quarter (in the 3rd quarter the growth was 2.3%). So, for example, according to the Central Bank in the capital there was an increase in prices of 4.2%. According to the Etazhi agency, the average price in the secondary housing market in the city of Tashkent in the fourth quarter of 2021 was 7,942,000 soums per square meter. We can see in below average cost per square meter in the primary market in Tashkent in 2021.

Table 3. Average cost per square meter in the primary market in Tashkent in 2021

District	Average cost per sq. meters, UZS	Quantity residential complex
Almazarskiy	7,600,000	10
Bektemirsky	5 982 500	8
Mirabad	10 509 434	12
Mirzo Ulugbek	10 085 128	35
Sergeli	6 872 318	10
Uchtepa	6,679,000	20
Chilanzar	6 868 125	12
Shaykhantakhur	7 743 462	16
Yunusabad	8 577 000	20
Yakkasaray	8 596 833	27
Yashnabab	8 720 854	24
Average	**8,038,871.2**	**194**

Source: spot.uz-real/estate

In 2021, the real estate market in the country will significantly activate. This was due to increased demand from part of the population, due to an increase in mortgage lending and affordable housing programs. In addition, the relative the stabilization of the exchange rate also had an impact on the market real estate. In the fourth quarter of 2021, there was a more accelerated price growth and the average cost of secondary housing in the republic has increased by 5.1% compared to the III quarter (in the III quarter the growth amounted to 2.3%). In Tashkent, in comparison with the previous quarters when there was a relatively stable increase real estate prices by 1.5-2%, in the IV quarter there was an acceleration growth rate (4.2%). It is likely that the increase in prices is due to macroeconomic conditions prevailing in the country in 2021.

CONCLUSION AND RECOMMENDATION

This research paper focuses on the relationship between housing price and income in Uzbekistan. The main aims to answer the key question are whether labor income growth is keeping up with housing price growth? Findings showed according to data obtained and analyzed, it can be concluded that housing prices have risen significantly compared to monthly wages. The largest part of the total income of the population was generated by income from labor activities which 69.4% of the total volume of total income, mainly in Tashkent city observed 59.1%. Total per capita income amounted to 4590.9 ths. soums and, compared with the corresponding period of 2018, real growth rates amounted to 105.2%. Data indicated that the primary real estate market of the capital saw an increase in prices per square meter in certain areas in 2021, on average, prices in the city increased by 7-9% compared to the previous year.

Therefore, the share of transactions for the purchase and sale of housing in the capital decreased to 29% in 2021 from 33% in 2020, in Tashkent regions from 14% to 12%, respectively. This change indicates the fact that the increased demand for housing in Tashkent and nearby territories is gradually normalizing, and the development of infrastructure in other areas is likely to be the main reason for residents in the acquisition of real estate in the regional market. At the same time, the highest prices were observed in Mirabad, Mirzo-Ulugbek, Yunusabad and Yakkasaray districts of the capital (Central Bank calculations based on data from olx.uz, uybor.uz and dom.vsem.uz). These areas are closer to the city center and have more developed infrastructure, which generates higher price offers. In more remote areas, such as Chilanzar, Bektemir, Sergeli, Uchtepa, housing prices are on average 20% lower. Comparison of the number of sale and purchase transactions registered through notaries in January 2022 and January 2021 shows a relative decline in demand for housing in Tashkent (by 10%). Thus, in January, residents of the capital conducted 5,189 transactions for the alienation of real estate, while for the same period last year - 5,709 transactions.

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