

## POLAND AND UKRAINE: PERSPECTIVE OF INSTITUTIONAL ECONOMICS

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### Summary

The residential real estate market is one of the most important elements of any economy, based on housing objects that can be owned by different households on certain rights. Identifying all forms and rights of ownership in the housing market of Poland and Ukraine in accordance with the theses of institutional economics and comparing them was the main goal of the study. In our analysis, we want to confirm the hypothesis that the structure of property rights that exists in the residential real estate market and is described in various literature provides only a general description of the real situation. Therefore, the result of our research was the determination that the property rights operating on the housing market in Poland and Ukraine are much more diverse and complex than the five main forms described in the Ostrom model, which is the main basis for defining property rights. This made it possible to identify the existing forms of property rights, in particular for apartments that exist in the analyzed markets, and to establish the distribution of these rights among possible co-owners of these objects.

**Key words:** property, the residential real estate, the housing market, the right holders, type of ownership.

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### 1. Introduction

Real estate acts as a driving force and not only guarantees people freedom, independence and a decent life, but also serves as the basis of national wealth. An efficient and stable economy creates conditions that allow for the provision of important goods and the needs of the population, as well as the development of the market and the enrichment of the state.

For the real estate market to function effectively, it is important to improve the system of market relations in the process of institutionalisation, which will facilitate the free distribution of real estate ownership rights with appropriate structuring of economic processes. Therefore, a well-formed institutional and legal environment of the real estate market allows the regulation of the behaviour of all participants based on objectively determined property rights and the coordination of the conditions and procedures for their implementation.

In this context, a key research problem has emerged, which we have placed within the institutional economics framework in our research. Our main goal was to identify forms of property rights in the residential real estate market and the owners of those property rights. It is widely acknowledged, particularly within the institutional economics framework, that property rights

affect the efficiency of resource use. In the residential real estate market, optimal property institutions will be those factors that can enable the efficient use of housing resources. It is beyond doubt that housing is a good that is characterised by a certain scarcity. This is primarily because of the growing demand for housing and the relatively long investment process, which is the source of housing supply. We attempted to compare property rights institutions in Poland and Ukraine.

The economies of both countries, in particular Ukraine and Poland, have a lot in common from the point of view of the real estate market, especially the growing demand for housing and as an important social phenomenon. These aspects were crucial to our study of both residential real estate markets and existing property rights institutions.

These are economies that have a lot in common regarding the real estate market, particularly in terms of social phenomena. These aspects are crucial and have made the residential real estate markets in Poland and Ukraine the focus of our research from the perspective of property rights.

At the core of our research lies a hypothesis in which we assume that the property rights structures exposed in the institutional economics current also apply to the housing market. Our research is primarily based on E. Ostrom concept, in which she distinguished five forms of property rights and five types of owners of those rights. We believed that such an approach is optimal for studying the real estate market because of the multitude of interpersonal relationships and forms of use of housing in Poland and Ukraine. We set ourselves a thesis that we wanted to prove in our research. Based on our experience and previous research on the real estate market, we concluded that the forms of property rights described in institutional economics literature only describe the reality of the real estate market.

We believed that property rights in housing in Poland and Ukraine are much more diverse than just the five forms described in the E. Ostrom model. However, this does not mean that we deny the validity of this approach. It is the foundation of our research, which aims to identify the real forms of property rights in these markets. Such an approach is additionally justified by the institutional perspective, which provides the economic background for our research. Institutional economics enables the study of economic phenomena from the perspective of a broad institutional determinism. This is important because property rights in the real estate market are not just an economic or legal aspect. Property rights are a phenomenon that encompasses economic, legal, and social aspects. Housing as a good serves the function of satisfying basic human needs. This makes property rights to housing a holistic and multifaceted phenomenon.

Property rights in the housing real estate markets are important for several reasons. First, it is crucial to identify and clearly define the forms of property rights that regulate interpersonal relations in this aspect of the economy, which is the subject of our research. This may enable the examination of the effectiveness of resources in different ownership. Such an approach may reveal potential market inefficiencies, and the results of such research could serve as the basis for corrective programs from the perspective of, for example, housing policy in Poland and Ukraine. This mechanism is based on the recognised relationship that appropriate formal and informal institutions regulating property rights are one of the most important factors for efficient use of goods. That housing is a limited good is obvious.

Therefore, optimising property rights institutions can provide opportunities for improving the efficiency of housing resource utilisation. This is important in Poland, where the problem of "housing vacancies" is widely observed. In Ukraine, the housing supply has significantly decreased because of the military aggression of russia. In both countries, there is a higher demand for housing than supply. These factors make our research on the actual forms of property rights essential for further studies on housing availability and problems for the Polish and Ukrainian societies.

## 2. Literature review

Property rights are one of the most important areas of research in institutional economics. Property was treated as an element of social structure. However, the mere use of certain goods does not automatically result in creating property institutions. It should also be emphasised that the emergence of private property in social space has led to economic processes taking on a character of "struggle" between people for possession of goods.

It is important to distinguish between the concept of "property right" and "ownership." The former most often refers to the mere possession of property and goods, which can be used under property law. The term "ownership" refers to a set of legislative rules and norms regulating ownership and property rights. This means that the owner of goods may use them, which may be shared with other individuals with their consent. The owner of goods can transfer their rights to third parties under the principles. These principles typically include sanctions for violating property rights and improper use, rules on compensation, and responsibility. This means that full use of owned goods is only possible within the limits established by institutions. Therefore, the use of goods is limited which may be because of social utility and social costs (North, 2016).

## 3. Research Method and Material

It should be clearly stated, however, that property rights directly concern human relations in relation to the possession and use of the benefits. An important element here is a kind of human activity in relation to these goods. Owning them for the sake of ownership alone does not make much sense. The mere fact of owning a good must be/should be complemented by active and real use of these rights, as well as the necessity of having control over the possessed good. Only these three mutually interacting elements can generate added value for property rights holders to specific goods – of course, with the active participation of humans/property rights holders. This makes it possible to use owned goods effectively.

However, the efficiency of these goods should be considered from the perspective of their owners and from a broader socio-economic perspective. The scarcity of resources is the main reason. This aspect is also observed in the real estate market, where housing is a scarce resource. This is mainly because of the high demand for such goods in various economies, including Poland and Ukraine. Obviously, the scarcity of housing goods does not result from their limited availability in terms of natural resources. Rather, it results from the imbalance between market demand and supply.

Such a situation, which can lead to an increase in the level of inefficiency in resource utilisation, should be clearly organised by institutions. These institutions will regulate human behaviour and interpersonal relationships. On the one hand, these institutions will enable owners to use their property rights, while these rights will be limited in relation to the rest of society. In this way, institutions become the cause of ordering interpersonal relationships in terms of their rights to individual forms of ownership, also by introducing sanctions for non-compliance with these norms or principles. Such restrictions primarily aim to ensure that property rights are used by their owners and other individuals who may have partial property rights. In this context, it should be emphasised that property rights make up a set of different relationships and arrangements between people, who on this basis have the opportunity/right to use goods in different ways. The most commonly mentioned are the right to possession, use, management,

income from resources, capital creation, security, transferability, and the right to return of ownership. It is also important to note the prohibition of using property to the detriment of others and the obligation to release resources to repay debts.

In E. Ostrom's research, the relationship between the full owner and those who have a smaller scope of property rights appears in this context. These relationships are presented as a matrix that assigns property rights to specific roles (see Table 1). This division is based on the assumption that property rights allow the taking of specific actions within a certain scope. Thus, property rights are the basis for taking specific actions in relation to other interested parties regarding a resource. In this context, five forms of property rights have been defined, which are considered the most important from the perspective of using common resources. The right of access provides the possibility of entering a specific area and derive non-subtractive benefits. The right of withdrawal allows eligible individuals to get resources or products from the resource system. The third form of property rights is the right to manage the resource. The right of exclusion provides the ability to determine who will have access to the resource and how those rights can be transferred to others. The highest form of property rights is the right of alienation. It allows for the sale or lease of rights to manage and exclude the resource.

Defined forms of property rights have been assigned to specific groups of property holders. This allows for resolving the dilemma and the separation of whether property rights are well-defined from the problem of the consequences of holding specific property rights. In this way, five types of property holders have been defined, each with different scopes of rights. The first are authorised entrants, who have operational rights to enter and use the property. Authorized users have both operational rights and the right to use the property for their own purposes. Authorized claimants are another group of property holders who also may manage the property by establishing restrictions on the use and access of the property. Owners have additional property rights regarding exclusion, which enables them to decide who can access and use the property. Various legal systems and social traditions impose certain restrictions on this right, such as the ability to transfer property rights or bequeath property to family member.

Table 1

### Ownership holders and the division of property rights

	Owners	Proprietors	Claimants	Authorised Users	Authorised Entrants
Access	X	X	X	X	X
Withdrawal	X	X	X	X	-
Management	X	X	X	-	-
Exclusion	X	X	-	-	-
Alienation	X	-	-	-	-

The concept of differentiation of property rights has evolved, influenced in part by technological advances. In the dynamic development of the Internet and network services, there has been a recognised need to expand the catalog of property rights. As a result, a new division of property rights has emerged, primarily dedicated to online repositories. According to E. Ostrom and E. Schalger, these include rights of access, contribution, extraction, removal, management/participation, exclusion, and alienation. These new forms of property

rights provide owners with the right to co-create content (Contribution), to receive units of resources or products from the resource system (Extraction), and to remove their artifacts from the network resources (Removal).

#### 4. Results

The contemporary forms of residential property ownership in Poland result from various changes and transformations. Events from various decades of Polish history have become a force shaping modern institutions, particularly in the realm of formal and informal institutional changes. In recent decades, there have been significant social transformations in Poland, involving adaptation to changing economic circumstances, which have changed the ways of conceive different social classes. This has created a strong impetus for private property institutions in Poland, which have taken on a competitive character in raising the standard of living – with particular emphasis on the conveniences of daily life. Such institutional changes are also clear in the real estate market, where owning one's own apartment is often a benchmark and criterion of the standard of living. In this context, it can be said that owning one's own apartment for some members of society is more a fulfilment of the desire to conform to the contemporary level of "decent" consumption, rather than a fulfilment of basic living needs.

The contemporary institutional reality reveals a very large differentiation of property forms in this area, the main determinant of which is the economic situation of households. In Poland, there are several main forms of apartment ownership – or rather, forms of residence. It turns out that such differentiation is very important. The form of ownership determines the fact of owning a particular good. Meanwhile, the form of residence relates a person to various forms of rights resulting from the usefulness of the good, which in our research is the apartment. This means that the term 'owner of property rights' in relation to its various forms can also apply to the analysis of formal real estate market institutions. However, this requires some change of the Polish institutional reality to the E. Ostrom model (*Ostrom, 2003*).

Formal and informal institutions that determine the forms of housing in Poland have enabled the emergence of full ownership, co-ownership, cooperative ownership rights to a unit, participation in co-ownership of real estate, cooperative tenancy rights to a unit, right to social housing, and the possibility of market rental (see Table 2). The first of the listed forms of housing pertains to the fullest right of ownership to a dwelling. The full extent of these rights primarily refers to independent possession of the unit (along with a proportional share of ownership of the land on which the building stands) as well as the possibility of its unrestricted use. This type of property ownership entitles individuals to all forms of housing possession, ranging from full and unrestricted access to the unit, to the ability to use the dwelling for one's own domestic needs, to the possibility of alienation, which in this context refers to the right to sell the property. In the Polish legal reality, there is an institution of co-ownership, which, in principle, entitles individuals to the same property rights in relation to the unit. However, the difference lies in the division of these rights among the co-owners. The division of these rights, however, does not result in the weakening of its forms. Rather, it extends the subjectivity of the holders of these rights. In the real estate market, such a situation often concerns households (married couples, life partners) who have shared the property for their own domestic needs.

Another type of property owner in Polish reality is owners who use cooperative ownership of the apartment. This type of legal institution is not perfectly matched to property rights

that exist in the E. Ostrom model. It cannot be stated that this type of owners do not have the right to sell the apartment. However, assigning this form of property ownership to apartments is determined by the aforementioned limitation. Owners of this type of property rights may use the right of alienation, but only to the extent of disposing of the cooperative ownership right of the apartment. This type of legal act generates similar social effects. However, in relation to legal facts, it is a different civil law activity. Using the right to manage the apartment is limited. Any changes in the way the apartment is used and transforming this property require the consent of the housing cooperative, which manages the property.

Further limitations on the use of a wide range of property rights concern allowed petitioners. This type of property rights holders is assigned to individuals who own shares in a common property. This refers to the called to share in the property with a sign of the premises. In the Polish real estate market, this is a new form of property rights. Besides the limitations on the right to manage, further restrictions appear. This type of property rights holders can use the right to use the property in a limited way. This is because co-ownership and use of the property are possible only if can be reconciled with the co-ownership and use of the property by other co-owners. Authorised petitioners may use limited rights to exclude and alienate. This limitation means that the use of these forms of property rights may only concern the owned shares of the entire property. Using this range of rights is very difficult. This has led to the creation of a new legal institution called the "quad usum" agreement. This type of contract specifies the share in co-ownership of the property by indicating a specific apartment. This enables more optimal benefits to be derived from the use of the apartment and more efficient regulation of the use and transformation of the designated apartment. However, the "quad usum" agreement does not change the position of the authorised petitioner to the position of the owner.

Another group of property owners are authorised users. Based on the research of legal institutions that apply to the Polish residential real estate market, three subgroups of property owners can be included in this group. These are owners of cooperative-tenant ownership rights, rights to communal flats, and individuals who use the right/opportunity of market rental of flats. It is difficult to speak of ownership of flats in this context. These are already forms of property rights that only allow full access and use of flats for personal living needs. Market practice suggests that this group of flat users may make improvements (e.g., renovation). However, this right is strongly limited. Using this form of property right is only possible with the consent of flat owners or housing cooperatives. It should be clearly emphasised that there is a clear differentiation among these three subgroups. It is not based directly on the structure of property rights to a flat. The main factor distinguishing them is primarily the financial situation of allowed flat users. Cooperative-tenant right to a flat is possession by a member of a housing cooperative of the right to live in a flat without ownership rights. It is a remnant of institutions that were in force in Poland in the 1970s and 1980s. Members of cooperatives acquired this type of right to use tenancy flats, which today are disappearing or are being transformed into communities or housing cooperatives. This subgroup of property owners still has an additional privilege. Tenancy flats can be rented on market terms or given for free use to other individuals. There is a very clear difference between authorised users who use communal flats and market rental flats. The first subgroup most often concerns individuals/households who are in a difficult economic situation. Legal institutions in Poland specify that this type of right to use flats is of a social help character. Authorized users who rent flats on market terms are individuals/households who most often consciously decide to live in this way. This means that this subgroup of authorised users contributes to the segment of flat rental in Poland.

The last group of property rights holders was included in the scheme solely for methodological order. Authorized users in the real estate market essentially do not exist. Property rights of this group are limited only to full access. I can't imagine such a type of ownership in relation to apartments that meet specific human needs. After all, the right to own land differs from the right to own a house. In institutional economics literature, the example of the possibility of benefiting from the right to access private areas is often cited. This is most often related to social costs. However, in relation to owning a house, such phenomena do not occur. The only context in which authorised participants will appear will be the possibility of access to the apartment by third parties – but only with the explicit consent of the holders, owners, authorised petitioners, users, or tenants. In colloquial terms, this scope of property rights will concern guests of the holders of broader property rights to the apartment (Table 2).

Housing in Ukraine has a very high economic, social and material value in society. That is why the right to housing is enshrined in the Constitution, which has become a vital necessity and one of the fundamental rights of citizens. However, ownership of housing as a special real estate object is constantly under the attention of society and the state. In Ukraine, despite the difficult events that are currently occurring, it is unshakable that protecting property rights is guaranteed by the state. Traditionally, there are three forms of housing ownership: private, state and communal. Of course, with the beginning of massive free privatization of housing, the real estate sector has transformed, and private property has become a panacea for solving one's own housing problems. Therefore, society has developed a situation where it is 'imperative to own housing' because it is an indicator of well-being and status.

Over the past thirty years, housing policy in Ukraine has been aimed at expanding the institution of private property. The real estate market still relies on forms of ownership and subjects of ownership when distributing ownership of housing objects (*Bodnaruk & Perovych, 2022*). Although in the modern world community, housing is more positioned in terms of the utility of the good, which forms different institutional sectors of the housing market around it. Speaking specifically about the role of property in the housing market, it should be noted that the rights of ownership, use, disposal and responsibility are of decisive importance, representing both legal and economic categories. Therefore, without understanding the differences between owner-occupier, owner-user and owner-manager, especially where they are not the same person, it is very difficult to determine how the role of ownership affects the formation of effective housing relations.

Given the current institutional challenges in the real estate market in Ukraine, it is important to analyze what elements of property rights exist, as well as the restrictions and encumbrances that may arise in various combinations of these elements. Therefore, the author used 11 elements of property rights proposed by A. Honoré: the right of possession, the right of use, the right of disposal, the right of appropriation, the right to residual value, the right to security, the right to inheritance, the right to perpetuity, the right to prohibit harmful use, the right to liability for compensation, the right to residual character. And also by E. Ostrom, who developed her own hierarchical classification of property transactions. Therefore, the existence of such a wide range of property rights will always create certain conditions for the exercise of this right, so it is necessary to introduce clear, universally recognized rules and protected guidelines that can lead to effective property management regardless of its form of ownership. The combination of research of these scholars was compared with the Ukrainian realities regarding the realization of property rights on the example of housing and the conditions for their application.

Table 2

## Property owners and the division of property rights in the housing market in Poland Source: own study

Forms of activity	Owners		Proprietors	Claimants	Authorised Users			Authorised Entrants	
	Separate property	Joint property			Cooperative ownership right to the premises	Share in real estate ownership	Condominium apartment		Communal flat
Access									
– Full access	X	X	X	X	X	X	X	X	X
Withdrawal									
– Use for own needs	X	X	X	X <sup>(3,4)</sup>	X	X	X	X	–
Management									
– Making improvements	X	X	X <sup>(1)</sup>	X <sup>(4)</sup>	X <sup>(7)</sup>	X <sup>(8)</sup>	X <sup>(8)</sup>	X <sup>(8)</sup>	–
– Change of use	X	X	X <sup>(1)</sup>	X <sup>(4)</sup>	–	–	–	–	–
– Any disposition	X	X	X <sup>(1)</sup>	X <sup>(4)</sup>	–	–	–	–	–
Exclusion									
– Renting	X	X	X	X <sup>(5)</sup>	X	–	–	–	–
– Handing over for free use	X	X	X	X <sup>(5)</sup>	X	–	–	–	–
– Inheritance	X	X	X	X <sup>(5)</sup>	–	–	–	–	–
– Mortgage	X	X	X	X <sup>(5)</sup>	–	–	–	–	–
– Execution	X	X	X	X <sup>(6)</sup>	–	–	–	–	–
Alienation									
– Sale	X	X	X <sup>(2)</sup>	X <sup>(5)</sup>	–	–	–	–	–

Notes: (1) Only with the consent of the cooperative; (2) Transfer only of the cooperative ownership right to the apartment;  
(3) Co-ownership of common property and the right to use it if can be reconciled with the co-ownership and use of the property by other co-owners; (4) Provided that a quad usum agreement is concluded; (5) Only to the extent of the held shares; (6) The entire property may be subject to enforcement, regardless of the shareholders; (7) Only with the consent of the cooperative; (8) Only with the consent of the owner.



Table 3

Property owners and the division of property rights in the housing market in Ukraine Source: own study

Types of activities	Owner-occupier			Owner-user			Owner-manager		Respon- dents	Third parties
	Indi- vidual property	Joint partial prop- erty	Shared joint property	ACAB (con- domi- nium)	Dormitory (collective owner- ship)	Rent	Housing coopera- tives	Social housing	All owners	
<b>Access</b>										
- Full access	X	X <sup>(7)</sup>	X <sup>(1)</sup>	X <sup>(5)</sup>	X <sup>(11)</sup>	-	-	-	X	X <sup>(11)</sup>
<b>Withdrawal</b>										
- Usage	X	X	X	X	X	X	X <sup>(3)</sup>	X	X	X <sup>(11)</sup>
- Use for personal needs										
<b>Management</b>										
- The right of economic management	X	X <sup>(7)</sup>	X	X <sup>(2,7)</sup>	X	X <sup>(1)</sup>	X <sup>(3)</sup>	-	X	-
The right of operational management	X	X <sup>(7)</sup>	X	X <sup>(2,7)</sup>	X <sup>(11)</sup>	X <sup>(1)</sup>	X <sup>(3)</sup>	X <sup>(9)</sup>	X	-
Any management	X	X <sup>(7)</sup>	X	X <sup>(2,7)</sup>	-	-	X <sup>(3)</sup>	-	X	-
<b>Exclusion</b>										
- Deprived of property rights	X <sup>(10)</sup>	X <sup>(10)</sup>	X <sup>(10)</sup>	X <sup>(10)</sup>	X <sup>(10)</sup>	X <sup>(10)</sup>	X <sup>(10)</sup>	X <sup>(10)</sup>	X <sup>(10)</sup>	X <sup>(10)</sup>
- Rental	X	X <sup>(8)</sup>	X <sup>(6)</sup>	X <sup>(5)</sup>	X	X <sup>(1)</sup>	X <sup>(3)</sup>	-	X	-
- Mine	X	X <sup>(8)</sup>	X <sup>(6)</sup>	X <sup>(5)</sup>	-	-	X <sup>(3)</sup>	-	X	-
- Privatization	X	X <sup>(8)</sup>	X <sup>(6)</sup>	X <sup>(5)</sup>	X <sup>(11)</sup>	-	X <sup>(3)</sup>	-	X	-
- Mortgage	X	X <sup>(8)</sup>	X <sup>(6)</sup>	X <sup>(5)</sup>	-	-	X <sup>(3)</sup>	-	X	-
- Life-long maintenance	X	X <sup>(8)</sup>	X <sup>(6)</sup>	X <sup>(5)</sup>	-	-	-	-	X	-
- Transfer for free use	X	X <sup>(8)</sup>	X <sup>(6)</sup>	X <sup>(5)</sup>	-	-	-	-	X	-
- Donation	X	X <sup>(8)</sup>	X <sup>(6)</sup>	X <sup>(5)</sup>	-	-	-	-	X	-
- Inheritance	X	X <sup>(8)</sup>	X <sup>(6)</sup>	X <sup>(5)</sup>	-	-	-	-	X	-
<b>Alienation</b>										
- Purchase and sale	X	X <sup>(8)</sup>	X <sup>(6)</sup>	X <sup>(4)</sup>	X	-	-	-	X	-

Notes: (1) with the consent of the owner; (2) based on advance notification and getting the consent of all adjacent apartments; (3) with the consent of the cooperative; (4) indivisibly alienated together with the premises without allocation of a share in kind; (5) distributed to the respective shares of the condominium (Association of co-owners of an apartment building); (6) with the written consent of all adult family members permanently living on the property; (7) only for a certain share in the property right; (8) with the consent of the co-owner and only for his/her share in the property right; (9) with the consent of state or local authorities; (10) by law or by court decision; (11) under certain conditions.

## 5. Conclusions

Given the importance of housing for the population and the Ukrainian mentality, real estate acts as an indicator of the standard of living status in society. But for most owners, its presence does not mean the ability to properly manage it, to build effective relations regarding the maintenance, preservation and receipt of profits from the ownership, use or disposal of real estate objects. We are considering a similar situation in Poland. Owning your own apartment is still synonymous with financial status. Of course, having your own apartment mainly meets the living needs of society. However, the type of apartment, its location, size and other features are treated as an indicator of wealth. However, changes in this respect can already be observed in Poland. The apartment is increasingly becoming a "tool" to achieve goals that are important to Poles. Possession of a flat or the right to live makes it possible to achieve, for example, professional goals. This makes Poles more and more often choose to rent an apartment in other cities, where they start their professional work.

The formation of the real estate market in Poland and Ukraine examined quite similar stages of development, so the behaviour of the participants was mostly similar. The dominance of private property over other forms made it possible to develop certain rules within the institutions that became the basis of the functioning of these markets. Property rights establish certain rules of behaviour of owners regarding one or another form of property, which are regulated by the state. However, after analysing the property rights in the Ukrainian real estate market, it can be noted that although they are specified in the main legislative acts, the regulation by the state is performed selectively.

Therefore, it is important to create such a regulatory environment in Ukraine, where clear and clear rules, obligations and burdens would apply according to the defined property rights. In Poland, however, the problems of the housing market are observed, which have their sources mainly in the unstable law. The high volatility of legal institutions in recent years generates a high level of uncertainty. This applies not only to the events of the last two years, when national economies have to react to the turbulence of the macroeconomic sphere. In addition, there is an insufficient supply of flats in Poland, both in the primary and secondary markets, as well as in the rental segment.

The results of research in both countries are mixed, although the real estate market in Poland is more developed. Ukraine, a young, ambitious country, which is currently fighting for its independence, and despite everything, is trying to guarantee the main constitutional right – the right to housing! Therefore, the experience of a neighboring country can serve as a good example for its implementation, both in the post-war period and in modern conditions.

The real estate market is important both in ensuring the economic growth of the state and in the social impact that forces people to work to ensure their own housing conditions. The study of the real estate market from the standpoint of the behaviour of the participants, the interrelationships of institutions, the effectiveness of management and state regulation is extremely interesting.

Regarding real estate objects as property objects, the state should not interfere within the limits of their expression of will regarding their realization, but should control the process of their management and use on behalf of society. Although there is some state regulation in Ukraine, it is quite contradictory and selective. In Poland, there are various attempts to improve the housing economy by individual state authorities. The problem of housing appears cyclically on political agendas. However, the effectiveness of these activities leaves much to be desired. This may prove that the residential real estate market is a very complex phenomenon that

cannot be optimized by simple political rules. Thus, we see the need for further research into the conditions of development and establishment of property rights in the real estate market.

At the beginning of our research, we hypothesized that the forms of property rights described in the institutional economics literature would be the optimal foundation for the study of property rights in the real estate market. We particularly emphasized the concept of E. Ostrom's property rights. In short, we can say that this supposition was confirmed. The existing forms of ownership and types of property rights holders, both in Poland and Ukraine, have complicated the theoretical model. It turned out to be practically impossible to create exactly the same matrix. The Polish and Ukrainian reality of property rights in the residential real estate market turned out to be more complicated.

Identifying ownership forms and types of property rights holders was our main goal. One main conclusion can be drawn from our research. Real forms of housing ownership are much more complicated than presented in the theoretical model. However, this does not result from the forms of ownership or individual activities within these forms. The level of complexity of the actual forms of housing ownership results mainly from their change to the particular roles of the holders of these rights. It turned out that an identical match is not possible in the Polish and Ukrainian residential real estate markets. It should be emphasized that some forms of property rights can be used by their holders under certain conditions. In addition, the relationship was confirmed that even full ownership rights to housing are limited by legal and social institutions. This applies above all to the right to alienation. In the residential real estate market, this form of property rights is limited to the sale of a good. Not without significance are also the observed changes in property rights and the possibility of using these rights. In Poland, this aspect is visible, for example, in changes in the preferences of societies in choosing the form of the right to live. Russia's military attack on Ukraine caused huge restrictions on the use of property rights to housing.

On this basis, it can be concluded that the issues of property rights on the residential real estate market in Poland and Ukraine are very complex phenomena. The research results presented by us have revealed the modern forms of property rights that different rights holders are entitled to. The results of our research resulted in the emergence of another research question. What determines the choice of these or other forms of property rights by societies? Why do some people decide to own their own flat and others choose the form of renting a flat? These and similar questions may be the foundation for further research on the real estate market in Poland and Ukraine in institutional economics.

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