

Ukrainian Investment Digest

Real Estate

Our Ukrainian PRK Partners team understands the expectations of entrepreneurs and the specifics of conducting business under martial law very well.

To insure investments against the risks of war, Ukraine already cooperates with the World Bank's MIGA agency and the American DFC agency.

We offer the most pertinent information in our complimentary monthly digest spurring businesses to work on investment projects now to avoid losing time once the war ends.

New for Investors:

On 3 January 2023, the Government of Ukraine set the minimum share guarantee of real estate construction as a percentage of the total area of future real estate units in the divisible unfinished construction (queue/launch complex) in accordance with the project documentation in the amount of: 10% for the cities of Kyiv, Dnipro, Lviv, Odesa, and Kharkiv; and 5% for other locations.



This means legislators want to stop the negative trend of completing buildings at the expense of natural persons/future owners and aim to stimulate the developer to perform the work properly and on time. This decision is also important in view of the launch of the eProperty (Ukrainian “eОселя”) mortgage lending program on the primary real estate market that started in October 2022.

[UA source](#); [UA source](#)

- The National Agency of Ukraine for the Identification, Search, and Management of Assets Obtained from Corruption and Other Crimes (abbreviated as "ARMA") issued an order dated 30 January 2023 to launch the Unified State Register of Assets Seized in Criminal Proceedings. The concept for the registry is quite large-scale and goes far beyond the scope of a database of seized assets that have been transferred to ARMA.

[UA source](#)

Good to Know:

- ARMA was created on the basis of asset recovery and management institutions that successfully operate in EU member states in accordance with the decision of the Council of the European Union No. 2007/845/JHA dated 06.12.2007 and other EU regulations. In 2022, ARMA searched more than 15,000 residential and non-residential real estate units. On ARMA's official website, investors can follow competitions for managers and implementers online. At the beginning of 2023, the system showed assets of mineral water producers, hotel complexes, non-residential real estate, etc.

[EN source](#); [UA source](#)

- Cassation disputes regarding private property are approximately 20x more numerous than cases regarding state or communal ownership of immovable property (except land). Therefore, it is advisable to start with a due diligence procedure that includes legal, technical, financial, and tax analyses as well as a risk assessment when concluding a real estate transaction.
- Real estate prices in Ukraine are gradually increasing. In order to satisfy investor demand, the State Property Fund plans the sale of state-owned real estate in 2023, which is a good opportunity for entrepreneurs to create Ukrainian REITs (real estate investment trusts). Such funds use a simple business model: They buy real estate, rent it out, and distribute the income to shareholders. The potential to create these investment funds will mount as thousands of square meters in finished and unfinished buildings are in state ownership.

[UA source](#)

- The ownership of forest plots by private individuals is permissible. In 2022, the Grand Chamber of the Supreme Court explained that the demand for reclaiming a plot of land for forestry purposes from illegal possession (a vindication lawsuit) in accordance with Article 387 of the Civil Code of Ukraine as an effective way to protect property rights.

[UA source](#)

How can PRK Partners help you?

We offer a full range of legal services and the support of lawyers who specialize in the most diverse areas of law and have gained experience working with clients from various sectors of the economy.

We wish you success in your endeavours!

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