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ANALYSIS OF INVESTMENT ATTRACTIVENESS OF LAND PLOTS ON THE TERRITORY OF CHERKASY REGION

Y. Riabova,

specialist,

e-mail: juliaa.ryabova@gmail.com

Institute of Land Management of the National Academy of Sciences of Ukraine

Abstract: *Studying the issue of investment attractiveness of land plots is quite relevant, since land resources are an important asset for investors and regional development. Due to the constant growth of interest in investment in land plots, the analysis of their attractiveness is becoming a key task for regional development and economic growth.*

The article presents the results of a study of the investment attractiveness of land plots in the Cherkasy region, which involved an analysis of a wide range of factors influencing investors' decisions to invest in the land resources of the selected region.

The economic, social and infrastructural aspects of land use in Cherkasy region were analyzed in order to determine the overall investment attractiveness. Particular attention is paid to the analysis of potential opportunities for the development of sustainable land use and balanced use of land resources in the region.

The dynamics of land relations in the region is revealed, taking into account their retrospective and current trends. The legal environment for regulating land relations and its impact on investment activity in the region is analyzed, which made it possible to more broadly assess the attractiveness of Cherkasy region for investment in land plots.

The results of the study can be used as a basis for investors' investment strategies, as well as serve as a basis for justifying decisions regarding investments in land assets in Cherkasy region.

Keywords: *investment, investment potential, sustainable land use, balanced use of land resources, efficiency of land use, economic development, real estate market, legislation, investment opportunities.*

Problem statement. In today's special economic conditions of regional development, the problem of determining the factors that determine the investment attractiveness of land plots is insufficiently studied. Due to the fact that a significant area of Ukraine's territory is risky for business, according to researchers' estimates [1], the territory of Cherkasy region is of particular research interest, which, being one of the central regions of Ukraine, has its own unique features and is characterized by significant investment potential.

It should be noted that there are a number of important applied issues and research challenges related to the investment attractiveness of land plots in the region that are little or not taken into account and need to be studied. For example, market factors such as land price dynamics, regulatory restrictions, and the dynamics of the institutional environment may influence the decisions of potential investors. In addition, socio-economic and environmental factors should be taken into account, which may also determine the sustainability of the investment environment. Particular attention in this context should be paid to the short- and long-term impact of the war and the limitations associated with the legal regime of martial law in Ukraine. Given the rapid pace of transformation of land relations in Ukraine and the expected growth of investment interest in land resources due to the development of the land market, the study of the investment attractiveness of land plots, in particular in Cherkasy region, is relevant.

Analysis of recent research and publications. The study of the issue of investment attractiveness of land plots is devoted to the works of such scientists, in particular: J. Dorosch, O. Sakal [2], S. Ibatullin, O. Dorosch [3], Stupin, I. Rii, P. Kolodii, Z. Ryzhok [4] and others [5-8].

In particular, publication [2] systematizes the factors of investment attractiveness of the territory of the Chornobaiivska settlement community of the

Zolotonosha district of Cherkasy region, such as attracting investments, economic development, improving infrastructure, increasing tax revenues and the impact of military operations, which made it possible to determine the level of investment attractiveness of the studied territory [2].

The theoretical approaches to assessing the investment attractiveness of agricultural land were studied by R. Stupen, I. Rii, P. Kolodii, and Z. Ryzhok. Based on the results of the analysis of the features of these approaches, the researchers studied the ecological and economic condition of the Lviv region and identified strategic priorities for increasing attractiveness, developed proposals for improving the assessment methodology and substantiated approaches to the development of investment platforms in agriculture [4].

S. Pletos, based on the analysis of the investment attractiveness of land plots in the Odesa region, as well as socio-economic relations, normative monetary valuation of land and the land market, conducted spatial modeling, which made it possible to identify the simultaneous formation of the Odesa city agglomeration, Kotovsk and Izmail subagglomerations, which interact as a whole and constitute the Odesa agglomeration system [5].

A. Kucher developed and tested a scientific and methodological approach to assessing the investment attractiveness of land use by agricultural enterprises in the regions of Ukraine. This approach is based on a logical and conceptual model that takes into account the structure of internal factors-symptoms and the interaction of hierarchical levels of investment attractiveness of land use in the agricultural sector of the region [6].

M. Malashevsky analyzed and identified objects characterized by investment potential in the city. Based on the results of calculations for different zones of the city, the author considers possible options for purchasing or leasing land plots [7].

A. Andreyeva emphasized that the introduction of a functioning market for land intended for agricultural use will promote competition and entrepreneurial spirit in the field of agricultural production, create conditions for the emergence of effective owners, ensure social justice and attract investment [8].

The purpose of the article. To systematize and analyze the factors that determine the investment attractiveness of land plots. The objectives of the study are: to analyze legislative initiatives to form the investment attractiveness of land plots, to analyze the economic, social and infrastructure aspects of land use in Cherkasy region; to study the factors that influence investors' decisions to invest in the land resources of the selected region; to substantiate strategic recommendations for investors and authorities to achieve a balance between economic growth, development and protection of land and the environment in general.

Materials and methods of scientific research. The study was based on general scientific methods of cognition, in particular: monographic, analytical, forecasting and generalization. The monographic method made it possible to study in detail the scientific works focused on the issues of investment attractiveness of land, in particular, agricultural land. The analytical method was used to analyze the sectoral structure and factors that may affect the investment attractiveness of the studied territory. The forecasting method takes into account various factors and approaches that may affect the future investment attractiveness of the research object. The generalization method summarizes the results of such factors as investment attractiveness, economic development, infrastructure improvement, and tax revenue increase.

Research results and discussion. The high quality of soils in Cherkasy is evidenced by the price of land, which is one of the highest in Ukraine [9]. Thus, given the valuation methodology [10], this land can produce more crops of higher quality. This creates prospects for the development of Cherkasy region [9].

Located in the center of Ukraine, Cherkasy region is situated in the middle reaches of the Dnipro River. It borders Kyiv region to the north, Poltava region to the east, Kirovohrad region to the south, and Vinnytsia region to the west.

The territory of the Cherkasy region covers 20.9 thousand square kilometers, which corresponds to 3.5 percent of the total area of the country. This region ranks 18th in size among all regions of Ukraine [11].

In general, the territory of Cherkasy region is characterized by flat terrain and is divided into two parts: the right bank and the left bank [11].

The Resolution of the Verkhovna Rada of Ukraine of 17.07.2020 No. 807-IX approved the «administrative-territorial structure of the basic and district levels of Cherkasy region, which provides for the formation of 4 districts and 66 TG» (fig.1) [12].



Fig. 1. Administrative and territorial structure of Cherkasy region [12]

The Cherkasy region has a temperate continental climate, characterized by relatively warm conditions and unstable humidity levels. Winters here are characterized by little snow and mild temperatures, while summers are warm and moderately humid [12].

The total area of Cherkasy region (2091,6 thousand hectares) is distributed as follows (fig. 2): agricultural land accounts for 1487,0 thousand hectares, or 71,1% of the total area of the territory (in particular, agricultural land – 1451,0 thousand hectares, or 69,4%); «forestry lands – 338,6 thousand hectares (16,2%); built-up lands – 84,4 thousand hectares (4,0%); open lands with no or little vegetation cover –

15,4 thousand hectares (0,7%); open wetlands – 30,5 thousand hectares (1,5%); water bodies – 135,7 thousand hectares (6,5%)» [12].

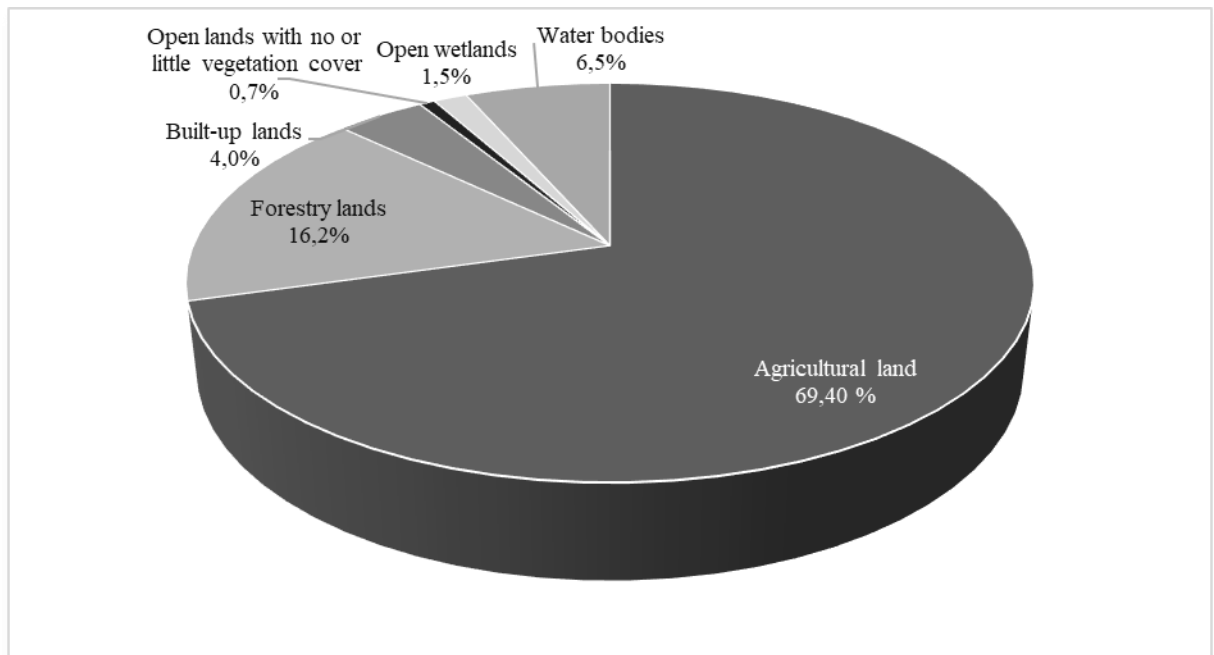


Fig. 2. Structure of the land fund of the region, % [12]

The region's soils are dominated by typical chernozems (fig. 3) [13].

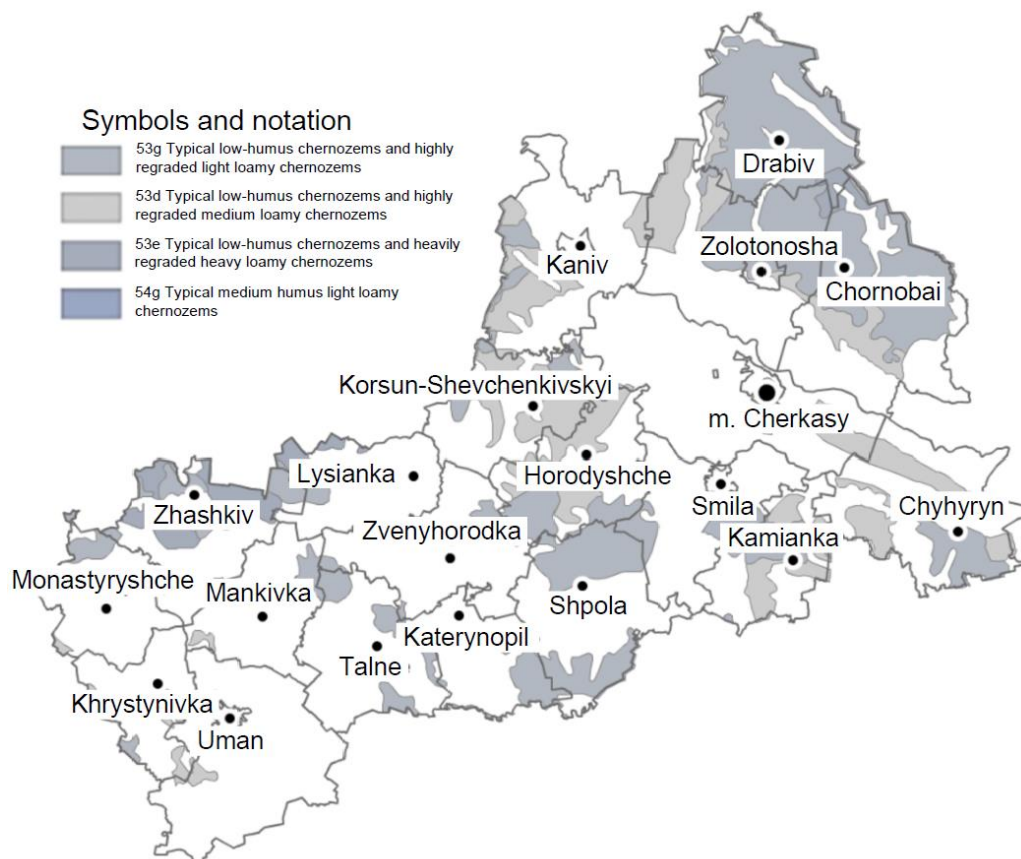


Fig. 3. Typical chernozems in Cherkasy region [13]

Grain, vegetable, fruit, and oilseeds are the main industries in the region. In addition, the region specializes in growing sunflower and sugar beets [12].

International road transport corridors run through the region: «Crete No. 9» and «Baltic Sea - Black Sea» [12].

Cherkasy region has a rich cultural and historical heritage. The region is home to such attractions as the Kaniv Monastery, the Kaniv Museum-Reserve «Tomb of Taras Shevchenko», the ruins of the Chyhyryn Fortress, and others. In addition, the region is rich in natural beauty spots, which contribute to the region's tourist attractiveness [12].

The region has developed educational and scientific spheres with numerous higher education institutions, including Bohdan Khmelnytsky Cherkasy National University, and research institutions conducting research in various fields of science [12].

The main indicator that reflects the degree of development of a region's economy is the gross regional product (hereinafter - GRP). This is the sum of the value of goods and services produced in a given region for final consumption (fig. 4) [12].

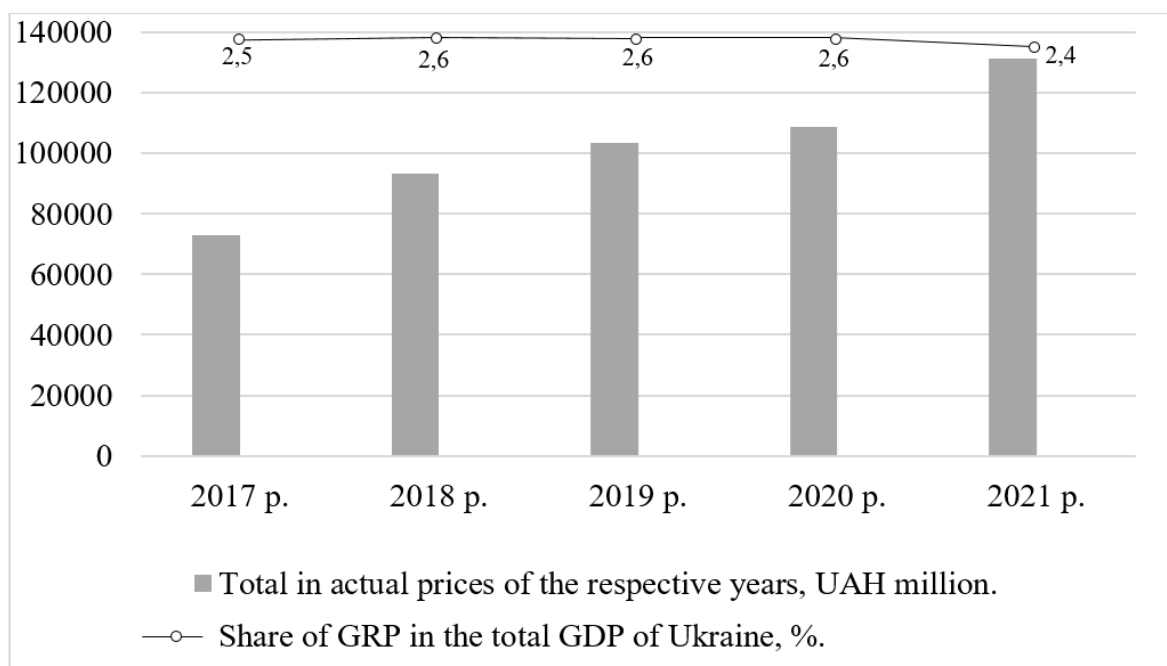


Fig. 4. Gross regional product of Cherkasy region and its share in the GDP of Ukraine [14]

In 2021, the positive trend of previous years in the growth of the region's gross regional product continued.

It is worth noting that the average salary of employees working on a permanent basis at enterprises, institutions, and organizations increased by 22.1% in 2021 compared to last year [15].

The index of industrial production in 2021 was 97.7%. According to preliminary data, in 2021, the index of agricultural production in all categories of farms increased by 29.5% compared to 2020 [15].

Crop production in 2022 increased by different types of farms [15]. Let us consider the dynamics of yields based on reports submitted by enterprises, using the example of potatoes (fig. 5) [16].

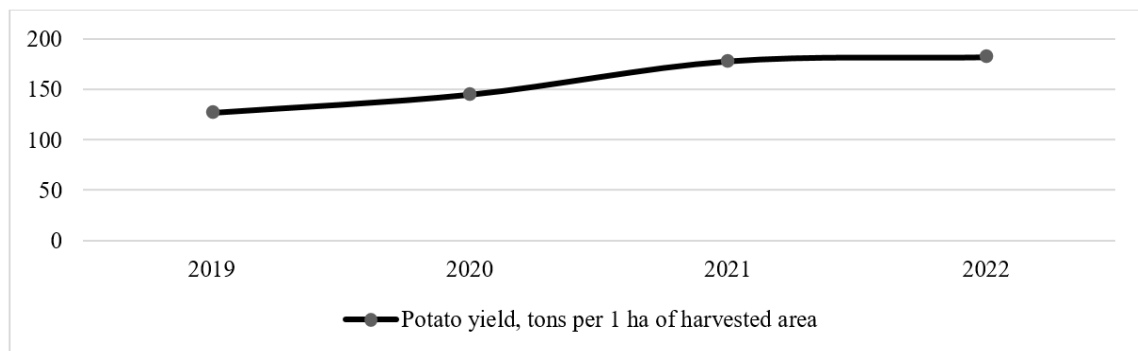


Fig. 5. Potato yield in Cherkasy region [16]

In the context of our study, it is worth noting that the Cherkasy Regional Development Agency operates in the region to promote investment and exports. It provides support to investors and helps businesses enter foreign markets. Measures are being taken to establish the activities of the Zolotonosha Industrial Park [12]. There is also a regional investment portal «Invest in Cherkasy Region» [17].

Cherkasy region has free zones of industrial infrastructure that can serve as a platform for creating new industries with technical and technological upgrades of production cycles [12].

During January-June 2021, enterprises and organizations of the region made capital investments in the amount of UAH 3356,2 million, which is 1,8% of total public investments. Most capital investments (98,9% of the total) were spent on the

purchase of tangible assets. Of these, 40,2% were invested in machinery, equipment, inventory, and vehicles, and 39,2% in buildings and structures [18].

Capital investments in 2020 for environmental protection by type of environmental activity, including: «atmospheric air protection and climate change issues, wastewater treatment, waste management, soil, groundwater and surface water protection and rehabilitation, biodiversity and habitat conservation, and other areas of environmental protection, amounted to UAH 42892,4 thousand» [19]. Current expenditures on environmental protection for certain types of environmental measures in 2020 amounted to UAH 261082,2 thousand [20].

The legal requirements that shape the investment environment in Cherkasy region cover a variety of aspects, such as legislation governing investment activities, land legislation, tax regulations, and other elements of the business environment:

1. Land Laws - Land laws define the rules for ownership, use, lease and sale of land plots. Clear and transparent land regulations are a key element for investors as they provide legal certainty regarding land ownership and use.

2. Investment legislation - the existence of special laws that encourage investment and provide certain benefits and protections to investors can make Cherkasy region more attractive for investment. These laws may include legislation on special economic zones, investment incentives, state guarantees, etc.

3. Tax legislation - tax rates and exemptions can also affect the attractiveness for investors. Low tax rates for business, simplified taxation system and tax credits can make investments in Cherkasy region more attractive.

4. Legal protection of investors - the existence of an effective system of legal protection of investors' rights is an important factor for attracting investment. Clear mechanisms for dispute resolution and protection of investment rights can increase investor confidence in the business environment in the region.

5. Administrative procedures and licensing - fast and transparent administrative procedures related to obtaining permits, licenses and other regulatory documents can also make the investment process more attractive and efficient for investors.

It is worth noting that, considering regulatory legal acts, acts of individual action (except for intra-organizational ones), it was found that in January 2024, the Department of Ecology and Natural Resources of the Cherkasy Regional State Administration adopted 44 orders (Fig. 6) [21].

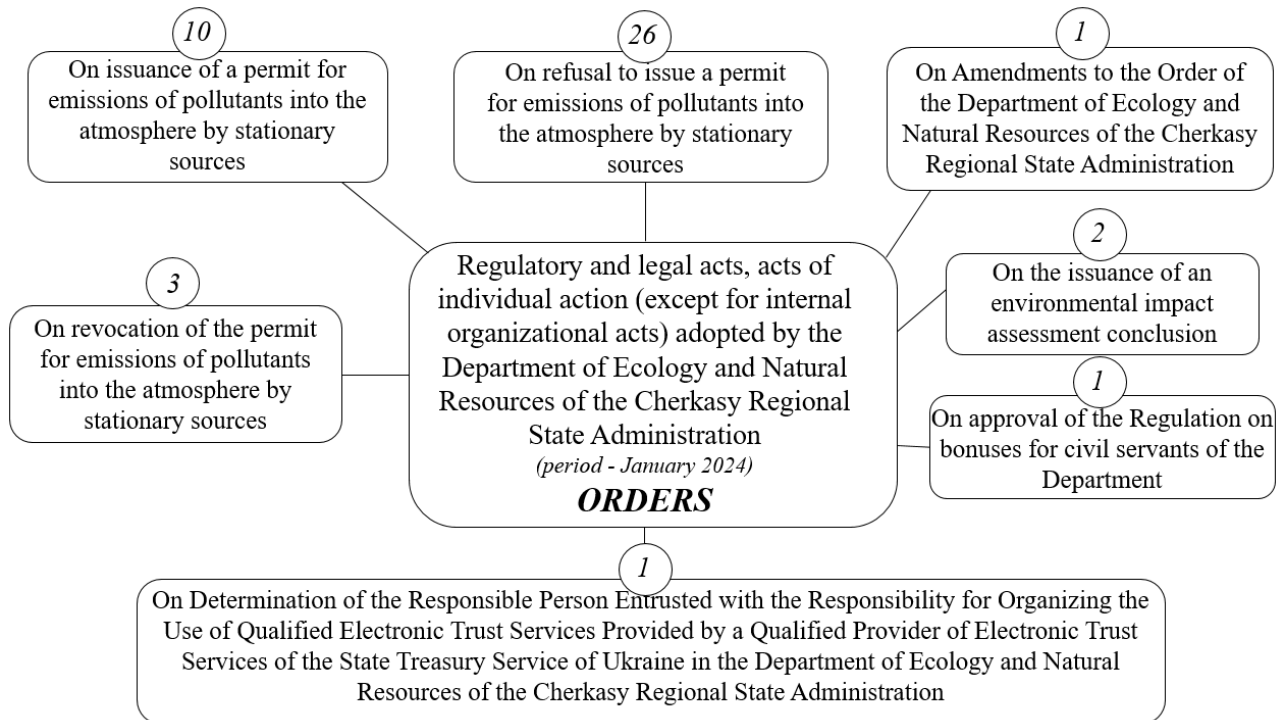


Fig. 6. Orders adopted by the Department of Ecology and Natural Resources of the Cherkasy Regional State Administration [21]

To achieve the goal of our study, we will also analyze the Report on the Implementation of the Passport of the Local Budget Program for 2022 [22]. The goal of the state policy, which the implementation of the budget program is aimed at achieving, is to ensure a quick response to public requests, monitor key issues that require decision-making at the regional level, provide appropriate legal and psychological support, and inform citizens about the main directions of state policy [22]. The above legal requirements play an important role in determining the investment landscape of Cherkasy region and may influence investors' decisions to invest in the region.

The attractiveness of Cherkasy region for investment in land plots [23] is determined by various factors, which we propose to systematize as follows:

1. Geographical location and accessibility:

– the location in the central part of Ukraine makes the region strategically important for the development of transport infrastructure;

– the presence of major transportation hubs, such as the cities of Cherkasy, Kaniv, and Smila, facilitates easy access to markets and convenience for logistics.

2. Natural resources and suitability for different types of activities:

– fertile soils allow for the development of agriculture, while the presence of forests and water resources can be attractive for forestry, tourism, fishing, etc;

– industrial zones and infrastructure for processing agricultural products can also increase the attractiveness for investors.

3. Economic and legal conditions:

– the availability of investment programs, business support and a stable economic environment can increase investor interest;

– transparency and stability of land legislation are also important to provide legal certainty for investors.

4. Infrastructure and services (services):

– a developed transportation network, power grids, access to water and other services and communication services can greatly facilitate the construction and operation of facilities;

– availability of educational and medical institutions, cultural centers, sports grounds, etc. may be important for attracting investors, especially in the development of residential projects.

5. Socio-cultural context and quality of life:

– the standard of living, cultural opportunities and social infrastructure can be important factors for investors, especially if they plan to attract specialists or create comfortable conditions for their employees.

6. Development potential and competitive advantages:

– the presence of promising sectors for investment, such as renewable energy, technological innovation, etc., can increase interest in a region;

– competitive advantages, such as availability of skilled labor, access to markets, low costs of living and business, can also affect the attractiveness for investment.

Thus, the investment attractiveness of land plots in Cherkasy region is determined by various factors, including geographical location, soil fertility, infrastructure development and investment legislation, which create a favorable environment for investors. At the same time, it is necessary to study the potential and risks of investing in order to make informed decisions in times of war.

The analysis of these factors in the dynamics will allow investors to assess and take into account the potential and risks of investing in land plots in Cherkasy region and make an informed decision.

In order to improve the investment environment in the region, in order to achieve a balance between economic growth, development, and land and environmental protection in Cherkasy region, it is important to develop investment infrastructure and improve legal, informational, and other aspects of investment project support by local governments, regulatory organizations and institutions, as well as by investors' businesses and the public.

Trade and economic missions and presentations of the region's economic potential are planned to attract investment in the region's economy.

Conclusions. The study of the investment attractiveness of land plots in Cherkasy region gives grounds to draw the following conclusions. The factors that influence the investment attractiveness of land plots in Cherkasy region are:

1. Stability of economic indicators in Cherkasy region makes land plots attractive for investment, which is also marked by constant prices and growth in investment volumes, for example, over the past 5 years, investments in land plots in Cherkasy region have increased by 20% compared to the average growth rate in Ukraine of 10%.

2. The legal environment affects the investment attractiveness of land plots in Cherkasy region through the stability of legislative regulation, which gives investors

confidence in their rights and protection of interests, facilitating investment and development of the regional economy.

3. Socio-cultural and environmental factors - include the development of social infrastructure, the quality of the environment, the preservation and study of the cultural and historical heritage of the region, and the efficient use of natural resources. A 40% increase in funding for the development of parks and recreation areas and a 25% improvement in environmental monitoring indicators are important indicators of attractiveness for investors who value sustainability and environmental safety.

4. Development prospects - the availability of fertile soils for agricultural crops, accessibility to transportation hubs, and support for small and medium-sized businesses contribute to the investment attractiveness of land plots.

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Ю.П. Рябова

АНАЛІЗ ІНВЕСТИЦІЙНОЇ ПРИВАБЛИВОСТІ ЗЕМЕЛЬНИХ ДІЛЯНОК НА ТЕРИТОРІЇ ЧЕРКАСЬКОЇ ОБЛАСТІ

Анотація: Вивчення питання інвестиційної привабливості земельних ділянок є досить актуальним, оскільки земельні ресурси є важливим активом для інвесторів та розвитку регіону. У зв'язку з постійним зростанням інтересу до інвестицій у земельні ділянки, аналіз їх привабливості стає ключовим завданням для регіонального розвитку та економічного зростання.

Представлено результати дослідження інвестиційної привабливості земельних ділянок на території Черкаській області, яке передбачало аналіз широкого спектру факторів, що впливають на рішення інвесторів про вкладення коштів у земельні ресурси обраного регіону.

Проаналізовано економічні, соціальні та інфраструктурні аспекти землекористування Черкаської області з метою визначення загальної інвестиційної привабливості. Особливу увагу приділено аналізу потенційних можливостей розвитку сталого землекористування та збалансованого використання земельних ресурсів у регіоні.

Розкрито динаміку земельних відносин в області, враховуючи їх ретроспективу і сучасні тенденції. Проаналізовано правове середовище регулювання земельних відносин і його вплив на інвестиційну активність у регіоні, що дало змогу ширше оцінити привабливість Черкаської області для інвестицій у земельні ділянки.

Результати дослідження можуть бути покладені в основу інвестиційних стратегій інвесторів, а також слугувати основою для обґрунтування рішення стосовно вкладень у земельні активи Черкаської області.

Ключові слова: інвестиції, інвестиційний потенціал, стале землекористування, збалансоване використання земельних ресурсів, ефективність використання земельних ресурсів, економічний розвиток, ринок нерухомості, законодавство, інвестиційні можливості.