THE SUBJECTIVE AND OBJECTIVE EVALUATION OF ACCOMODATION IN LATVIA IN THE AFTERCRISIS PERIOD

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Abstract. The most important wishes of people concentrate on the tendency to reach vitally significant factors (well-being, security, sustainability) that are realized through various channels – education, employment, family, material prosperity a.o.).

One of the basic needs of an individual is a need for a physical shelter or a dwelling, yet, a dwelling is not only a roof over the head - it is also an indicator of the life quality. In its turn, it includes also the location of the dwelling, its technical conditions, as well as the living space – all influences the quality of life. Thereby the satisfaction with the dwelling can be linked with the satisfaction with life and well-being.

On the side of the state accessibility to a qualitative dwelling is important to diminish depopulation, to promote the growth of the nation, to ensure labour force mobility, development of new work places as well as decrease of poverty and rejection. Taking the above mentioned into consideration The Latvian National development plan till 2030 is aimed at providing all households with dwellings that correspond to high standards of energoeffectivity, building, safety and conveniences (Cross-Sectoral Coordination Centre Republic of Latvia, 2020).

The aim of the article is, basing on the two recent surveys – 2011. and 2016. – EQLS (European Quality of Life Survey) inquiry data, to evaluate the situation of the levels of satisfaction with accomodation and tendences in Latvia that in the survey are included in the section Housing. The information is supplemented with Latvia official statistical data that characterize the indicators of the objective residential situation thus drafting the main problem questions of Latvia main residential market for further research.

Descriptive and conclusive statistical analysis methods were employed in the research. The official statistics of Eurofond EQLS 2011 and 2016 survey databasis from the UK Data Archive, Latvia Central statistical office and Latvia Land Register as well as scientific literature were used.

To reach the aims the following tasks were set:

To make analysis of the scientific literature,

To evaluate the indicators of the EQLS surveys and correlations among them,

To offer characteristic tendences of residences and the residential market situation in Latvia in 2010.-2019.

It was stated in the research that satisfaction with the accomodation statistically significantly influences the quality of life. According to the data of 2016 in conformity with the general self-evaluation of inhabitants in the aftercrisis period the qualitative indicators about dwellings have gradually improved. The data of official statistics reveal quantitative and qualitative positive changes in the residential situation, the activity of the residential market has increased as well. Nevertheless, in Latvia a considerable regional contentration of the residential fond is observed in Riga and outskirts of Riga, that is determined by the number of inhabitants and economic activity in the regions.

The obtained results have pointed to the directions and questions for further potential research.

Key words: *Housing, Housing indicators, Subjective Well-being, Quality of Life.*

JEL code: I31,P36, R21, R31

Introduction

The concept of the quality of life in the characteristics of the social life emerged in the 70ies of the 20th century. It is a wide concept connected with the general well-being in the society. The aim of the life quality is that people as much as possible would reach their individual aims and choose their ideal way of life. In this aspect the concept of the life quality exceeds the approach that concentrated on accessible material resources of individuals. The approach of the *European Union* agency *Eurofond* is based on the conclusion that the concept "life quality" characterizes individual personal well-being as well as the quality of social services and the society. The most significant wishes of individuals are concentrating in their will for vitally significant factors (well-being, security, sustainability), further specification of which reveal several closely interrelated aspects: education, employment, material welfare, health, dwelling, social safety, consolidation of the society; protection of the surrounding environment, physical safety, employment of material and energy resources etc. When one of the factors changes or just the opposite – does not change the growth of the life quality indicator can be limited. Nowadays life quality is a complex concept, that includes the existing objective and subjective indicators in various life spheres which are mutually interrelated.

The aspects of the subjective life quality are revealed in various inquiries. E.g., European Quality of Life Survey, EQLS is a verified tool of EU supervision and analysis of the life quality. Such inquiries were carried out in 2003, 2007, 2011 and 2016, when documenting the life conditions and social situation including evaluation of attitudes and choices, resources and experience. Surveys carried out every 4 – 5 years reveal the objective life conditions of inhabitants and also how inhabitants evaluate the conditions and life in general, so gaining data about questions that have not been included in general statistics.

The fieldwork for the third European Quality of Life Survey (EQLS) took place from the end of September 2011 to early February 2012. From September 2016 to March 2017 Eurofond carried out its fourth survey in the series. The EQLS is a survey of the adult population (18+) living in private households, based on a statistical sample and covering a cross-section of society. Depending on the country size and national arrangements, the 2016 sample ranged from 1,000 to 2,000 people per country. Latvia in the survey in 2011 was represented by 1009 respondents, but in 2016 – by 1000 respondents (Eurofond 2016).

Theoretical aspects of residence as life quality

The quality of life is a broad and complex concept that is affected in many ways. Quality of life can be defined as an individual's perception of their position in life in the context of the culture and value systems in which they live and in relation to their goals, expectations, standards, and concerns. Other authors (Sęk, 1993) define the quality of life as an aggregate of conditions in which one lives - objectively assessed attributes of a person connected with one's standard of living and social status, and the proper functioning of one's body. (Napiorkowska-Baryla, 2020).

The main factors and areas that are considered the most significant when measuring the quality of life can be grouped in 5 categories - emotional well-being; health; family and social relations, material welfare, and professional work or other forms of activity. Occupation, family, housing and income are the four spheres of life which most significantly affect the situation and are essential to evaluate the quality of life. (Napiorkowska-Baryla, 2020).

Dwelling can be considered as one of indicators essentially influencing the life quality of inhabitants. Dwelling has a significant role in people's lives, as dwelling is not only a physical shelter but it also determines the inhabitant's welfare and life quality. Already in the Maslow pyramid dwelling is defined as one of the basic needs. On its turn, the technical condition of the dwelling, its locality, living space a.o. factors are directly connected with the satisfaction with life and the life quality.

Residential satisfaction – this indicator often is used to evaluate several factors connected with the living premises. The indicator testifies also about the individual's life quality. With the help of this indicator the solutions of the living space ensurance in the private and the public sectors are evaluated. Satisfaction with the residence or the living premises also shows the opinion of an individual about the present situation and reveals the shortcomings in the present dwelling that in its turn can help both the private and the public sector to understand what improvements are necessary in the residential market (Mohit, 2014).

Residential satisfaction is indicator that also can help to determine housing demand characteristics. Different aspects affect individuals housing and residential satisfaction and the way how they select their potential dwelling place. Knowing those aspects can be helpful to determine the tendencies for individuals to choose a potential dwelling. Factors that affect residential satisfaction can be grouped mainly in two groups, physical and non-physical factors. For example, physical factors – location, housing type, neighborhood; non-physical – security, ownership status (Aulia&Ismail, 2013).

An essential aspect of the evaluation of the residential satisfaction and also of the welfare and the life quality is that they are subjective indicators. Therefore, the evaluation can be influenced by the individual's material situation, education, sex a.o. factors. E.g., Fang Zhang (2018) in his research confirms that the lower is the income in the household, the easier with the changes in the dwelling space (size a.o.) the sense of satisfaction can be strenghthened (Zhang, 2018). When speaking about various spheres of life it has been concluded that a significant role in evaluating the life quality belongs to what is or is not important for the particular individual. When evaluating the life quality some indicator is low, it might not influence the general life quality if the indicator is not important for the individual and vice versa – if the life quality indicator is important for the individual and it is low then totally it can influence the evaluation of the life quality (Carver & Scheier, 1998).

When measuring quality of life, several approaches can be used - e.g. theoretical quality of life, that can be measured through statistical variables, or subjective evaluation of living conditions by its residents. A different matter is subjective well-being because it depends on many factors, such as internal disposition, health, etc. Surveys that research different aspects of subjective quality of life are based on how satisfied a person is with the way of life they lead. It can be assumed that the answers reflect the city's suitability for living (housing supply, jobs, infrastructure and public transport, health and social care, quality of education, cultural and sports infrastructure and supply, governance and people). (Gajdos & Hudec, 2020)

Subjective well-being and dwelling

There exist a certain coherence between the living space and the subjective well-being. The living space indirectly points to the individual's income and wealth, and also consecutively influences the individual's social status. Dwelling is one of the biggest and most expensive objects the individual can acquire. Accordingly, the dwelling is an indicator of wealth. In the research it can be found that the lack of the living space is one of the main reasons why individuals choose to move and look for a new dwelling (Foye, 2017).

Robert Rudolf and Cuz Potter (2015) in their research discuss factors how dwelling influences the subjective well-being. They point out four main factors: personal control, identity and self-evaluation, social support, inequality and residential policy (Rudolf & Potter, 2015).

The personal control is attributed to opportunities to introduce one's own solutions and introduce changes in one's dwelling. Thus, the persons who own the dwelling have a greater personal control than persons who rent them. Identity and self-evaluation are connected with the fact that the choice of the dwelling can attach a higher social status thus promoting well-being and sense of happiness. Taking into consideration that the dwelling is the place in which family and social relations are maintained the dwelling can favour well-being through a social support from others. In their turn the applied residential policy and measures that further social inclusion and decrease inequality consecutively can promote general well-being (this is more related to less provided individuals) (Rudolf & Potter, 2015).

Several factors that determine satisfaction with the dwelling can be defined, and namely, the title to the property, the size and the kind of the dwelling. The title to the property is an essential factor. As proven by research, the individuals who own the dwelling are more satisfied with the dwelling than those who only rent the dwelling (Rudolf & Potter, 2015).

E. g., as stated in the research about the correlation of the kinds of ownership of the dwelling and satisfaction with life in Germany, the level of satisfaction with life of the individuals who own a dwelling is 1,16 times higher than that of the individuals who only rent the dwelling (Zumbaro, 2014).

The purchase of a dwelling simultaneously can be considered as one of the biggest investments – as a place that serves as shelter and also as an essential instrument of financial investment. Thus, a dwelling can serve as a mechanism of accumulating wealth and as indirect provision of financial safety for future (Coates & Norris, 2015).

The size of the dwelling or the living space in its turn influences the individual's perception in several ways. First, a bigger premise means a bigger personal space that, in its turn, means a bigger personal control. According to the research, a bigger living space has a positive correlation with the subjective well-being. In addition to that, the bigger living space can influence the social community – opportunities to communicate just in the particular dwelling (Rudolf & Potter, 2015).

Timo Zumbaro (2014) in his research about Germany confirms the hypothesis that the surrounding environment of the dwelling and its technical condition influences the individual's satisfaction with life. E.g., living in an industrial district and also living in the dwelling that needs renovation, or living in a dwelling with a big number of inhabitants decreases the opportunity to reach a higher level in the scale of the life satisfaction (Zumbaro, 2014).

Similar research was carried out in China in which the researchers stressed the need for a State Residential programme that is based on the positive experience of the implementation of the programme of residential improvement in 1980. In China's research similar to that in Germany's the researchers proved that the evaluation of the individual 's subjective well-being is connected with the title of the property of the dwelling. In addition to that, the researchers stated that the perception of the subjective well-being of the owners of the dwelling in the city is lower than that of the individuals who live outside the city. The researchers explained it by a bigger financial burden of the dwelling owners in the city that, in its turn, is linked with higher prices of an immovable property in the city compared to that in outskirts or urban districts (Hu, 2013).

Physical housing conditions also have an impact on subjective well-being, but the impact can change depending on many factors (e.g. individuals income level, gender; and many other factors). Study carried out by Clapham&Foye (2018) suggests that the effects of housing conditions on subjective well-being are much smaller than different life events, but are still substantial. Other studies suggest that factors such as poor lighting, wet or dry rot, neighbor noise, damp and condensation have a significant negative impact on life satisfaction. (Clapham&Foye, 2018).

Research results and discussion

What is the situation that characterizes the residential situation in Latvia according to EQLS?

In general, evaluation of several separate aspects of the subjective well-being (Table 1), it can be concluded that the satisfaction with the present level of life, the satisfaction with life in general and with the dwelling is the lowest.

Table 1

The Comparison of Evaluation of Separate Aspects of the Subjective Well-being

		N	Mean	Std. Deviation	Z	Asymp. Sig. (2-tailed)	Mean in EU
Life satisfaction (1 very dissatisfied, 10 very satisfied)	2011	1006	6,15	2,274	-0,241	0,81	6,93
	2016	993	6,15	2,197			
Satisfaction with education (1 very dissatisfied, 10 very satisfied)	2011	996	7,13	2,411	-0,522	0,601	7,09
	2016	994	7,15	2,173			
Satisfaction with job (1 very dissatisfied, 10 very satisfied)	2011	454	7,23	2,329	-1,979	0,048	7,36
	2016	459	7,60	2,005			
Satisfaction with standard of living (1 very dissatisfied, 10 very satisfied)	2011	999	5,78	2,347	-1,664	0,096	6,77
	2016	996	5,97	2,146			
Satisfaction with accommodation (1 very dissatisfied, 10 very satisfied)	2011	1007	6,62	2,473	-0,14	0,889	7,60
	2016	997	6,69	2,265			
Satisfaction with family life (1 very dissatisfied, 10 very satisfied)	2011	981	7,16	2,587	-0,774	0,439	7,86
	2016	975	7,34	2,321			
Satisfaction with local area (1 very dissatisfied, 10 very satisfied)	2016	995	8,02	2,066	X	X	7,89

Source: author's construction based on: Eurofond, 2018

These indicators are only a small part of all the system of indicators, that characterize a person's satisfaction with the life in general but, undeniably, the satisfaction with the present level of life and the satisfaction with the dwelling are one of the lowest, and they are aspects of the general satisfaction with life. EQLS of 2016 was supplemented with a new life quality aspect that undeniably add to the general evaluation of the life conditions, and namely, – satisfaction with the local area (1 very dissatisfied, 10 very satisfied). In Latvia it is evaluated rather highly – with 8,02 points (in EU on average – 7,89 points) which as a new indicator is not comparable with the previous measurements. Yet the high level of the satisfaction with the local area testify to the correspondence of the local area to the everyday needs of people's work and rest, demands for nature and infrastructure.

The fact that there exists a connection between the life satisfaction and the satisfaction with accommodation has been confirmed by Spirmen's correclation coefficient calculations of various life quality evaluations by Latvian respondents. (Table 2)

Table 2

Life satisfaction and Satisfaction with accomodation correlations

Life satisfaction (1 very dissatisfied, 10 very satisfied)			
(1 very dissatisfied, 10 very satisfied)	Spearmen Correlation Coefficient	Sig. (2-tailed)	N
Satisfaction with education (Q6a)	,200**	0,000	1980
Satisfaction with job (Q6b)	,353**	0,000	909
Satisfaction with standard of living (Q6c)	,623**	0,000	1985
Satisfaction with accommodation (Q6d)	***,360*****	0,000	1995
Satisfaction with family life (Q6e)	,319**	0,000	1949
Satisfaction with local area (Q6f)	***,174*****	0,000	989

Source: author's construction based on: Eurofond, 2018

Evaluating influence of the satisfaction about accomodation and the satisfaction with the local area on the satisfaction with life in general, the following models of linear regression that include satisfation with accomodation were obtained.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	,445a	,198	**,196**	1,729	111,144	,000
2	,505b	,255	**,252**	1,669	76,876	,000
3	,541c	,293	**,288**	1,628	61,887	,000

Dependent Variable: Life satisfaction (1 very dissatisfied, 10 very satisfied),

a. Predictors: (Constant), Satisfaction with accommodation (Q6d),

b. Predictors: (Constant), Satisfaction with accommodation(Q6d), Satisfaction with job (Q6b),

c. Predictors: (Constant), Satisfaction with accommodation(Q6d), Satisfaction with job (Q6b), Satisfaction with family life (Q6e).

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,986	,266		14,998	,000
	Q6d	***,394***	***,037***	***,445***	***10,542***	***,000***
2	(Constant)	2,538	,356		7,127	,000
	Q6d	***,336***	***,037***	***,380***	***8,989***	***,000***
	Q6b	,241	,041	,248	5,862	,000
3	(Constant)	1,678	,389		4,314	,000
	Q6d	***,283***	***,038***	***,319***	***7,423***	***,000***
	Q6b	,203	,041	,208	4,967	,000
	Q6e	,199	,041	,211	4,901	,000

As can be concluded, the satisfaction with accomodation influences the satisfaction with life statistically significantly in all calculated models showing R2 from 0,196 till 0,288, pointing to the influence of the satisfaction with life up to 28,8%.

In Latvia the satisfaction with accomodation is evaluated with 6,7 points compared to 6,6 points in 2011, and this change is not statistically significant (Z=-0,062, p=0,951). In comparison with other EU countries Latvia shows the lowest level of the satisfaction with accomodation among EU countries (in EU – average - 7; the maximum evaluation level is in Denmark – 8,5 points). It can greatly be explained by the ways Latvia is different from other countries – by the quality of the soviet time living fund that is still in exploitation though it has served its time, by the inhabitants' limited opportunities to improve the conditions of their accomodation, by psychological fear to take upon themselves financial liabilities after 2008.-2010. crisis.

When evaluating the given answers to "*Which of the following best describes your accomodation – Ownership of accommodation",* it can be concluded that the greater part of respondents who have given answers to this question are living in the dwelling without mortgage (70,6%) and in comparison with 2011, in 2016 this proportion has increased by 6,9%p. At the same time 18,3% respondent are tenants and this proportion compared to 2011 has decreased a little (-2,1%p). By - 3,2%p also another legal kind of living in the dwelling has decreased. These results allow the authors of the article advance a hypothesis that part of inhabitants who previously rented an accommodation, choose to obtain an accommodation by using opportunities of mortgage (Table 3).

Table 3

Ownership of accommodation

		Year	
		2011	2016
1 Own without mortgage (i.e. without any loans)	Count	643	702
	%	63,7%	70,6%
2 Own with mortgage	Count	101	85
	%	10,0%	8,5%
3 Tenant, paying rent to private landlord	Count	90	79
	%	8,9%	7,9%
4 Tenant, paying rent in social/voluntary/municipal housing	Count	116	103
	%	11,5%	10,4%
Other	Count	59	26
	%	5,8%	2,6%
Total	Count	1009	995
	%	100,0%	100,0%

Source: author's construction based on: Eurofond, 2018

Both in 2011 and in 2016, 86 % of respondents live in up to 3-room accommodations and in the dynamics only the inner structure of this totality has changed: insignificantly has grown the number of respondents who accommodate in two rooms, but the number of those living in one or two room accommodation has decreased. A little more that 12% of respondents live in 4-5 room accommodations. (Table 4).

Table 4

Number of rooms in accommodation

			Year	
			2011	2016
Number of rooms in accommodation	1	Count	198	186
		%	19,6%	18,7%
	2	Count	405	425
		%	40,1%	42,6%
	3	Count	265	246
		%	26,3%	24,7%
	4	Count	78	94
		%	7,7%	9,4%
	5	Count	44	29
		%	4,4%	2,9%
	≥ 6	Count	19	17
		%	1,9%	1,7%
Total		Count	1009	997
		%	100,0%	100,0%

Source: author's construction based on: Eurofond, 2018

As compared with the information the respondents gave in 2011 and 2016 about the number of rooms in the accomodation, the differences are not statistically significant ($Z=-0,254$, $p = 0,800$). The typical number of rooms in the accomodation of an inhabitant in Latvia is 2 – 3.

EQLS about the life conditions includes questions about drawbacks or problems in the accomodation the respondents meet and that characterize the quality of the accomodation (Table 5).

Table 5

Problems with accommodation

			2011	2016	Kolmogorov-Smirnov Z	Sig. (2-tailed)
Shortage of space	Yes	Count	229	221	0,133	1,000
		%	22,8%	22,1%		
Rot in windows, doors or floors	Yes	Count	263	210	1,120	0,163
		%	26,2%	21,1%		
Damp or leaks in walls or roof	Yes	Count	328	271	1,205	0,109
		%	32,6%	27,1%		
Lack of indoor flushing toilet	Yes	Count	186	133	1,147	0,144
		%	18,4%	13,3%		
Lack of bath or shower	Yes	Count	209	145	1,389	***0,042***
		%	20,7%	14,5%		

Source: author's construction based on: Eurofond, 2018

According to the obtained results all the drawbacks of the accomodation revealed in the survey in the course of time (2016. compared to 2011.) have percentually diminished. The most common drawback in connection with accomodation is *damp or leaks in the walls or roof* that has been confirmed by 27,1% of respondents in 2016. It is followed by *shortage of space*, that in 2016 was marked by 22,1%, *rot in the windows, doors or floors* marked by 21,1 % of respondents. Comparatively more seldom as an accomodation drawback *lack of bath or shower* has been mentioned (14,5%) and *lack of indoor flushing toilet* (13,3%). Yet in the dinamics these changes in four of five drawbacks are not statistically significant or essential with the exception of *lack of bath or shower*.

In the survey in 2016 lack of facilities (heating or cooling) to keep a comfortable temperature at home was included as a drawback of the accomodation. 11.0% of Latvian respondents have marked it as a drawback of the accomodation.

Nevertheless in many indicators the changes are not statistically significant, yet as seen in the later described statistical data, a positive tendency is observed to lessen the drawbacks.

Beside the subjective evaluation that has been obtained in the surveys an objective characteristics of the situation with accomodation in Latvia is given by official statistics (Table 6).

Table 6

Housing stock at the end of the year

Year	Total area, thsd m²	Average number of rooms in household's use	Average number of rooms per household member	Average size of dwelling, m2	Total area per permanent resident, m^2	Number of contract approvals in the Landbook
2010	67 926	2,5	1,0	61,1	33	36604
2011	69 066	2,8	1,2	62,0	34	42051
2012	70 349	3,0	1,3	62,5	35	43941
2013	72 077	3,0	1,2	64,4	36	49141
2014	73 939	2,9	1,2	65,8	37	49973
2015	74 670	2,8	1,2	66,4	38	48397
2016	74 980	2,8	1,2	69,6	38	52152
2017	75 324	2,8	1,2	69,5	39	52640
2018	76 002	2,7	1,2	69,4	40	49093
2019	77 207	2,7	1,2	69,7	40	49890
Δ Average 2010-2019	1031,2	0,02	0,02	0,96	0,78	1476,2

Source: author's construction based on: Central Statistical Bureau of Latvia, 2020, b, c; National single computerized Landbook, 2020

As seen by the compiled information and calculations the housing stock has increased for 1031 thsd m2 every year, and by average 1476 every year the attachment requests in the National single computerized Landbook have increased as well. According to the data accessible in the databasis of the Landbook the accommodation market activity in the aftercrisis priod has considerably increased. The number of deals with the immovable property in 2019 in comparison with 2010 has increased by 36,3%. The greatest activity can be observed in Riga and Riga outskirts (50,8% from the total number of deals). Only in the 1 - 3 quarters of 2019 the total number of the market selling deals in this segment was 20193 for the total sum of 762 mln.. EUR.

The greatest number of deals was with 2-roomed flats, and their proportion among the total number of deals was 44% (Dzenīte, 2019). The increase of the activity in the accomodation segment certainly can be connected with the Altum realized support programs for families with children and young specialists, offering guarantees which can be used as the first instalment payment in order to get the mortgage credit in the bank. Simultaneously with the growing demand in the accommodation market the increase of offer can be observed. According to the data of the Central Statistical Bureau since 2010 the growth of the total accommodation size has reached 13,6% that makes average 1,5% a year. It possibly is not an adequate speed to satisfy the needs of people for a larger living space, more qualitative living conditions and better technical conditions of the accommodation. The adequacy of the speed of growth to real needs of inhabitants can be a topic for further research.

It must be mentioned that Latio within the framework of the residential market survey included a question “Why are you reluctant to obtain an accommodation?” 29% of respondents mentioned that the reason is the terms of banks, 31 % mentioned the situation in economics and only 17% mentioned insufficient offer. Accordingly, the situation in economics is one of the most essential aspects that influence the choice of a potential accommodation (Dzenīte, 2019). At an average, the average floor space increases per 1 m2, the total area per a permanent resident increasing by 0,8 m2. This fact can be positively evaluated taking into consideration previously analyzed survey results in which a significant part of respondents pointed to the narrowness of the floor space. Nevertheless, the indicators characterizing the situation with accommodation reveal an expressed unbalance that refers to the total area in Latvia as to thsd m2, floor space of new dwellings commissioned by statistical region, thsd m2 (Table 7). Half of all the accommodation space concentrates in Riga and Riga suburbs (2010 – 49,0%, 2019 – 50,8%). The situation can be explained by regional peculiarities of the inhabitants. At the same time in the last decade the accommodation space in thsd m2 has a tendency to increase, the highest speed being in Riga suburbs – 123,3%, Riga region – 113,2%, in other regions the speed of growth being in the borders between 108,5% - 110,4%.

Table 7

Housing stock in statistical regions at the end of the year (Total area, thsd m²)

Year	LATVIA	Rīga region	Pierīga region	Vidzeme region	Kurzeme region	Zemgale region	Latgale region
2010	67 926	17 636	15 622	7 658	9 036	8 137	9 837
2011	69 066	17 875	16 059	7 743	9 168	8 234	9 987
2012	70 349	18 267	16 432	7 831	9 284	8 409	10 127
2013	72 077	18 853	16 917	7 963	9 483	8 551	10 309
2014	73 939	19 241	17 481	8 100	9 691	8 743	10 682
2015	74 670	19 350	17 835	8 130	9 723	8 798	10 834
2016	74 980	19 406	17 990	8 136	9 738	8 807	10 902
2017	75 324	19 511	18 137	8 150	9 758	8 828	10 940
2018	76 002	19 630	18 456	8 179	9 783	8 876	11 079
2019	77 207	19 967	19 263	8 310	9 833	8 970	10 864

Source: author's construction based on: Central Statistical Bureau of Latvia, 2020, b

When evaluating the size of the new dwellings launched into exploitaion a noticeable concentration of newly built dwelling spaces can be observed in the suburbs of Riga, and the number of newly built spaces increased also in Riga region (Table 8)

Table 8

Floor space of new dwellings commissioned by statistical region, thsd m2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
LATVIA	385,3	381,0	419,1	426,8	463,3	387,7	374,7	384,4	454,1	539,5
Rīga region	59,1	132,1	73,0	78,9	108,2	108,9	68,7	99,3	136,6	172,3
Pierīga region	224,2	174,5	258,8	258,4	245,5	190,9	236,4	230,4	249,8	287,5
Vidzeme region	12,3	16,0	16,9	18,4	27,1	19,4	12,9	4,9	15,0	12,0
Kurzeme region	31,2	15,1	25,9	25,1	30,9	26,3	13,4	17,0	14,6	21,1
Zemgale region	46,3	30,0	26,9	26,6	29,6	24,2	31,8	23,7	27,3	32,3
Latgale region	12,2	13,3	17,6	19,4	22,0	18,0	11,5	9,1	10,9	14,4

Source: author's construction based on: Central Statistical Bureau of Latvia, 2020, a

Thus in the suburbs of Riga in the period under the discussion at an average every year 56,0% from all newly built spaces have been launched into exploitation, in Riga – 24,4%, in Zemgale region – 7,2%, in Kurzeme region – 5,3%, in Vidzeme region – 3,7% and in Latgale region – 3,5%. It continues showing unbalanced developments of regions and accordingly a comparative stagnation of the accomodation market in the regions. When socialeconomic and demographic differences decrease in regions also the tendencies in the accomodation market should change into a positive direction. Yet it is a problem which requires a long-term solution that highly probably in a negative way will be influenced by the 2020 pandemy and its consequences will be seen in the coming years.

When evaluating the one-room flat or multy-flat newly built accomodations launched into exploitation in the last decade it must be concluded that in Latvia one-flat buildings in private houses prevail and in 2019 they made 61,1% of all newly erected buildings (Table 9). Also in 2019 Latio accomodation market survey inquiry answers to the question about the wishes to obtain an immovable property show that 65% of respondents want to by a private house, 23% - to buy land to build their own house and only 12% wanted to buy a flat in a new or a series of houses project.

Table 9

Floor space of new dwellings commissioned by statistical region, % of which single - dwelling buildings (excluding summer cottages and garden houses)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
LATVIA	84,2	63,2	74,5	70,5	69,0	64,2	66,0	68,1	60,1	61,6
Rīga region	47,2	16,2	22,2	13,7	25,8	14,5	20,5	23,5	18,2	15,4
Pierīga region	88,1	83,3	81,8	79,3	77,8	78,2	69,4	80,1	76,9	80,9
Vidzeme region	100,0	100,0	96,4	100,0	97,0	100,0	100,0	91,8	67,3	100,0
Kurzeme region	91,3	98,0	90,7	85,3	75,1	84,4	100,0	100,0	89,7	96,2
Zemgale region	99,6	100,0	100,0	97,4	99,0	100,0	99,1	97,9	85,0	87,0
Latgale region	97,5	100,0	100,0	100,0	100,0	100,0	100,0	100,0	89,0	92,4

Source: author's construction based on: Central Statistical Bureau of Latvia, 2020, a

In 2019 in Riga region the proportion of the private houses is the lowest – 15,4%, but for example in Vidzeme region – 100%, Riga suburbs - 81%. Outside Riga the multi - flat new projects make from - 3,8%, in Kurzeme region to – 19,1% in Riga suburbs.

Classically it is considered that one of the influencing factors is the price of the land unit. The differences in prices of the land in Riga and prices in Vidzeme, Kurzeme and Latgale can be tenfold. Accordingly, considering the price of the land and the wish to build a private house it is more economic for persons to choose the land in the suburbs of Riga or in another region but not in Riga. Taking into consideration the above mentioned and the expenses that for a unit of the construction (m2) for a private house and a multi - flat house depending on the constructive solution can differ only within 10% - 20% limits (expenses for multy - flat houses with a similar constructive solution per 1 m2 are cheaper), people choose to buy a land plot and build a private house.

Conclusions, proposals, recommendations

1. Dwelling is one of the factors that essentially influences the life quality and well-being of an individual. The evaluation of the life quality and well-being is a subjective indicator that is influenced by several factors. The influence of the factor of the individual's life quality is determined by the importance of the definite aspect in the person's life.
2. In literature several aspects how a dwelling can influence the subjective well-being have been pointed out. Such aspects as the personal control, identity and self-evaluation, social support, also inequality and the applied residential policy have been listed. Satisfaction with the accomodation in its turn is influenced by the title to the property, the size, the kind of the dwelling, its technical conditions, a.o. factors. It has been proved that the individuals who own a dwelling have a higher level of the satisfaction with life that those who rent it.
3. The results of the EQLS confirm that the individual's subjective perception of the dwelling is a significant factor that influences the perception of the total well-being and life quality. Basing on the data of 2016 it was stated that the influence of the satisfaction with the dwelling on the satisfaction with life in all calculated models of regression was statistically significant showing R2 from 0,196 to 0,228
4. In Latvia in 2016 the satisfaction with accomodation on average was evaluated with 6,7 points (in the scale of 10 points), showing the lowest level as compared to other EU countries (EU average – 7,6; the maximum level in Denmark – 8,5 points) As essential shortcomings mentioned were: shortage of space, rot in the windows, doors and floors, lack of bath or shower, lack of indoor flushing toilet.
5. The study of the data bases of the Central statistical Bureau and the Landbook gave reason for concluding that in general there is a growth in the activity of the immovable market as well as the increase of the absolute and relative indicators of the quality of accomodations.
6. The number of deals with the immovable property in 2019 as compared to 2010 has increased by 36,3%. Taking into consideration that half of all living space is concentrated in Riga and suburbs of Riga the greatest activity remains just in Riga and regions of Riga suburbs (50,8% of all deals). The increase of the activity in the segment of accomodation can be connected with support programs executed in the period under discussion. In total it shows unbalanced development of regions and at the same time a certain stagnation of the accomodation market.
7. The results of Latio 2019 survey of investigation results of the accomodation market confirmed that the low demand of immovable property is determined by various economic factors, e. g., the terms of banks, prognosis of the situation in economics, insufficient offer.
8. The research results marked possible questions for further research. E.g., is there a balance between the offer and the demand in the accomodation market? If there is, is there a necessity for the State support programs and the bank policy to stimulate the demand? Is the speed of renovation and building of accomodation influenced by the low demand?

9. In general the tendencies in the accomodation market should develop in a positive direction because the various goals of the national development are aimed at the improvement of the quality of life of people. Yet, it is a long – term task to be solved that most possibly will be negatively influenced by the 2020 pandemy and its consequences will be felt in the coming years.

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