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NEW CHALLENGES OF HOUSING POLICY IN LATVIA IN THE CONDITIONS OF COVID-19

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Abstract. *The article examines the new challenges of Latvian housing policy in terms of COVID-19. The peculiarities of housing policy in some European countries are considered, each of which has its prerequisites and builds its model of the housing system. The peculiarities of the housing policy of the Scandinavian countries are studied in depth. Anti-crisis measures of the world countries to support the sustainable functioning of the housing market have been identified. The main instruments of Latvia's housing policy have been identified. The priority directions of the housing strategy of Latvia in the conditions of COVID-19 are singled out.*

Keywords: *housing policy, development strategy, the housing market, anti-crisis measures, construction, housing affordability.*

The problem statement. Since mid-December 2019, the world economy has been significantly affected by the COVID-19 coronavirus epidemic. Today, it is extremely difficult to predict the final economic impact of this virus in the

Аннотация. *В статье исследованы новые вызовы жилищной политики Латвии в условиях COVID-19. Рассмотрены особенности проведения жилищной политики некоторых стран Европы, каждая из которых имеет собственные предпосылки и строит собственную модель жилищной системы. Углубленно исследованы особенности жилищной политики Скандинавских стран. Определены антикризисные меры стран мира по поддержке устойчивого функционирования рынка жилья. Выявлены основные инструменты жилищной политики Латвии. Выделены приоритетные направления жилищной стратегии Латвии в условиях COVID-19.*

Ключевые слова: *жилищная политика, стратегия развития, рынок жилья, антикризисные меры, строительство, доступность жилья.*

medium and long term, although some Eurostat statistics and analytical results suggest significant and quite sensitive consequences for the economy of the European Union (including Latvia).

The volume of real GDP of the European Union in 2020 decreased by 6.1% compared to the previous period. Among the countries most affected by the impact of COVID-19 in 2020, we will highlight Spain - a drop of 10.8%, Italy - a drop of 8.9% and Greece - a drop of 8.2% [1], as a significant part of the GDP of these countries is provided precisely due to the provision of tourist and related services, which have been significantly reduced as a result of the closure of borders and restrictions on movement. As for Latvia, the GDP of our country in 2020 decreased by 3.6% compared to the previous period, which significantly affected the level of economic activity in the country in general and living standards in particular. The above creates an urgent need to develop new mechanisms and tools for housing policy, adequate to the current economic situation, especially given the current challenges associated with the COVID-19 pandemic.

Analysis of recent research and publications. The topic of research on Latvian housing policy is in the field of view of scientists, in particular in the fundamental study "Policy Actions for Affordable Housing in Latvia" conducted by a group of scientists Plouin M., Cavassini F., Clarke C., Glocker D. & Adema W. [2] the evolution of the housing market is analyzed, the estimation of housing affordability in Latvia is carried out, the housing construction policy is investigated and the measures on the increase of affordability and quality of housing are offered. Paying tribute to these scientists, we note that the dynamism of changes in housing policy within the institutional environment of Latvia caused by the spread of the COVID-19 pandemic and other adverse conditions necessitate the deepening of research in this direction.

The purpose of article is to analyze the new challenges of housing policy and highlight the priority areas of Latvia's housing strategy in the context of COVID-19.

Presentation of the main material. In February 2021, the EU Council adopted a resolution establishing the Fund for Reconstruction and Sustainability, which is the basis for a recovery plan for EU member states following the COVID-19 pandemic. This fund will provide 672.5 billion euros in grants and loans for the necessary reforms and public investment in the 27 member states, which should be the "locomotive" of the gradual overcoming of the crisis and the resumption of economic growth in the participating countries [3]. Each country will receive EU support based on developed national recovery and sustainability plans, in particular, the European Commission has approved a plan for Latvia to use the EU's reconstruction and resilience mechanism of 1.8 billion euros. In total, the plan consists of 85 measures, including 24 reforms and 61 investment elements [4]. The plan provides support in six areas: "climate policy", "digital transformation", "reducing inequality", "economic transformation and productivity reform", "health care" and "strengthening the rule of law". It should be noted that no significant funds were allocated for the restoration and development of the Latvian construction industry, which creates certain problems regarding the possibility of implementing the planned measures to improve the living conditions of citizens within the state housing policy. However, it is especially important for our country that most of the funds Latvia will receive not in the form of loans, but as grants that do not require repayment.

In the essential scientific field, housing and related housing policy, housing system, and housing crisis are considered in terms of the theory of law and political struggle, economics and construction technology, social freedoms, and guarantees. Building an efficient housing system is based on a balanced housing policy, as a set of priorities, programs, mechanisms, tools, and methods to address the problem of housing and increase the level of construction and improvement of housing.

According to the definition of D. Clapham and R. Hutchison, housing policy is understood to be government actions to achieve certain housing goals. These goals may include improving housing quality or solving the homelessness problem [5]. Thus, it is clear that the government housing strategy is focused on the comprehensive development of territories, setting functional priorities for its use, ensuring harmonization of various types of human activities, such as business, agriculture, tourism, recreation, environmental protection, and protection of cultural heritage, infrastructure development and much more.

The consequence of the failures of the state housing policy and housing system, the weakness of financial and credit support, and insufficient development of the rental market is a housing crisis, the negative consequences of which affect many countries, and overcoming them is more difficult and long than other crises. In this aspect, we consider the features of housing policy in some European countries, each of which has its prerequisites and builds its model of the housing system.

First, consider the housing policy of Germany, which has accumulated considerable experience in regulating the

housing market in compliance with the principles of socio-oriented economic policy. The historical retrospective of the formation of the housing stock and the transformation of the housing policy of Germany are comprehensively covered in [6]. The modern housing policy of the country is based on a solid legal basis and is expressed in various government programs. In recent years, the issue of housing affordability has been exacerbated in Germany due to a reduction in the social housing stock (a decrease of more than 1 million units compared to 2.5 million in 2000), increased migration (external and internal to urban areas) and higher population payments in major cities, which, in turn, contributed to the growth of demand for housing and increase its value. Thus, for mortgage lending, the repayment of the principal amount of debt and interest payments is 19%, and the burden of rent - 20% of disposable income against the OECD average of 18% and 21%, respectively [7].

According to Eurostat, in 2019, homeowners in Germany were 51.1% and tenants - 48.9% of the population [8], per thousand citizens there are only 511.8 units of housing against 581 in Portugal and Italy with the increasing pace of construction of new housing by 0.6% [9]. To solve the problem of rapid growth in housing costs in 2015, the government proposed the introduction of a mechanism of administrative restraint in the Law "Gesetz zur Dämpfung des Mietanstiegs auf angespannten Wohnungsmärkten"). Under this mechanism, the amount of rent should not exceed 10% of the currently established level of rent in the region for equivalent housing. The new rule does not apply to new housing projects so that they do not stop at all, as well as facilities that plan total

modernization and those under agreements with which the increase was planned before the entry into force of the new law.

In addition, to prevent the suspension of investment in housing, a “rule of 11 percent” was introduced, when no more than 11% per year of the total investment in housing modernization can be transferred to the tenant [10]. Today, the effect of the rent restriction can be observed in Berlin (85% of its population rents an apartment), wherein February 2020 the relevant Mietendeckel law came into force, the payment for housing that falls under it is frozen at the level of June 18, 2019. In November In 2020, the second stage came into force - the obligation of landlords to reduce too high rents, ie those that exceed the upper limit of the maximum allowable rent by more than 20%. Rent increase is possible only from January 1, 2022, by a maximum of 1.3% to take into account inflation [11].

Along with this, among the priority tasks of German housing policy, which is set by the government, it should be noted:

1) attracting high-level investments for the construction of state social housing (on average at least 1 billion euros per year [12]), increasing the rental fund of social housing and improving its quality;

2) consolidation of public-private partnership for the construction of new and modernization of existing housing, cost reduction, and provision of skilled labor;

3) introduction of financial mechanisms and incentives to increase housing affordability;

4) introduction of a planned approach at the municipal level in response to the need to meet the demand for new housing in the metropolis;

5) support for urban planning to reduce the housing supply deficit and prevent further increases in market prices and rents;

6) management of demographic change, in particular, through changes in the housing stock;

7) guaranteeing affordable housing.

Secondly, another country whose housing policy deserves attention in Poland. After the collapse of the socialist bloc, Poland's housing sector was reformed and, as a result of privatization, its housing stock became more diverse due to the emergence of municipal, cooperative, and individual housing alongside state-owned or state-owned enterprises and organizations. Tax benefits and budget support have also been provided for the formation of the rental housing stock, but the issue of rent control still needs constant attention.

In the housing policy of Poland, the implementation of state programs such as Modernization and renovation program (1999-2014), TBS - social rental housing (2001-2009), Family's Own Home (2007-2012, there are unpaid obligations until 2021). with an annual repayment of at least 330 million zlotys), Emergency housing program (2007-2014, funding 30-50% from the government, and the rest - the municipal government), Housing for the Young (2014-2018, funding from the special budget reserve, in particular in 2014 600 million zlotys, 715, 730, 746, 762 million zlotys in 2015, 2016, 2017 and 2018 respectively) and Apartment Plus (2016-2020) [13-14]. In particular, Apartment Plus provides support for the construction of municipal housing for the poorest, social rental housing provided by social housing associations (TBS) and housing cooperatives, as well as affordable rental housing with

the possibility of obtaining property rights for tenants. This program targets those whose income is too high to get an apartment from the municipality, and too low to buy it on credit [15].

The basis of financial support for the implementation of this program is 1) the national housing stock for the construction of apartments for rent with limited rent and the ability to obtain ownership after 20-30 years, which accumulates financial resources through profits from the transfer of land for development; 2) support for community development and change of norms regulating the work of housing cooperatives; 3) transformation of savings into investments by opening individual housing accounts for accumulation (savings) of funds for the purchase of housing.

The implementation of these government programs indicates the focus of the vector of Polish housing policy on the receipt of Polish households own housing, the correctness of which is confirmed by the fact that in 2019 homeowners in the country are 84.2% and tenants only 15.8% of the population [7]. But the need for housing remains relevant, because per thousand citizens there are still only 386.2 units of housing against 435 on average in the EU, even though in 2019 put into operation 207 thousand units. housing, and in 2020 compared to 2011 the rate of construction of new housing increased by 1.5% [8].

Thus, it remains important for Poland to increase access to apartments for people with incomes who are not allowed to buy or rent on commercial terms, as well as to meet the basic housing needs of those at risk of social exclusion due to low incomes or a particularly difficult economic situation. Particular attention is

paid to improving the living conditions of society, the technical condition of the housing stock, and improving energy efficiency.

Third, consider the features of housing policy in the Scandinavian countries (Table 1).

Note that the constraining factors in ensuring the affordability of housing include its low quality and lack of investment (Norway), high land costs, and the mismatch between supply and demand for housing, including problems for low-income households (Finland), lack of social housing in urban areas (Norway, Sweden), high cost and/or rising housing prices (Sweden), high construction costs, lengthy and expensive administrative processes (Finland), the difficulty of responding quickly to changes in demographics and fluctuations in household incomes, labor market dynamics (Norway) [19].

Accordingly, the analysis of the housing policy goals of these countries showed that they seek to provide affordable and social housing for those in need, with equal distribution between residential areas (Denmark, Finland, Norway). It is important to increase the volume and maintain a sustainable pace of housing construction with a sufficient number of plots and remove obstacles to land use planning, define clear rules for efficient use of resources in the construction process and make efforts to address climate problems and preserve the environment (Finland, Norway, Sweden). Housing construction should result in safe, energy-efficient, environmentally friendly, and affordable housing that does not create an excessive financial burden on households (Finland, Norway, Sweden).

Table 1

General characteristics of housing policy Scandinavian countries

Country	The purpose of housing policy	Housing structure/ownership	Financial incentives	The cost of rent
Norway	homes for all in a good living environment; guarantee of ownership of own and rented houses; housing conditions that promote well-being and participation in society; more perfect and efficient construction processes	77% of own, 23% - rented housing, the share of social housing - 3% 80.3% of the population are homeowners, 19.7% - tenants	preferential housing loans, housing subsidies - 5% of households, additional tax benefits - 95%	can not exceed 10% of market rates, deposit - 6 months rent, terms - fixed or unfixed
Denmark	construction and modernization of housing for young people and retirees, renovation of housing	54% own, 22% social housing, 18% - commercial rent, 6% - cooperative housing 60.8% of the population are homeowners, 39.2% - tenants	mortgage loans, housing subsidies - 20% of households, additional tax benefits - 80%	depends on the average market price of real estate, the deposit - 3 months rent
Sweden	creating and providing a housing market for the long term with a choice according to needs	there is no social housing 63.6% of the population are homeowners, 36.4% - tenants	housing subsidies - 20% of households, additional tax benefits - 80%	there is no regulation of housing fees
Finland	stimulating the development of housing construction, improving the quality of housing (reconstruction), affordability, and reducing the cost of housing	64% direct private, 15% private commercial rental, 17% public and social rental, 4% other housing 71.1% of the population are homeowners, 28.9% - tenants		tools to reduce the cost of housing: mortgage subsidies for new housing and reconstruction; interest subsidies on state mortgage financing; investment grants

Source: formed by the authors based on elaboration [7, 16-18]

Unfortunately, due to the COVID-19 pandemic and instability in the labor market, housing problems have become even more acute, as construction sites have closed and construction volumes have fallen sharply (for example, by 18% and 45% in Germany and Italy respectively), loss of income and deteriorating solvency. This has forced the governments of the world to respond and im-

plement measures to protect the housing market and its participants (Table 2).

Table 2

Anti-crisis measures of the world to support the sustainable functioning of the housing market

Direction	Support measures
Tax support	Increasing tax benefits for mortgage borrowers, which will have an indirect effect on short-term stability for credit institutions, provided that their term is clearly defined to prevent the negative consequences of rising housing prices and reduce its affordability
Restrictions on the rental market	In the form of a moratorium on evictions, deferrals, and freezes of rents with the development of rules for their gradual abolition to prevent negative consequences for creating barriers to investment in real estate, falling housing supply and reducing its mobility, increasing value, and the emergence of speculative bubbles in the housing market, undermining financial stability and provoking a crisis
Government spending on social housing	Social support can be provided in the form of subsidies to cover rent and capital expenditures to finance investments and increase housing stock, taking into account the possibility of affecting labor mobility and the right to housing, raising land prices, accelerating the spread of new environmental construction technologies and standards.
Reducing restrictions on land use	Will take into account and harmonize the supply of housing with changing demand and needs of society, optimize the permitting process, use abandoned land for housing, reduce population density in overcrowded areas, provide flexibility and free up office space for further conversion into housing, which will reduce regional differences in housing prices and help reduce segregation
Supporting economic and financial stability	Deterioration of credit quality and non-performance of mortgage obligations requires short-term support of borrowers and creditors in the recovery phase by refusing mortgage payments to borrowers with liquidity mechanisms for creditors, as well as the introduction of temporary adaptive prudential standards with constant control of credit risk and financial stability

Source: built by the author based on elaboration [20]

Among the measures to protect housing market participants, the most popular during the COVID-19 pandemic were: 1) protection of tenants from eviction, an extension of lease agreements in response to falling incomes and inability to pay rent; 2) prevention of loss of ownership of housing due to inability to pay interest on mortgage loans; 3) a ban on raising rents or even reducing them; 4) providing subsidies and interest-free loans to tenants or homeowners as compensation to cover losses from rent arrears; 5) moratorium on utility payments

[21]. Fourth, consider the main approaches to Latvian housing policy.

According to Art. 96, Section VIII of the Constitution of Latvia [22], it is assumed that the strategic aim of its housing policy is to enforce the right to housing by all categories of citizens. The main principles underlying the housing policy pursued by the Latvian government agencies are [23]: continuity of administration process; selection of best management methods; preservation and improvement of residential building environment; avoidance of intrusion into

human safety or health; as well as maintaining residential building quality.

On the way to achieving the main goal of Latvia's housing policy are hindered by: 1) low quality of housing and insufficient investment; 2) the difficulty of ensuring that housing supply is consistent with changes in demographics, household income distribution, the labor market, and consumer preferences; 3) problems with the private rental fund of housing in terms of supply, availability, quality, a guarantee of ownership; 4) significant regional differences in housing stock, housing prices and housing needs [18, p. 3-4]. This situation is also typical for other Baltic countries.

According to Eurostat, 72% of Latvians live in apartments. This was the result of mass privatization, with the transition to a market economy, the housing stock was transferred to private ownership. From 1980 to 2011, the number of privately-owned housing (apartments) increased from 19% to 60%, respectively, and in 2018 the number of private houses in the housing stock was 26%.

On the eve of the financial crisis of 2008-2009, starting in 2004, Latvia experienced a boom in investment in housing construction due to the development of the mortgage market, lowering lending standards and access to it by European banks with cheap loans. At this time, there was an increase in household incomes and a reduction in unemployment, which increased the demand for better quality housing in response to the state of obsolete housing. The housing bubble has formed in the country, which in 2008-2010 saw a sharp drop in real estate prices. However, since 2010, they have been growing steadily and in line with household incomes and construction

costs. After the crisis, the volume of housing construction did not recover, the reason for which can be considered, including emigration, in particular, in 2008-2018, 276 thousand able-bodied people left the country. The supply of rented housing also remains limited, as from 2005 to 2018 its price increased by 61%, so it became focused mainly on high-income people, which is a consequence of imperfect rental rules and high potential risks of financial losses by landlords. Households that have no alternative to buying their own home are forced to pay high rents [24].

And at the same time, Latvia is the second of the greenest countries in the world [25]. This became the focal point of the economic breakthrough programs. The green country image is attractive not only for tourists from other countries. Nowadays it is appealing to people working remotely. Moreover, Latvia has a small area and people mostly live in cities, first of all in the capital [26]. According to a Eurostat study, in 2019 42.2% of Latvians had to live in overcrowded households, i.e. in an apartment with a small number of rooms, which is the second place after Romania (45.8%). Latvia is the only country where the situation has worsened and the number of people in overcrowded apartments increased by 1.5% per year [27].

In the condition of the remote employment rate increase, living in a condominium is becoming more and more inconvenient. The necessity to reconsider the existing theoretical and practical approaches to implementation of the national housing policy in Latvia is becoming an even more topical issue.

The main tools of the Latvian housing policy are given in the table 3.

Table 3

Main housing policy instruments in Latvia

Type of aid	Measure	Description	Income threshold?	Eligibility requirements (beneficiaries, dwelling)	Budget (2018)	Level of government
Mortgage guarantees for home-buyers	State assistance in purchase or construction of residential space	Guarantee for the first installment for the loan for acquisition or construction of housing. It supports families with children and young specialists to secure the first installment for the loan for the acquisition or construction of housing	No	initially targeted to families with children, then extended to young specialists.	2018: EUR 5.6 million 2974 recipients EUR 7 000 the average benefit for families with children	National/ Federal
Tax relief for homeowners	One-off fee reduction for registering property ownership	Eligible households pay a reduced fee of 0.5% of property value	No	Eligible to families with children who benefit from the state housing guarantee programme above	2018: 2 974 recipients	National/ Federal
Housing allowance	Housing benefit	Housing benefit for rental and housing costs.	Yes	Housing costs and rules are defined by the municipality.	2018: EUR 15 mln 82 986 recipients EUR 180 average annual benefit	Municipal
Social rental housing	Social housing/social apartments	A social apartment is owned or rented by a local government which is then rented to a household that is entitled to public support.	Yes	Priority to people who are victims of natural disasters, as well as low-income, elderly, disabled, etc.	2018: [Budget not provided] 2016: 13 312 households	Municipal
Rental regulations	Minimum quality regulations	Minimum quality regulations in place	No	None	-	National/ Federal

Source: [24, c.42]

The need to ensure the further development of housing construction requires attention to low-rise construction. Low-rise construction is an alternative to traditional urban territory development which makes the issue of defining its pros and cons comparing to multi-story buildings quite interesting. For this reason, the authors offer to consider the basic characteristics of buildings of various heights. The choice of the number of stories within the framework of the housing construction strategic program shall be based on a comparison of the advantages and disadvantages of low-rise and high-rise residential buildings.

In the Latvian construction sector, prefabricated high-rise buildings built between 1941 and 1992 in the age of the Soviet Union prevail. A striking example is the so-called Lithuanian project - a standard building type widely accepted in the Baltic countries, and less common in other countries of the former Soviet Union. These are five- and nine-story reinforced concrete panel houses with gypsum concrete partitions. The early constructed houses have balconies; the later ones have loggias.

The main idea in favor of high-rise buildings has always been their efficiency, which was achieved due to the possibility of placing a large number of residents in a smaller territory. Moreover, this type of development has several burdens, namely [28]: noise from neighboring apartments, stairs, industrial enterprises, or streets; environmental pollution, dust and/or other environmental issues; domestic violence and crime rate. Moreover, if the level of pollution, domestic violence, and crime rate, in general, can be observed in areas of low-rise buildings, the noise level is higher in

high-rise buildings as compared to low-rise buildings.

Another burden of multi-story buildings construction is the high capital intensity and scientific content of construction, as well as quite a long time need for construction of buildings, and, consequently, for the return on investment.

An important fact emphasizing the burdens of high-rise construction for consumers is its high energy consumption during operation. Researchers at the Institute for Energy of the University of California found that electrical energy consumption per square meter is almost two and a half times higher in high-rise office buildings of 20 or more stories than in low-rise buildings up to 6 stories. Consumption of gas also increases with the number of stories in the building - by about 40% for 20-story buildings compared to 6-story buildings. As a result, total carbon emissions from gas and electricity in high-rise buildings are two times higher than in low-rise buildings [29].

In Latvia, there is a housing fund of 39,000 multi-family houses with an area of about 55,000,000 m². Currently, the average heat intensity of multi-family housing is about 160-180 kWh/m² [30]. To achieve the goal of the Energy Strategy of Latvia until 2030, the average energy consumption should be reduced to 100 kWh/m², which reflects the need not only to update the existing housing but also to design a new one, taking into account low energy consumption of low-rise buildings.

These burdens of the strategy for the construction of high-rise residential premises lead to a shift in the vector of consumer preferences to the low-rise housing. Thus, in 2018, average areas of purchased apartments decreased, thereby

confirming the general trend of global demand for small-sized housing and low-rise buildings [31].

We represent the benefits and implications of low-rise construction found by the author for the present study. Benefits:

1. Lightweight engineering structure of buildings allows using various alternative (including those specific to the area) materials.

2. Designing a low-rise building requires much less time, investment, and scientific costs.

3. Urban areas planning with low-rise buildings makes it possible to use standard housing projects.

4. Some low-rise buildings, such as modular houses, do not require high qualifications for mounters.

5. In most countries, simplified procedures and legalization standards are used for low-rise buildings.

6. Combining high living standards and low operating costs.

Implications of low-rise constructions:

1. Need to choose the right land for the construction site includes not only search for a sufficient territory, but also the availability of appropriate infrastructure.

2. Location of low-rise buildings is often remote from a large concentration of job sites and considers additional transportation costs for owners of such housing.

3. Supply such buildings with energy often requires the building of their au-

tonomous system or necessitates to relate low-rise projects to regional energy planning.

The important benefit of multi-story buildings mentioned above is greater efficiency due to the higher accommodation density. For a long time, just that determined the choice of branches of housing policy in many countries. However, later, researchers of the American architect Louis Sauer updated the concept of efficiency of multi-story buildings as compared to low-rise construction [32]. According to the published study, with proper planning of low-rise buildings, it is possible to achieve a density comparable to high-rise buildings. His researches in this field bring out clearly that high-rise construction does not have financial or space benefits in comparison with low-rise buildings.

At the same time, Sauer claims that low-rise construction provides a higher standard of living with similar costs and density as compared to high-rise buildings [33]. Taking into account all the above, low-rise construction is becoming the preferred choice for ensuring housing access in a modern urban environment, since it is a kind of compromise between comfortable individual housing and economically attractive apartment projects, since a low-rise typology allows you to achieve a density comparable to a higher-rise building with effective use of the surrounding area (Fig.1).



Figure 1. Sites with the same housing units density and different typology of buildings

Source: [34]

Analysis of the modern practice of low-rise buildings shows that such structures are economically comparable to high-rise buildings and have several advantages [35]. The development of an effective housing strategy, in response to the need to solve the problems of the Latvian housing market, requires taking into account the best practices of other countries and the introduction of low-rise construction. This is especially important in the changing conditions of the labor market and topical for many categories of employees in the course of remote employment.

Conclusions. Thus, the COVID-19 pandemic has exacerbated the problems and highlighted the priority areas of Latvia's housing strategy, among which efforts should be made to 1) accumulate financial resources for the long-term prospects of housing construction; 2) raising the level of housing through quality reconstruction and housing construction, taking into account regional trends and differences; 3) comprehensive implementation of innovative approaches to the

tools of its implementation to reduce construction costs and increase the level of housing availability, improve the quality of the environment. In turn, this requires the development of a modern system and scientific and methodological approaches to monitoring and assessing the need and availability of housing, the quality of housing, and the needs for its maintenance, construction, and repair. It is advisable to pay more attention to the formation of the rental housing market by improving the rental rules to increase the availability of alternatives, as well as to expand the provision of state support to low-income households.

Thus, effective housing policy, optimization, and quality of housing, increasing liquidity of the housing market will allow the Latvian economy to develop successfully, prevent wage differentiation through regulation of housing costs and prevent deepening stratification of society, stimulate internal migration and mobility of able-bodied people. social imbalances.

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