

PROBLEMS OF UNINHABITED HOUSING IN LATVIA

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Abstract

The aim of the research is to find out the causes of emergence of uninhabited dwelling houses, to state the criteria of their defining and identification, to work out possible solutions for improvement of the situation. The information from the Central Statistical Bureau, the data from the census of 2011 and the information about buildings or slums gathered by the local municipalities have been used in the research. As a result, the classification of uninhabited buildings and recommendations have been worked out.

Key words: dwelling house, housing fund, uninhabited dwelling.

Introduction

One of the most vital problems in the second half of the previous century in Latvia was the lack of housing fund and its inadequate management. As a result of migration strong demographic growth occurred, and an issue of the shortage of housing was addressed by setting restrictions on living space per person as well as by intensive construction of new urban neighbourhoods and villages. By contrast, the resources for maintenance of historic and existing dwelling houses were inadequate or were not provided at all leaving them without repair for decades. Only when a dwelling house was in a critical condition, funding was assigned for its overhaul.

During the Soviet era, the state had exclusive ownership rights to the land, and it was handed over to state or municipal enterprises as well as to individuals for building dwelling houses or creating farms. Unlike land, buildings could belong to different entities: local councils, the state, cooperative and public organizations as well as to individuals (citizens). Dwelling houses were built and maintained by using the funding of the state, municipalities, agricultural enterprises, collective fisheries and private money of individuals. All housing fund, depending on its ownership, was divided into two groups - public and private. A dwelling house was part of the public sector housing fund, if it was built by using state or municipal funding and if it belonged to the state or local government institutions, agricultural enterprises or collective fisheries.

At the time of restoration of independence in Latvia, the private sector of dwelling houses made up 30% of the total housing fund. As a result of privatization of dwelling houses belonging to the state and local governments and thanks to the rapid pace of construction of new dwelling houses, the structure of ownership of the housing fund has changed and the share of the private sector of the housing fund in late 2009 has reached already 89% (Industry, construction, housing ..., 2013). Multi-apartment dwelling houses built during the Soviet era and the historic dwelling houses that were still preserved accounted for the largest part of the housing fund; a person could claim ownership in the process of privatization of dwelling houses which at the end of the century. It was necessary to invest considerable financial resources into the property acquired by natural persons that previously had not been adequately maintained, but such resources were not always available. Previously the state or municipalities were able to attract resources in critical situations, however, now it was more difficult or even impossible for individuals. As a result, buildings deteriorated even faster than before and became uninhabited or even dangerous.

The aim of the research is to identify the causes of emergence of uninhabited dwellings and the problems connected with their maintenance in Latvia. There have not been made extensive studies on the use of dwellings and the reasons for not inhabiting them; solutions to these problems are in hands of dwelling house owners and local governments. In order to achieve the aim, the division of housing fund in statistical regions of Latvia, data of construction of new dwellings and their occupancy rates as well as households' satisfaction with the existing dwelling were analysed. The research results show that the occurrence of uninhabited dwellings is affected by economic, legal and social factors for the solution of which there is no single regulatory framework at present, and there is not any established practice for solving particular problems. As a result, there is no target at the national level regarding the maintenance and renewal options of uninhabited dwellings or slums, and each municipality takes measures according to the available resources, which in some cases are not big enough to keep the existing historic buildings. The author believes that there is a need to develop laws and regulations for dealing with these problems, therefore the author offers to use part of the national housing acquisition and reconstruction support fund for restoration and conservation of privately owned dwelling houses

that are national historical and cultural monuments. In turn, local governments, when assessing the housing fund existing on their territory and its physical wear and tear, should incorporate criteria into the municipal binding regulations and a possibility to provide support for the preservation and development of the housing fund.

Methodology of research and materials

The statistical data of the Central Statistical Bureau and the information obtained in the census of 2011 were used to identify and analyse the current situation in the study of causes of emergence of uninhabited housing in Latvia. Methods of descriptive statistical analysis (graphs, tables, figures) and the time series analysis were used for data processing and analysis. The author examined the information gathered by local municipalities about unsuitable for living and dangerous buildings existing on their territory to find out possible factors that cause the emergence of the buildings unsuitable for living and the solutions to combat the problem. The method of the empirical research was applied for evaluation of facts and determination of the overall relationships as well as for making conclusions; the methods of logical design and interpretation were used for describing findings and drawing conclusions.

Discussions and results

Views of households about suitable dwellings change in different periods of time, while new possibilities create wishes and needs of households for another type of dwelling. The housing fund of Latvia is not always able to provide the level of comfort that meets people's expectations. Housing is considered the main feature of the environment necessary for human life and existence, at the same time it is also one of the nation's welfare indicators.

The number of dwelling houses changes as new ones are built, physically and morally outdated dwelling houses are pulled down, but in some cases, if it is economically viable, they are rebuilt or restored. The changes in the housing fund are connected with the developments in the national and world economy. Changes have different dynamics: they are possible in the direction of an increase and a reduction. Active construction of new dwelling houses and restoration or rebuilding of the existing houses takes place during the boom of economic development, thus creating new dwellings and increasing their availability and quality. These measures include demolition of morally and physically worn-out dwelling houses, which, in turn, reduces the volume of the housing fund. (Sideļska, 2011) The housing fund is reduced also by damage caused by natural disasters (storms, earthquakes, volcanic eruptions, floods, etc.) or human activities (fires, acts of terrorism, acts of war, etc.).

The structure of Latvian housing fund is characterized by a considerable number of dwelling houses which were built thirty or more years ago (Fig.1). Only 5% of the total number of dwelling houses in Latvia were built after 2000, but 10% of dwelling houses have been built a hundred or more years ago (CSP, 2015A). The largest proportion of buildings built a hundred or more years ago are in such countries as Luxembourg (21.8%), Denmark (19.7%), France and Great Britain (17%). The smallest number of old buildings is in the Czech Republic (3.4%) and Romania (3.9%) (Ministry of the Interior and Kingdom Relations, 2010; Sideļska, 2011A).

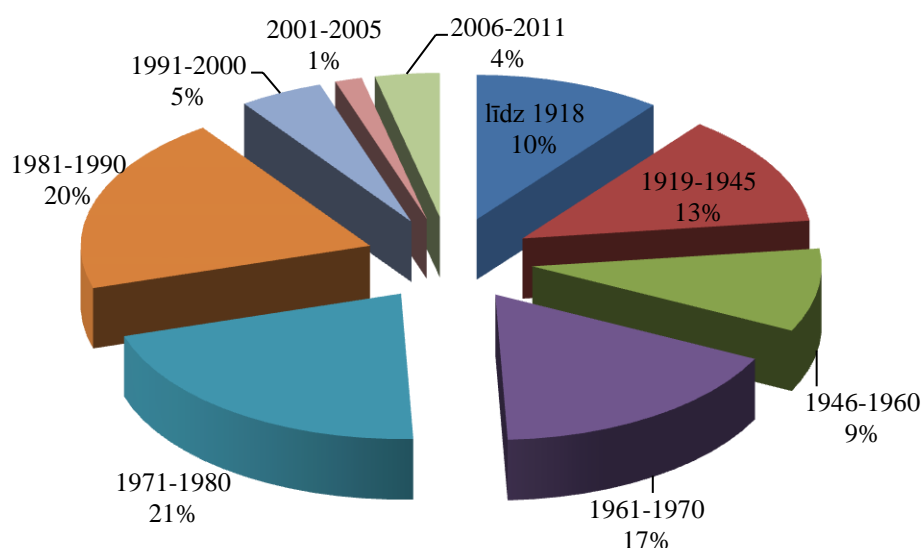


Fig. 1. Division of dwelling houses in Latvia according to the year of their construction.

Latvia, like almost all EU member states, suffered during the Second World War, and in some cities the housing fund was completely destroyed, therefore in the post-war period there was active construction of the housing fund, when 67% of the total number of dwelling houses were built in the time period from 1946 to 1990. As the study of the Ministry of the Interior and Kingdom Relations of Great Britain ‘Housing Statistics in the European Union 2010’ shows, the largest number of dwelling houses was built in Germany (46.3% of the existing housing fund) and Romania (37.3%) from 1946 to 1970. The number of dwelling houses built in other EU Member States accounted for 15.9% in Ireland, up to 37% in Sweden. The time of construction of buildings, the materials and facilities used, the maintenance of the building and its wear and tear as well as arranged property rights are the factors affecting the use of the dwelling houses and their compliance with the requirements of today’s households. Since 2009 the state continued to provide support to improve the heat insulation of the apartment houses built in the pre-war period and during the Soviet era in the scope of the activity ‘Heat Insulation Improvement of Apartment Houses’ of the working programme ‘Infrastructure and Services’ using the ERAF co-funding. Mostly apartment houses are in poor technical condition and are characterized by low heat resistance, which, in turn, contributes to an increase in payments for heat. A society of apartment owners may receive the support for thermal insulation of apartment houses and their renovation if construction of the building was begun before 1993, and it was put into operation by 2002, with the exception of the buildings, included in the National list of protected cultural monuments. It is also available for buildings with a small number of apartments if they are located in areas with high spatial development index. According to information collected by the Ministry of Economy (July 6, 2015), 1,440 applications for building insulation and renovation projects have been submitted, 625 of the projects were completed and 190 are still in the implementation process (Ekonomikas ministrija, 2015).

According to the author, energy efficiency issues should be addressed not only in apartment buildings, but also in private houses the total number of which is much larger than apartment buildings. In the majority of cases the energy efficiency of private houses is lower than of apartment houses, as they were built using the financial resources available for the household, therefore the materials selected and the quality of construction of buildings were consistent with the available resources.

There are one million and 19 thousand dwellings in Latvia, and their total area in 2014 was 71 thousand square meters - 35 m² per one inhabitant. The distribution of the living space between regions is not even, and 26.0% of all living space is situated in Riga, where 32% of all people live. The second largest region in terms of living space is Pierīga region – 23.6% of total public housing. It is in this region, where there were the most newly built dwellings and their area - 51% from the total growth of housing in Latvia since 2000. Comparing to other regions, including Riga region, the growth of housing was 8-12%, while in Latgale only 7% of the total growth of living area during this period. The concentration of the living area in the vicinity of Riga was linked to the offered job

opportunities and services available. In other regions the distribution of the housing fund ranged from 11.1 to 13.2%, and only in Latgale region it reached 14.2% of all housing area, which was influenced by the location of the second largest Latvian city by the population - Daugavpils in it. (CSP, 2015A)

According to the census results of 2011, 20.6% of housing were not permanently inhabited in Latvia (Fig.3). The least number of unoccupied housing is in Riga – only 16.7%, which is explained by greater employment opportunities than in other Latvian regions as well as by a wide range of educational and social networks.

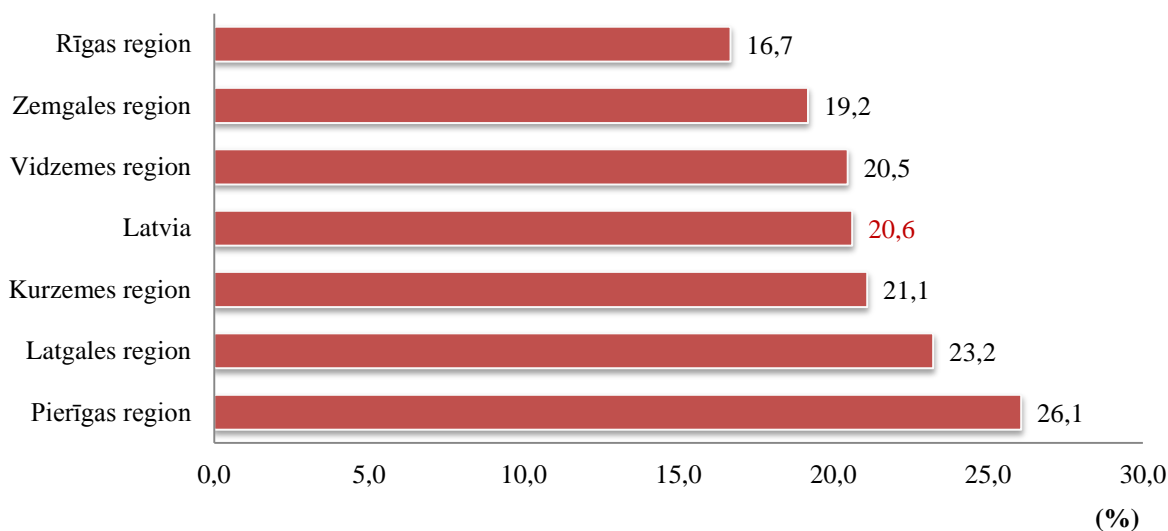


Fig. 2. Division of uninhabited housing in Latvian regions in 2011 (%).

By contrast, most uninhabited housing was in Pierīga region – 26.1% of the total number of dwellings that exceeds the volume of uninhabited housing in Latgale region (23.2%). Pierīga region comprises territories along the coast of the Gulf of Riga, where summerhouses have been preserved and built. Unlike the summerhouses built in the previous century, now availability of amenities enables people to live in them all year round, and, accordingly, they are classified as dwelling houses.

Dwellings which are empty and unused for living comprise several groups of buildings, including buildings, which have not been used for a long time, buildings with unfinished construction process or buildings recognised as ownerless property. After 2008 crediting institutions laid hands on a significant amount of housing fund during the period of economic downturn in Latvia, consisting of real estate developers' unfinished dwelling houses, completed dwelling houses that did not have adequate demand in the housing market and seized housing of households unable to cover loan obligations. For these reasons as well as to maintain the market value of the housing acquired in possession, crediting institutions were cautious in issuing new loans for construction of housing, which manifested itself in the form of a slowdown in the construction of dwelling houses.

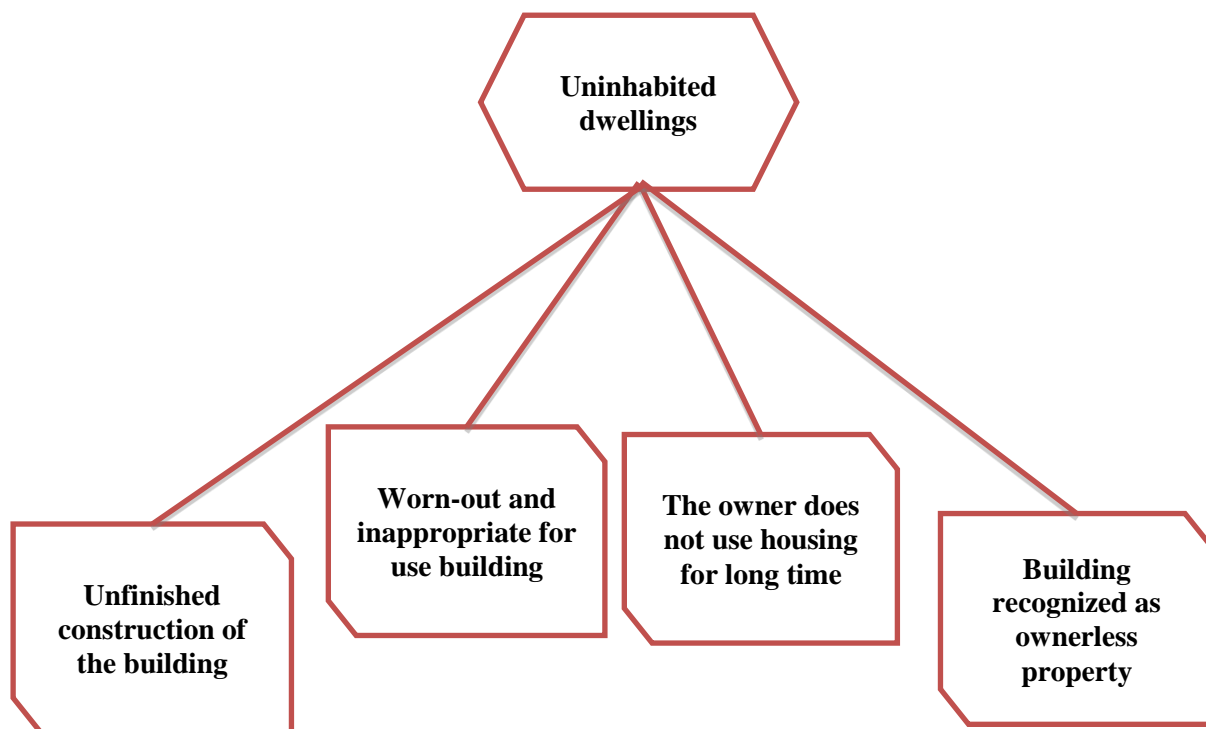


Fig. 3. Groups of uninhabited buildings.

The total area of the Latvian housing fund is made up of all dwellings, regardless of whether they are or are not inhabited and even buildings that are unusable for living or slums. There are abandoned and uninhabited dwelling houses both in remote areas of Latvia and also in small towns and cities of national importance, including Riga. The glossary of the Latvian language explains the term ‘*grausts*’ (English: a slum) as ‘a worn object or a building invalid for use’ (Latviešu valodas vārdnīca, 1987). It would be analogous to the English term ‘*slum*’ or German – ‘*elendsviertel*’. However, these terms abroad are used to denote slum districts – areas, where socially disadvantaged and vulnerable groups of people live in substandard or arbitrary constructed buildings, which are characterised by a high degree of criminogenic risk.

The total area of the housing fund is made up of all dwelling area, including the degraded housing fund - uninhabited buildings and even buildings unsuitable for living or slums. Abandoned and uninhabited dwelling houses have become a common sight in the landscape not only in Latvian suburbs and small towns, but also in Riga and other major cities. In 2011, Riga City Council Property Department recognized 452 buildings in Riga administrative territory as complete or partial slums, 109 of which were on the brink of collapse. In the second largest Latvian city, Daugavpils, there were listed 58 slums in 2011, but in Jurmala 146 buildings did not comply with the requirements of municipal binding regulations (Ozols, 2013). Comparing information given by different local municipalities, the first criterion for recognition of buildings as slums is the discrepancy with municipal binding regulations. As the municipal binding regulations are being developed in each municipality in accordance with its specific objectives, it is impossible to clearly define what criteria were used to identify the degraded buildings. The author considers that it is necessary to establish uniform basic criteria for the identification of degraded buildings in the existing laws and regulations and to leave only the municipality-specific regulations in municipal binding regulations.

The absence of common criteria is also a reason for the lack of uniform accounting of degraded buildings nationwide. The Cadastre Information System that registers real estate and its constituent parts - real estate objects as well as their characterizing data, currently does not have signs for degradation of the building. Such information is not available also in any other of the existing real estate accounting systems. Information about the criteria to determine the degraded buildings and the number of buildings identified is available in each municipality, but the overall survey is missing.

Handling buildings unsuitable for living is further burdened by the fact that some of them have been recognized as cultural historical monuments or some have been built by famous architects, giving them extra significance. For example, the author of the building in Riga, Marijas street 6, is one of the most famous Latvian architects - Konstantins Peksens (Konstantīns Pēkšēns). One of the first Art

Nouveau buildings in Riga, which was built according to the project of Rudolfs fon Cirkvics (Rūdolfs Heinrihs fon Cirkvics) is a dwelling house in Riga, Vīlandes street 11, but the author of the tenement house in Lomonosova street 5 was Mihails Eizenšteins (Mihails Eizenšteins), etc. (Ozols, 2013). During the process of rebuilding or renewal of such buildings, people are faced with substantial additional resources, because rebuilding is restricted by legislation, which provides for the preservation of the historical look of the buildings – cultural monuments, with their characteristic elements. Often it is the unavailability of resources that hampers the desire of owners of the building to improve its condition. Considering the fact that the preservation of cultural monuments is in the interests of the whole society, it would be necessary to ensure closer cooperation between an owner of the building, the state and municipal bodies. Thus public resources should be combined with resources of the owner of the building in restoration and preservation of the buildings that have received the status of national cultural monuments. Similarly, local government in the territory of which the particular building is situated would participate in the process of upkeep of local cultural monuments. Implementation of the above mentioned proposals would require additional resources from the state and municipal budgets and it will be cumbersome to find them, therefore it would be possible to provide support to the owners of such buildings, for example, granting tax relief or supporting business development in the particular property.

One of the reasons hindering the process of putting in order the buildings unsuitable for living, is the unsettled property rights of these buildings that are associated with long-term legal proceedings and that prohibit the owner to freely dispose of the property, for example, to sell, to demolish buildings, or to attract additional resources. The local government is entitled to take action and put its immovable property in order, but it does not have legal authority to demolish the privately owned properties.

In the territory of Riga out of the 452 slums listed, 378 buildings belonged to private owners, and 197 of them were dangerous (Ozols, 2013). To improve the environment and to prevent the hazards of the rundown buildings, each municipality takes individual solutions, as the normative acts of Latvia do not address the problem mentioned. The municipality has the right to appeal to the owner and to point to the need to arrange the real estate or to impose an appropriate administrative penalty for the degraded environment. If the building is in such a condition that it is necessary to demolish it, it can be done also by using local government funding and then recover the damages from the owner. One of the ways of influencing the owner of a degraded building is considered by local governments the possibility to determine an increase of 3% in real estate tax rate for poorly maintained real estate. In this case it should be taken into account that the cadastral value of the building of which the real estate tax is calculated is inversely proportional to its physical condition and degree of depreciation – when depreciation increases, the value decreases. In this case, the solution would be to set a specific value for the buildings, which are registered in the Cadastre Information System with a degraded building sign.

The degraded housing fund comprises not only old, worn-out dwelling houses, but also unfinished, dangerous buildings. Unfinished newly constructed buildings make up 9% of all buildings unsuitable for living, and in some cases they may be even more dangerous than the well-aged buildings. Also in this case a regulatory framework is required that would ensure accountability of the owner of the building if the construction is not finished within a specified period.

In some cases, the local government may have an interest to obtain the degraded dwelling house in its possession and restore or rebuild it so that afterwards it can be used to ensure the municipality functions. The local government would need the rights to expropriate the degraded property to achieve this. However, the expropriation of buildings and arrangement would require significant financial resources and, therefore, only large municipalities could take such actions.

The proposed changes in laws and regulations as well as involvement of the state and local governments and granting of additional rights would make it possible to reduce the volumes of the uninhabited and degraded housing fund and in the long run would improve the environment. Information about uninhabited and degraded buildings would serve as the basis for the development and implementation of further action plans, as well as for planning the necessary resources.

Conclusions and proposals

The state support programme for reduction of degraded housing fund would improve and put the environment in order as well as reduce the number of dangerous objects.

Information about the uninhabited and degraded housing fund is available only in some municipalities, but it is not gathered and stored systematically about the entire territory of the country.

Each municipality chooses individual criteria for identification of degraded buildings that are found in its territory. That hinders the possibilities to compare and assess the condition of buildings in different municipalities and in the country on the whole.

The information about the features of degraded buildings given by a local government is not available and binding to others.

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