Influence of Development of National Economy on the Construction Business

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Abstract

Nowadays any business sector representatives are influenced by national economic development, and this influence is enhanced by the globalization process development. The relevance of the study is determined by the fact that the local and foreign companies, by investing in the real estate also participates in the real estate market and national economy development in the certain country, and common national and regional trends contribute to or limit the activities in the construction industry, thus influencing the management decisions. The objective of the study is to analyze the impact of the development of Latvian national economy on the construction business, in order to define the main directions of influence and to provide scientific-practical recommendations for the establishment of the company’s strategy and improvement of the management model. The analytical, historical, statistical and logical access methods have been used in the study. The study results define the impact of the national economic development on the construction business and construction management process and recommendations for the establishment of the effective management model and optimization of civil construction process, as well as the study defines the public sector construction ordering role in the development of the industry.

Keywords
National economy; real estate market; construction management; development

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Biography

Linda Kauškale, is the PhD student, researcher at Riga Technical University, Faculty of Engineering Economics and Management, with distinction has obtained Professional Master Degree in Civil Construction and Real Estate Management and qualification of Real Estate Economist. Now is the Head of International Real Estate Department at Ltd. „AVA HOLDING”. Participated in scientific conferences: International Conference on Environmental Engineering (ICEE-2014); Modern building Materials, Structures and Techniques (MBMST-2013), Vilnius, Lithuania, etc. Research focus – real estate market analysis, influence of real estate market cycle and economic cycle on development, interaction of socio-economic factors on entrepreneurship on real estate market and construction branch etc. Year 2014 - RTU Gold Fund graduate. Fall 2013 – FIABCI (International Real Estate Federation) grantee.

Ineta Geipele, is the Professor at the Faculty of Engineering Economics and Management, the Director of the Institute of the Civil Engineering and Real Estate Economics, the Head of the Chair of the Civil Construction and Real Estate Economics and Management of the Riga Technical University (RTU), Latvia. She has earned Doctor's degree of Economics and Master's degree of Economics in Engineering Sciences at the RTU. Her professional skills are improved in Austria, Germany, Denmark and England. She is an author and co-author of more than 180 scientific publications. Her current research interests are focused on Sustainability Development Problems of Real Estate Market, Construction Industry, including Land Use Management and Institutional Economics. She is an expert on Management Science of the Latvian Council of Science, a board member: of the FIABCI-Baltic Multinational Chapter; of the Cunfte of the Facility Management of Latvian Housing, a Member of the Latvian Union of Civil Engineers etc.