Upon hearing the phrase “the growth will slow down”, everybody focuses on the second part and starts worrying, although the word “growth” is much more important. There is no reason to panic, as all the processes have their positive and not so positive side in economics and this also applies to early panicking.

External political threat? D. Tramp has held his position since January 2017, Brexit issue has been on the agenda since June 2016. Various challenges do exist and have always existed. Is this anything new in the modern dynamic environment?

As regards Latvia, we hear increasingly often that state authorities start tackling new problem issues aiming to solve them. This can possibly slow down the development short-term, however, will provide stability and long-term growth in future.

Residential market in Latvia? Loan interest rates are low, loans are accessible, while rent prices are high; best small apartments are bought fast, and developers refuse to supplement these “reserves”. Is the offer of high quality apartments for a middle class family sufficient on the market today? Rather no than yes.

Sometimes we miss opportunities by focusing too much on the negative effect. The time flies. There were opportunities even during the crisis period, now there is growth! The prices of good Residential will not decrease, this is probably the best time for buying if one needs Residential.

ERMĪNS SNIEDZE
Head of the Residential Trade Department of Latio
Sources

Central Statistics Bureau (CSB)
Bank of Latvia
State Employment Agency
International Monetary Fund
OECD
World Trade Organisation
Eurostat
FEDERAL RESERVE BANK OF NEW YORK, New York Fed
Consumer Credit Panel/Equifax
U.S. Census Bureau
State Land Service (SLS)
SKDS
Swedbank
Luminor

Comments in mass media by analysis of the leading Latvian banks and the Bank of Latvia (Nozare, LETA, Latvijas avīze, Dienas Bizness)

Opinions of foreign experts in the foreign public media (Reuters, BBC, CNBC, Business Insider, International Monetary Fund, Institutional Real Estate, Inc, NY Times)

Abbreviations used in the Report

USA – United States of America
EU – European Union
OECD – Organisation for Economic Co-operation and Development
IMF – International Monetary Fund
CSB – Central Statistics Bureau
SLS – State Land Service
Mov. Avg. – average value
REAL ESTATE MARKET IN LATVIA AND GLOBALLY
Latvia

Export is diversified and stable. During 4 months this year 17% of the total volume of export cargoes have been exported to Lithuania, 12% to Estonia, 8% to Sweden, 7% to Germany, 7% to Russia and 6% and below to other countries. If the decrease of 2% in February is not taken into account, the annual export growth has been positive every month since September 2016. (source: CSB)

The investment volume is stable (according to the data of the Bank of Latvia, the net flow of foreign direct investment in Latvia amounted to 132 mill. EUR in the 1st quarter of 2019 and 105 mill. EUR in the 1st quarter of 2018).

Unemployment continues decreasing (6.1% in Latvia and 3.8% in Riga according to the data of the State Employment Agency as on 01.05.2019).

The growth depends on the domestic consumption which is encouraged by the increase of wages (from 637 EUR in the 3rd quarter of 2010 to 1036 EUR in the 1st quarter of 2019).

The rapid growth of the construction is slowing down, the growth rate in the processing industry is still lower (According to the data of the CSB, the volume of construction products increased by 7.4% in the 1st quarter in comparison to the relevant period last year, however, the quarterly growth in 2018 amounted to 10-36%. The quarterly growth of the processing industry was 2-5% last year and +5% in the first quarter this year).

Successful growth of information and communication services continues.

Global

Although the global economic growth slows down, it is successfully resisting the recession risks, the inflation is moderate and the unemployment rate continues decreasing. According to the data of the International Monetary Fund, the actual global GDP growth could be 3.3% this year (it was 3.6% last year) and the inflation rate will remain equal to 3.6%.

The uncertainty in relation to Brexit is still a topical issue.

China debt issues are intensifying (the accurate data are not known, economists estimate that the state debt amounts to 200-300 % of the GDP).

The trade growth has slowed down due to the impact of trade conflicts. According to the data of the World Health Organisation, the volume of trade in goods increased by 4.6% in 2017, by 3% last year and the growth this year is estimated to amount to 2.6%.

Concern regarding the economic growth in 2020-2021.

The mood of consumers and companies, in particular, the recession expectations, have a major impact upon the situation in the national economy. For example, the ESI index which measures the mood of consumers in Europe on monthly basis, has been within the range from -6.2 to -7.4 points this year, while it was from -3.5 to -4.6 points during the first half of the last year.

Financial experts envisage stabilisation in the economics during the next half a year and not further deterioration. Recession is not expected during the near future.
The Gross Domestic Product continued growing during the first quarter (+3.2% in comparison to the 1st quarter of 2018) and the growth rate was above the EU average (+1.5% on average). The construction industry is one of the causes thereof, because the GDP generated by the construction industry starts increasing vs the other GDP. Irrespective of the above, the share of the construction industry is still behind the indices of 2008. GDP growth is resulting also from the growth in other industries. For example, there has been rapid growth in the information and communications service industry during recent years and it amounted to 13% during the last year in comparison to a year ago.
The volume of the USA residential credit market was 9.24 trillion US Dollars in the 1st quarter of 2019 and during this century has been higher only in the 2nd, 3rd and 4th quarter of 2008 (9.27, 9.29 and 9.26 trillion US Dollars accordingly). At the same time it should be noted that the quarterly growth amounted to 2-7% until 2008 and reached 1% during the last years.

- The consumer credit volume has almost attained the level of 2008.
- The rate of requests for new credits has been lowest since 2003.
- The number of late credit payments is still low. The rate of credits which are more than 90 days late has been within the range of 2% of the total credit volume since 2016 (and has been decreasing every quarter). It was 9% in 2010.
The total amount of household credits has increased in the EU countries in 2017 in comparison to 2008, however, the amount of short term credits has decreased. The decrease of short term credits in Latvia has been twofold during this period, it has doubled in Lithuania and has not changed in Estonia. Despite the above, it was almost double in Latvia compared to Lithuania and 3.5 times higher than in Estonia. The volume of long-term credits in Lithuania and Estonia was approximately 1.5 times more, although it has increased by 12% since 2017 in Estonia, has not changed considerably in Lithuania and has decreased by 42% in Latvia.

The amount of credits for purchase of housing and the consumption credits have increased slightly in Latvia. The interest rates for household for purchase of housing have increased in March this year.

Data: Eurostat, the Bank of Latvia
Labour market in Latvia

The unemployment rate continues decreasing in Latvia (6.4% in April this year and 7.7% a year ago). The population count was 1% below the level of the last year in June this year. Therefore, the gross wages are growing, and the most recent data about March this year indicate that the mean wage was 1064 EUR per month in this country.

The wage increase encourages saving and the domestic consumption which is the factor contributing to the growth. At the same time, increase of wages also means increase of costs of entrepreneurs which is covered from the profit or investment or by increasing the prices of produced goods and provided services.

Data: CSB
RESIDENTIAL MARKET
The investors’ interest about buildings which can be rebuilt into official accommodation facilities [hostels] or apartment houses with small apartment floor space is increasing. In new projects the demand for economy-class apartments is growing, therefore developers are increasingly often building houses where budget-class apartments will be available.

Due to the increase of construction costs, a range of projects are not implemented because the price exceeds the possibilities to buy apartments. Construction costs increase due to the shortage of labour and the short-term planning of projects funded by the EU funds, moreover, gradual leaving the shadow economy is affecting costs.

A clear deficit of rent apartments can be seen in the cities of Latvia. The development of the rent market is hindered by the slow progress of the rent law.

The Ministry of Economics announced a procurement for the in-depth study of the mechanical strength and stability of the structures of Series-464 (the so referred Lithuanian Series) houses. It is envisaged to present the results of the survey to the public at the end of the year.

A part of the apartment houses constructed during the Soviet times are worn, their lifetime will expire during the next years.

Global

The housing market reflects the general mood regarding the global economy. Despite the positive situation on the labour market and the low credit interest rates, the consequences of the global uncertainty prevail on the housing market, therefore, households increase their savings and not spendings.

Construction companies continue increasing their staff, and construction costs continue growing.

Availability of housing is turning into a global issue.

The volume of household savings is increasing in Sweden and Denmark. In Norway the housing market is balanced. According to the OECD data, the savings of Swedish household amounted to 15% of income in 2017 and 17% in 2018, at the same time, the annual increase of the net disposable income was 1% in 2017 and 2% last year.

The costs of construction and buying of housing are high in the USA. The construction is affected by the situation regarding trade tariffs and China: both, because tools manufactured in China are widely used and companies change their plans and cancel construction of new sites. (For example, in compliance with the U.S. Census Bureau, the index of construction of private houses was 133 in May 2019, and 2 years ago it was 125 (2005=100). The volume of construction of housing decreased by 11.2% in May this year in comparison to a year ago.)
Residential market in Latvia

* All the changes are presented by comparing the data of the beginning of 2019 to the relevant period of 2018.

**Market of apartments in Latvia**

Number of transactions | 7,085 ↓4%
Number of transactions in 1-room apartments | 28% ↑
Number of transactions in 2-room apartments | 44% -
Number of transactions in 3-room apartments | 22% ↓
Total value of transactions | 261 mill. 3%
Average floor space (median) | 50 sq.m (47 sq.m) -

On the map:
Number of transactions and changes in the region
Total value of transactions and change
Most demanded floor spaces
Number of transactions in 1-room and 2-room apartments

Source: Data of the SLS, Latio calculations

* All the changes are presented by comparing the data of the beginning of 2019 to the relevant period of 2018.
### Prices of apartments in the regions of Latvia

<table>
<thead>
<tr>
<th>Region</th>
<th>City Prices (EUR)</th>
<th>Outside City Prices (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ventspils</td>
<td>230-480</td>
<td></td>
</tr>
<tr>
<td>Liepāja</td>
<td>270-480</td>
<td></td>
</tr>
<tr>
<td>Jūrmala</td>
<td>620-850</td>
<td></td>
</tr>
<tr>
<td>Valmiera</td>
<td>500-760</td>
<td></td>
</tr>
<tr>
<td>Cesīs</td>
<td>360-590</td>
<td></td>
</tr>
<tr>
<td>Jelgava</td>
<td>500-650</td>
<td></td>
</tr>
<tr>
<td>Bauska</td>
<td>320-550</td>
<td></td>
</tr>
<tr>
<td>Daugavpils</td>
<td>290-440</td>
<td></td>
</tr>
<tr>
<td>Rēzekne</td>
<td>290-420</td>
<td></td>
</tr>
<tr>
<td>Daugavpils</td>
<td>290-440</td>
<td></td>
</tr>
<tr>
<td>Jelgava</td>
<td>200-340</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>100-230</td>
<td></td>
</tr>
<tr>
<td>Outside cities</td>
<td>70-200</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>70-110</td>
<td></td>
</tr>
<tr>
<td>Outside cities</td>
<td>60-100</td>
<td></td>
</tr>
</tbody>
</table>

* The quality of houses has a major impact upon the apartment price.

### Mean price of a 2-room apartment in houses constructed from 1954 to 1989 (EUR)

<table>
<thead>
<tr>
<th>Region</th>
<th>Pilsētās</th>
<th>Ārpus pilsētām</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aktīvā Pieriga</td>
<td>38 000</td>
<td>38 700</td>
</tr>
<tr>
<td>Parejā Pieriga</td>
<td>25 600</td>
<td>13 900</td>
</tr>
<tr>
<td>Zemgale</td>
<td>22 300</td>
<td>12 200</td>
</tr>
<tr>
<td>Kurzeme</td>
<td>17 000</td>
<td>6 500</td>
</tr>
<tr>
<td>Vidzeme</td>
<td>17 800</td>
<td>8 200</td>
</tr>
<tr>
<td>Latgale</td>
<td>9 000</td>
<td>4 400</td>
</tr>
</tbody>
</table>

On the map: Mean price per 1 m² in apartments in houses constructed from 1954 to 1989

Source: Data of the SLS, Latio calculations
**Transactions in apartments in series-type apartments in districts of Riga**

<table>
<thead>
<tr>
<th>Quantity of transactions</th>
<th>(change compared to 2nd quarter 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>670 (12%)</td>
<td>1,075 (110%)</td>
</tr>
<tr>
<td>26%</td>
<td>31%</td>
</tr>
<tr>
<td>47%</td>
<td>43%</td>
</tr>
<tr>
<td>24%</td>
<td>22%</td>
</tr>
</tbody>
</table>

**Number of transactions depending on the number of rooms**

<table>
<thead>
<tr>
<th>1 room</th>
<th>2 rooms</th>
<th>3 rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>31%</td>
<td>43%</td>
<td>22%</td>
</tr>
</tbody>
</table>

**Value of transactions (change)**

<table>
<thead>
<tr>
<th>37-55 m²</th>
<th>47 m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 mill. EUR (12%)</td>
<td>40 mill. EUR (13%)</td>
</tr>
</tbody>
</table>

**Most demanded floor spaces**

- **Imanta (26%)** – 920 EUR/m² (17%)
- **Ilguciems (13%)** – 860 EUR/m² (16%)
- **Agenskalns (10%)** – 900 EUR/m² (14%)

**Mean floor spaces**

- **Series - 602 (22%)** – 910 EUR/m² (17%)
- Lithuanian Series (20%) – 860 EUR/m² (0%)
- Khruschev Series (14%) – 870 EUR/m² (13%)

**Mean price per 1 m²**

| 890 EUR/m² (12%) | 41,000 EUR (15%) |

**Most popular series**

<table>
<thead>
<tr>
<th>Series - 602 (18%)</th>
<th>930 EUR/m² (15%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khruschev Series (20%)</td>
<td>870 EUR/m² (19%)</td>
</tr>
<tr>
<td>Lithuanian Series (17%)</td>
<td>880 EUR/m² (18%)</td>
</tr>
</tbody>
</table>

**Mean price per 1 m²**

| 900 EUR/m² (16%) | 40,500 EUR (15%) |

*All the changes are presented by comparing the data about the beginning of 2019 with the relevant period in 2018.*
## Sold apartments in new projects in Riga in the first half of 2019-08-19

### Total number of transactions and value of transactions (Jan – May)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Value</th>
<th>Value for Centrā, Skanstē, Mežaparkā, Ķīpsalā*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1000</td>
<td>500</td>
</tr>
<tr>
<td>2016</td>
<td>1200</td>
<td>600</td>
</tr>
<tr>
<td>2017</td>
<td>1400</td>
<td>700</td>
</tr>
<tr>
<td>2018</td>
<td>1600</td>
<td>800</td>
</tr>
<tr>
<td>2019</td>
<td>1800</td>
<td>900</td>
</tr>
</tbody>
</table>

* % of the total number of transactions, mean floor spaces, mean prices per 1 m² for the most demanded floor spaces

42% of transactions in new projects were transactions in 2-room apartments.

The highest number of transactions in new projects commissioned after year 2011 was in Teika (50%) and Pļavnieki (15%). In these neighbourhoods Bonava project “Stārķu 2”, YIT project “Biķerziedi” and AFI Europe project “Trebū home” were recently commissioned.

As the construction costs increase, also the apartment prices in new projects have increased. For example, in houses which are constructed after year 2011 the prices increased by 5-9% during a year.

Source: Data of the SLS, Latio calculations

---

### New Project

<table>
<thead>
<tr>
<th>Year</th>
<th>New Constructions</th>
<th>Renovated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Projekta veids

<table>
<thead>
<tr>
<th>Districts*</th>
<th>Centrā, Skanstē, Mežaparkā, Ķīpsalā*</th>
</tr>
</thead>
<tbody>
<tr>
<td>24% darījumu; 70 m²; 1420 EUR/m²</td>
<td>4% darījumu; 130 m²; 2410 EUR/m²</td>
</tr>
<tr>
<td>2% darījumu; 60 m²; 1470 EUR/m²</td>
<td>2% darījumu; 80 m²; 1430 EUR/m²</td>
</tr>
<tr>
<td>44% darījumu; 60 m²; 1670 EUR/m²</td>
<td>11% darījumu; 65 m²; 2190 EUR/m²</td>
</tr>
<tr>
<td>2% darījumu; 45 m²; 1710 EUR/m²</td>
<td>13% darījumu; 50 m²; 1830 EUR/m²</td>
</tr>
</tbody>
</table>
Apartments in new projects in Riga, the current situation

Riga:
700 apartments - commissioned in the beginning of 2019
1950 apartments - scheduled to be commissioned in 2019
1290 apartments – could be commissioned next year
870 apartments – in the design stage
6500 apartments – in the intention stage within various projects

Small floor spaces, starting from 20 m², are characteristic for houses in Riga city centre renovated during this year. On average, floor space ranges from 35 to 115 m², in comparison to the new constructions in city districts where the mean floor space is 40-120 m². The offer of developers is based on the demand, in particular, the city centre is chosen by new specialists and districts are preferred by families. A part of the apartments with small floor space are bought for renting them.

Due to the restricted area, in the city centre there are few new constructions, and their costs increase the construction costs in city districts considerably, therefore, their floor space is from 45 to 200 m² and the price per square meter can be up to several thousand euros.

Source: Latio
The number of transactions in private houses has not changed during the first five months of this year in comparison to the relevant period in 2018, however, the value of transactions has increased by 22% and amounts to 42.1 mill. EUR.

Houses of 1 to 2 floors with the floor space from 50 to 150 m², constructed up to year 1999 (inclusive), were mostly bought during this period.

The fewest transactions involved houses with the floor space exceeding 250 m².

Houses with the floor space of 150–250 m² were bought in 23% of the cases and houses with the floor space of up to 50 m² were bought in 21% of the cases.

According to the data of the CSB, the number of building permits for new private houses increased from 339 to 381 in the 1st quarter of 2019 in comparison to the relevant period in 2018. 54% of them were issued in the Greater Riga region. 30 to 40 permits per region were issued in the other regions.

Source: data of the SLS, Latio calculations
Prices of private houses and the most demanded floor spaces in 2019

* The mean transaction values are specified for private houses with the floor space of 50-150 m² and constructed until 1999.

- The interest in expensive houses with a large floor space is low in regions.
- Buildings in the city garden and summer-cottage areas adapted for permanent use are becoming increasingly popular. Their average price is lower than the price of buildings initially built as residential houses.
- Transactions on the market of rural properties are mostly related to residential houses with no modern conveniences constructed in the beginning of the last century with small land parcels.

### Active Greater Riga area

<table>
<thead>
<tr>
<th>Most demanded floor spaces</th>
<th>85-245 m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>100-150 m², constructed after 2000</td>
<td>145,000 EUR</td>
</tr>
<tr>
<td>150-200 m², constructed after 2000</td>
<td>160,000 EUR</td>
</tr>
<tr>
<td>200-250 m², constructed after 2000</td>
<td>220,000 EUR</td>
</tr>
</tbody>
</table>

Source: data of the SLS, Latio calculations
The value of transactions in the beginning of 2019 in comparison to a year ago: -14%

The number of sales transactions of private development land with no construction, the sold area and the total value of transactions continues decreasing.

Most transactions this year have taken place in Riga and Greater Riga (67% in total), and the lowest activity has been in Latgale and Vidzeme.

In the active area of Greater Riga where 42% of transactions took place, most transactions were registered in Mārupes, Kekave and Babite districts, however, the number of transactions has increased in all the three of them in comparison to the relevant period of the last year.

The number of transactions increased in Carnikava and Garkalne districts and in Jūrmala.

According to the data of the CSB, the costs of construction of residential houses have increased by 4.7% in the 1st quarter of 2019 in comparison to the relevant period last year (the slowest growth since the 4th quarter of 2017).
Prices of private development land (2nd half of 2018 - 1st half of 2019)

The most frequently recorded price range in the relevant region.

Source: data of the SLS, Latio calculations
CURRENT AMENDMENTS OF LAWS AND REGULATIONS
1. Amendments to the Law “On Taxes and Duties” were adopted by Saeima [Parliament] on 3 April 2019. According to the amendments, taxpayers, including natural entities who do not perform economic operations may not perform transactions of sale of real estate in cash irrespective of the transaction amount after 1 May 2019. At the same time, the transitional rules provide that the prohibition of cash payment is applicable to the transactions of sale of real estate which have been concluded before 1 May 2019 and are continued after this date and performance of which is envisaged fully or partially by cash payment after 1 January 2020.

2. On 17 May 2019 the Central Election Commission registered collection of signatures for amendments to the Law “On Real Estate Tax”, the collection of signatures will be completed on 17 May 2020. The essence of these amendments is inclusion of the following provision in the Law: “The real estate tax is not applied to one property owned by a natural entity of Latvia where he/ she has declared the place of residence and resides and the land parcel associated with the above property with the area up to 1500 m\(^2\) in cities and villages and up to 2 ha in homesteads.” Information about the collection of signatures is available at [https://www.cv.k/lv/iniciativas/veletaju-iniciativas/registretas-iniciativas/grozijums-likuma-par-nekustama-ipasuma-nodokli-13-05-2019](https://www.cv.k/lv/iniciativas/veletaju-iniciativas/registretas-iniciativas/grozijums-likuma-par-nekustama-ipasuma-nodokli-13-05-2019)

3. Amendments to the Law on Notaries, applicable to expansion of the duties of Sworn Notaries have entered into force as of 1 July 2019, and notaries are now in charge of legalisation of public documents issued in Latvia by means of Apostille. These are documents which are needed to be used abroad, for example, the certificate of the Land Register, a Power of Attorney issued in Latvia for use in another country. Until the 1st July this function was performed by the Consular Department of the Ministry of Foreign Affairs in Riga. As this obligation has been entrusted to the Sworn Notaries in Latvia, this service is now available in 29 cities of Latvia from 109 Sworn Notaries. The Sworn Notary of Latvia legalises a public documents issued in Latvia by means of Apostille based on a person’s application for legalisation of a public document and after the document to be legalised has been received. If a notarial deed or attestation is submitted for legalisation, it is legalised by a notary who has not performed the relevant notarial act.
Current amendments of laws and regulations related to the real estate industry

4 Amendments to the "Law on Land Registers" providing for complete inclusion of the judges of Land Registers in the composition of district (city) courts entered into force as from 1 June 2019. Integration of the judges of Land Registers with the district (city) courts is related to the actual incorporation of the Land Register Departments with the court composition, thus the Land Register Department no longer exists as an independent structural unit of the district (city) court.
For example, until 01.06.2019 a real estate was registered with Riga City Vidzeme District Court Land Register Department, Riga City Land Register Division No. ABC, and after 01.06.2019 the real estate is registered with Riga City Vidzeme District Court, Riga City Land Register Division No. ABC.

The requirement to enclose a payment attestation document with the corroboration request has been cancelled. If the corroboration request contains information about an executed payment and the payment order states the person’s who is submitting the corroboration request personal ID Number or Registration Number and the Cadastral Number of the real estate or the Land Register Division Number, information about the executed payment (a payment receipt, a print-out of the Internet Bank) will not have to be enclosed. In this case the corroboration request will contain the information to ensure identification of the relevant payment in the State Treasury information system.

The law amendments also provide that, upon receipt of information on the change of the name of a legal entity from the Register of Enterprises, the relevant information will be updated in the Land Register without direct involvement of the relevant legal entity.
TRENDS
Latvia

According to a survey by SKDS, buyers pay attention to its maintenance costs and the distance to a recreation area upon buying an apartment. Buyers aged up to 34 years with high income prefer well developed urban environment, while people aged above 64 years with average income prefer neighbourhoods located at a distance of a 30 minute drive.

According to the data of Swedbank and Luminor, 77% buy an apartment and 23% prefer private houses. A series type apartment in a house commissioned more than 20 years ago is selected in 60-69% of the cases. The most popular cities where a residential property is bought: Rīga, Liepāja, Ventspils, Jelgava, Daugavpils and Valmiera.

The proportional share of one person households is increasing.

Global

As the mean age of the population increases, the offer of housing will decrease because older generations change their homes less frequently. In the result, prices increase, the regional mobility is disturbed and this increases inequality.

The proportional share of property owners in the USA is 8% lower among the millennium generation compared to the preceding generations at the same age and the main reasons are the costs of life and study credits. However, upon creating a family, people prefer buying a home.

In the USA there is a trend that the Millennium generation is moving to smaller cities where cheaper accommodation is available. This trend is followed by many technology companies by opening their branch offices closer to labour sources, thus, reducing the total unemployment in the city.

Due to the impact of the consequences caused by the global warming (abnormal heat, storms, flood), investors start turning away from risky regions and prefer domestic cities. This affects the most expensive properties which are usually located close to water.

The offer of residence permits for buying a property and the growth of the popularity of Airbnb has doubled the prices of both sale and rent in Greece. Manpower drain from the capital city continues.
Household trends in Europe

- The proportional share of one person households in Europe is increasing. In 2017 in Norway 48% of households were one person households. A high proportional share of one person households is also in the other Scandinavian countries and in Germany.

- The lowest proportional share of one person households is in Cyprus, Portugal and Slovakia where it is 21%, 22% and 22% accordingly. However, the proportional share of such households tends to grow also in these countries.

- The leading trends in Europe are valid also in the Baltic countries. Of all the Baltic countries, the highest number of one person households is in Estonia (40%) and it is lowest in Latvia (33%). However, the proportional share has increased rapidly in all these three countries; for example, in 2005 such households accounted for 25% in Latvia and 31% in Estonia.

- Another trend, which can also be seen in Europe, is that 25 - 34 old people live in the same household with their parents, and this trend is also affected by apartment prices and the availability of credits. The lowest proportion is in Scandinavian countries and the highest proportion in Southern countries. For example, in Denmark only 3% of young people lived in the same household with their parents in 2017, while in Greece this proportion was 56%.

- In the Baltic countries, the highest number of 24-34 years old people living in the same household with their parents in 2017 was in Latvia (during the financial crisis of 2011 it was 38%), and in Estonia this proportion was 20%.

Data: Eurostat
Results of Facebook surveys

What are you dreaming about - a modern apartment with all the modern conveniences in an apartment house or a private house outside the city bustle?

Select the preferred one of the four typical private homes in the USA, Great Britain, Mexico and Germany on the photos.

Which floor would you prefer in an apartment house?

Data: Latio
270 - 420 Facebook users participated in surveys
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