

Commercial
property market

OVERVIEW

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F O R E W O R D

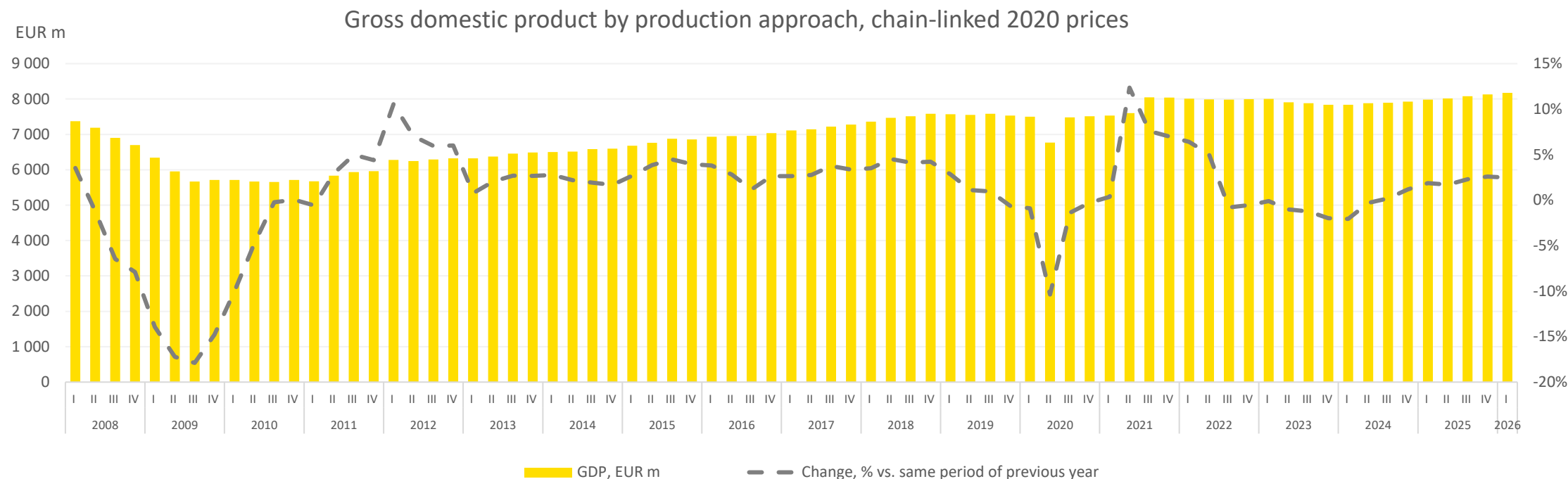
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A good market is not one where prices always rise. A good market is one where decisions are made based on facts rather than emotions or guesswork. The Latvian commercial property market is now taking a step in exactly this direction – it is becoming more rational, more transparent and increasingly data-driven.

EDGARS ŠĪNS
Chairman of the Board, Latio

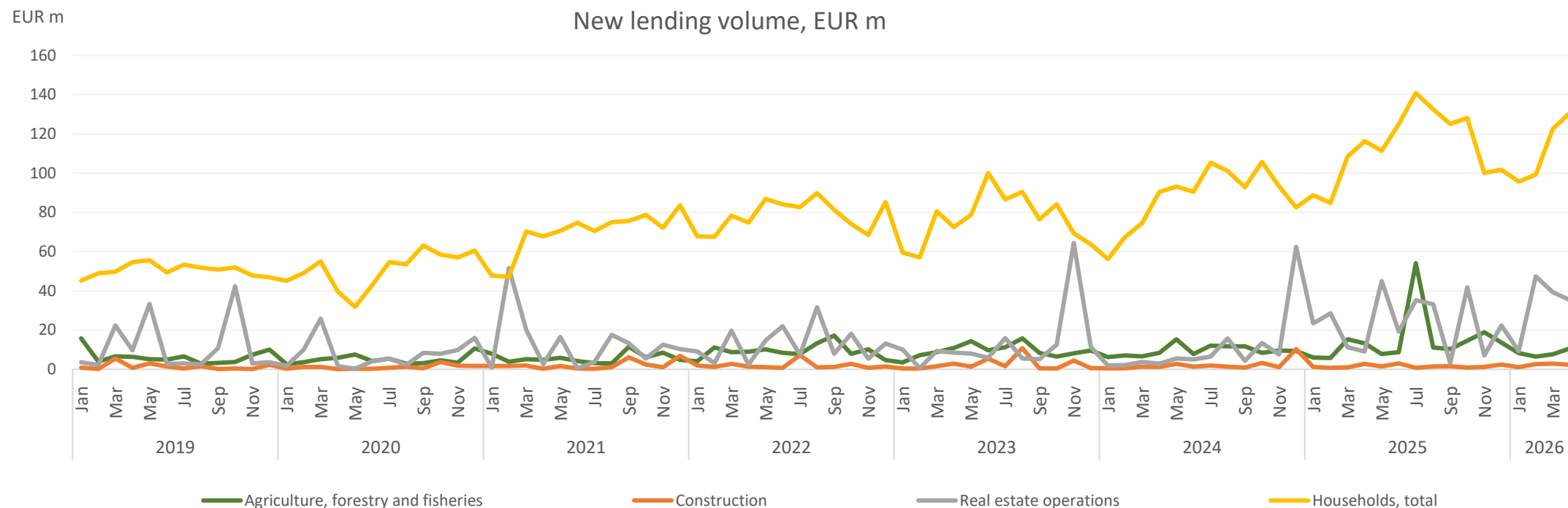


Latvia's GDP remained stable



At the beginning of 2026, the Latvian economy maintained moderate growth after several years of low activity. Although GDP dynamics remain volatile and stay close to zero in some quarters, overall a gradual stabilisation of economic activity can be seen. Growth is supported by the recovery of private consumption, wage growth and a gradual pick-up in lending, while investment activity is still constrained by geopolitical uncertainty and corporate caution. At the same time, the situation in the Middle East and the related energy price risks may create additional pressure on inflation and economic activity in the coming quarters. Overall, the macroeconomic environment is becoming more favourable for a gradual recovery of the real estate market, but rapid growth is not expected in the near term.

Significant but volatile lending volumes in real estate operations



The volume of new lending at the beginning of 2026 remains higher than in previous years, confirming a gradual recovery of lending after interest rates peaked. A particularly significant increase in financing is seen for households, while lending for real estate operations remains volatile but generally stable. This indicates that investors are gradually returning to the market while maintaining a cautious approach to launching new projects. Lending developments will continue to be one of the main factors determining investment activity in the commercial property segment.

Direct investment in real estate operations remains stable

Direct investment in Latvia by type of activity
(stock at end of period, EUR m)



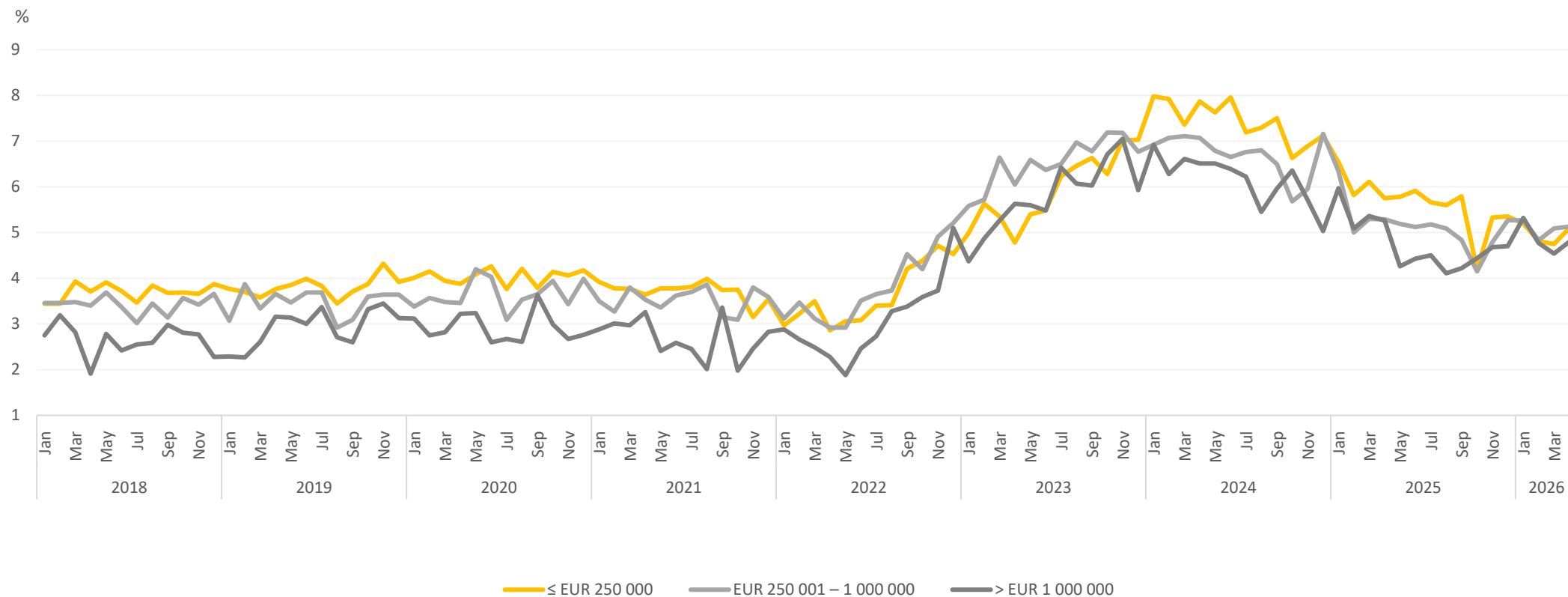
Source: Bank of Latvia

The stock of foreign direct investment in real estate operations has remained relatively stable in recent years, indicating investors' long-term confidence in the Latvian market. Although the volume of new investment has not grown rapidly, no significant capital outflow has been observed, which can be considered a positive signal amid relatively high geopolitical uncertainty. Future investment dynamics will be determined by financing costs, economic growth prospects and investors' risk perception of the Baltic region.

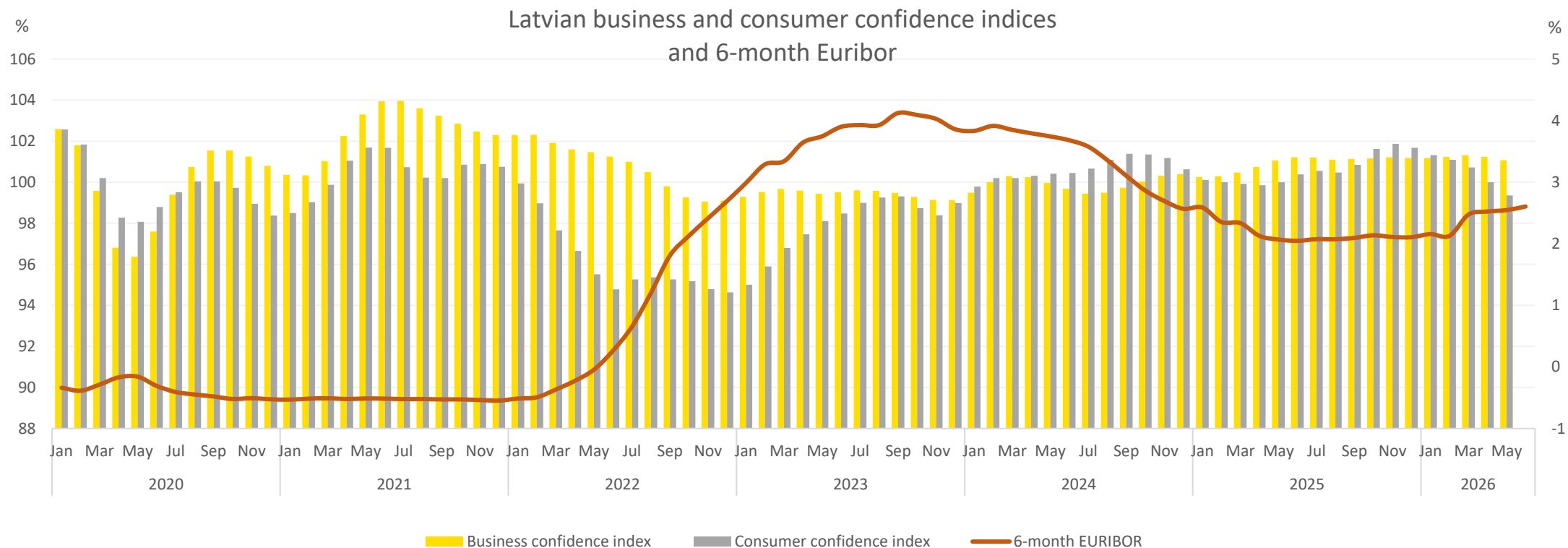
The agriculture, forestry and fisheries sector has seen faster growth – investment has risen from around EUR 760 million at the beginning of 2021 to just over EUR 1.6 billion in 2026, indicating increased investor interest and sector development. In construction, by contrast, investment has been the lowest and relatively unchanged, fluctuating between roughly EUR 400 and 450 million. Overall, the data point to a relatively unchanged investment structure in Latvia, dominated by the real estate sector, but with a positive trend emerging in agriculture and related sectors.

How are weighted average interest rates for non-financial corporations changing?

Weighted average interest rates on loans to non-financial corporations

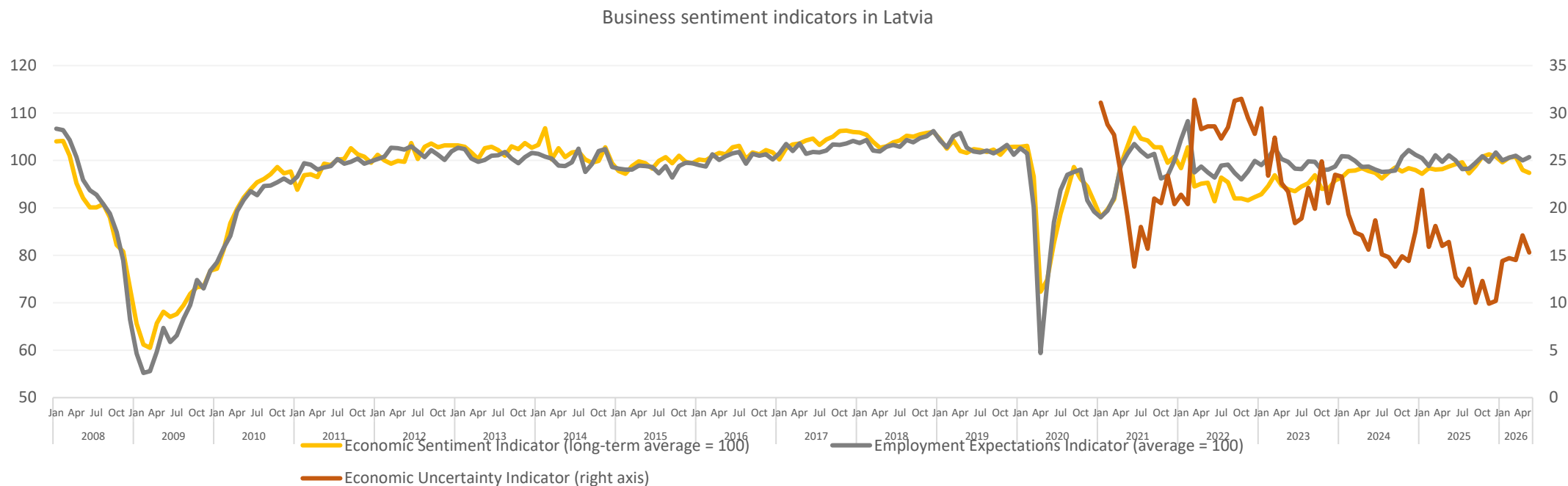


Consumers have proved more sensitive to changes in Euribor



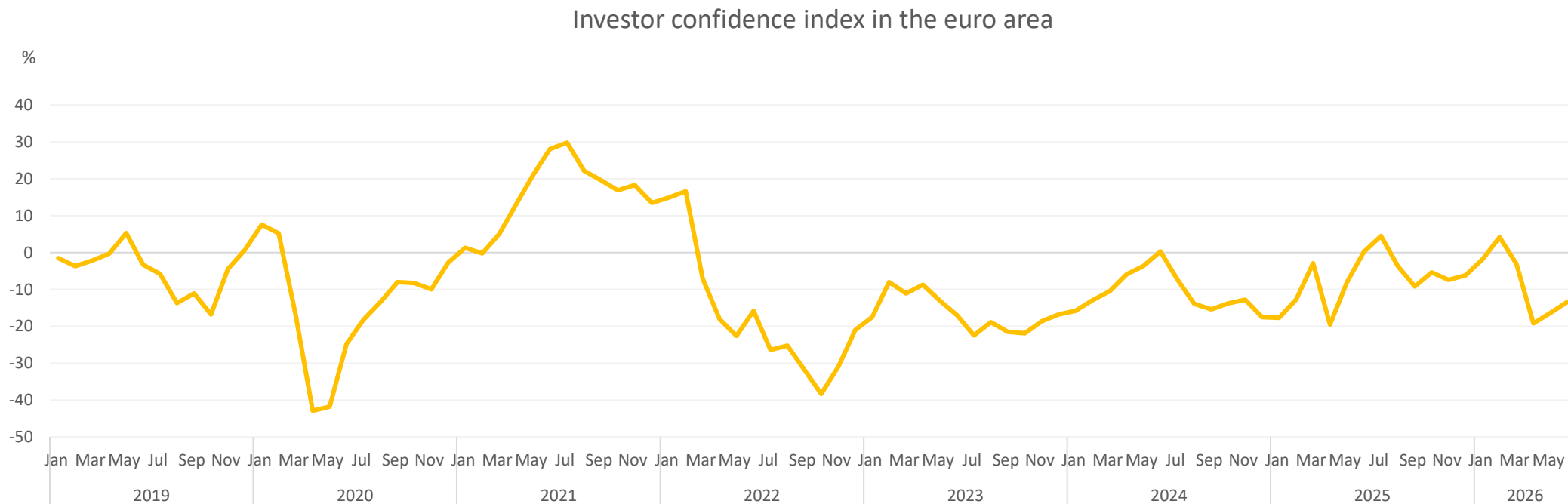
Business sentiment remained relatively stable at the beginning of 2026, while consumer confidence remains more sensitive to changes in interest rates and the geopolitical situation. After Euribor rates fell, both indicators improved, but the escalation of the situation in the Middle East is once again increasing uncertainty. This may delay investment decisions and affect companies' expansion plans, while keeping demand in the commercial property market cautious.

■ The Economic Sentiment Indicator has not exceeded 100 points in recent years. There have been reasons for this.



The Economic Sentiment Indicator has remained below its long-term average for several years, reflecting cautious assessments of economic prospects by businesses and consumers. At the same time, the economic uncertainty index has gradually declined from the peaks of previous years, although it remains elevated compared with the pre-pandemic period. This means that companies continue to invest selectively, giving preference to projects with stable cash flow, high energy efficiency and a lower risk profile.

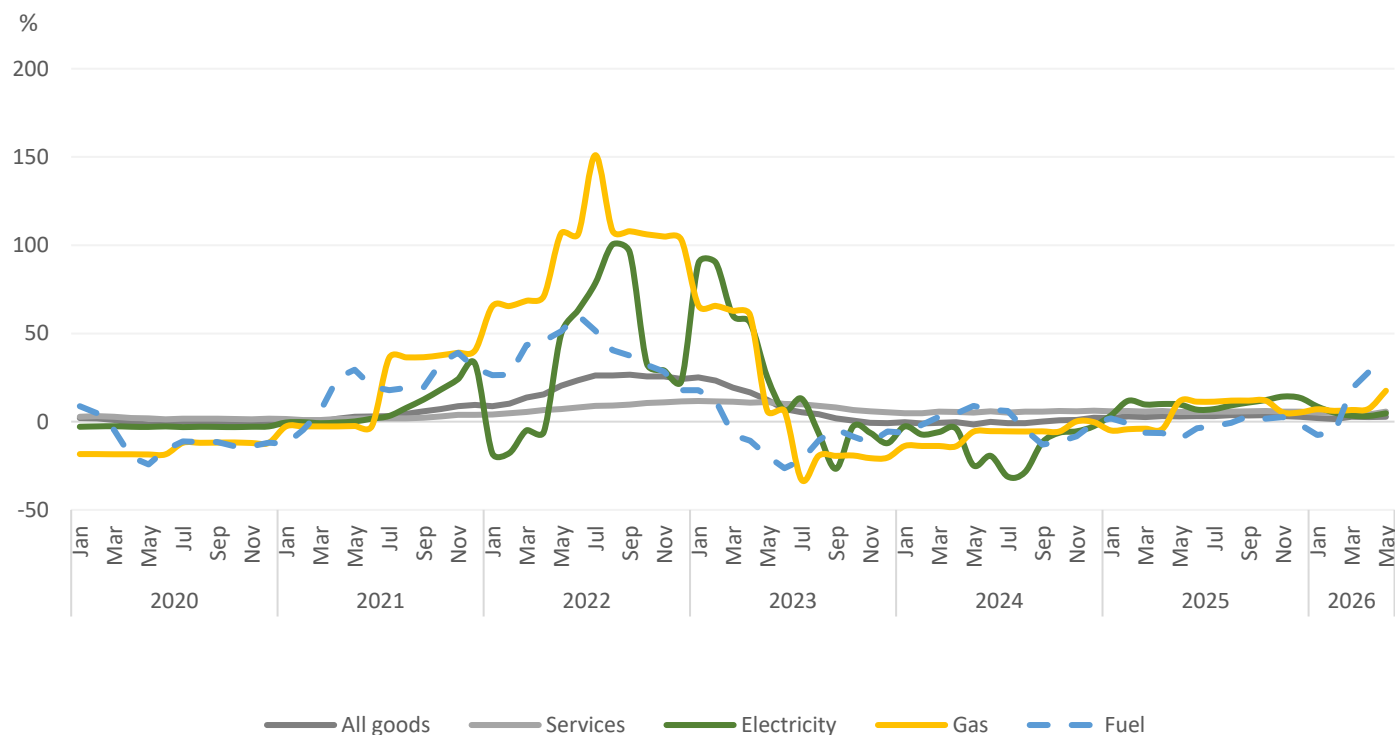
Euro area investor sentiment: crises, declines and stabilisation



Investor confidence in the euro area has fluctuated over the past 7 years. 2019 was relatively stable, but 2020 saw a sharp fall in the index due to Covid-19. With the containment of the pandemic, the arrival of vaccines and the easing of restrictions, the index gradually rose again until mid-2021. Another decline was seen in 2022 due to the war in Ukraine and rising electricity prices. Since 2023, the investor confidence index has been less volatile and has shown a slow but upward trend, rising above zero in mid-2025.

 Price indices

Price changes in Latvia (% vs. same period of previous year)

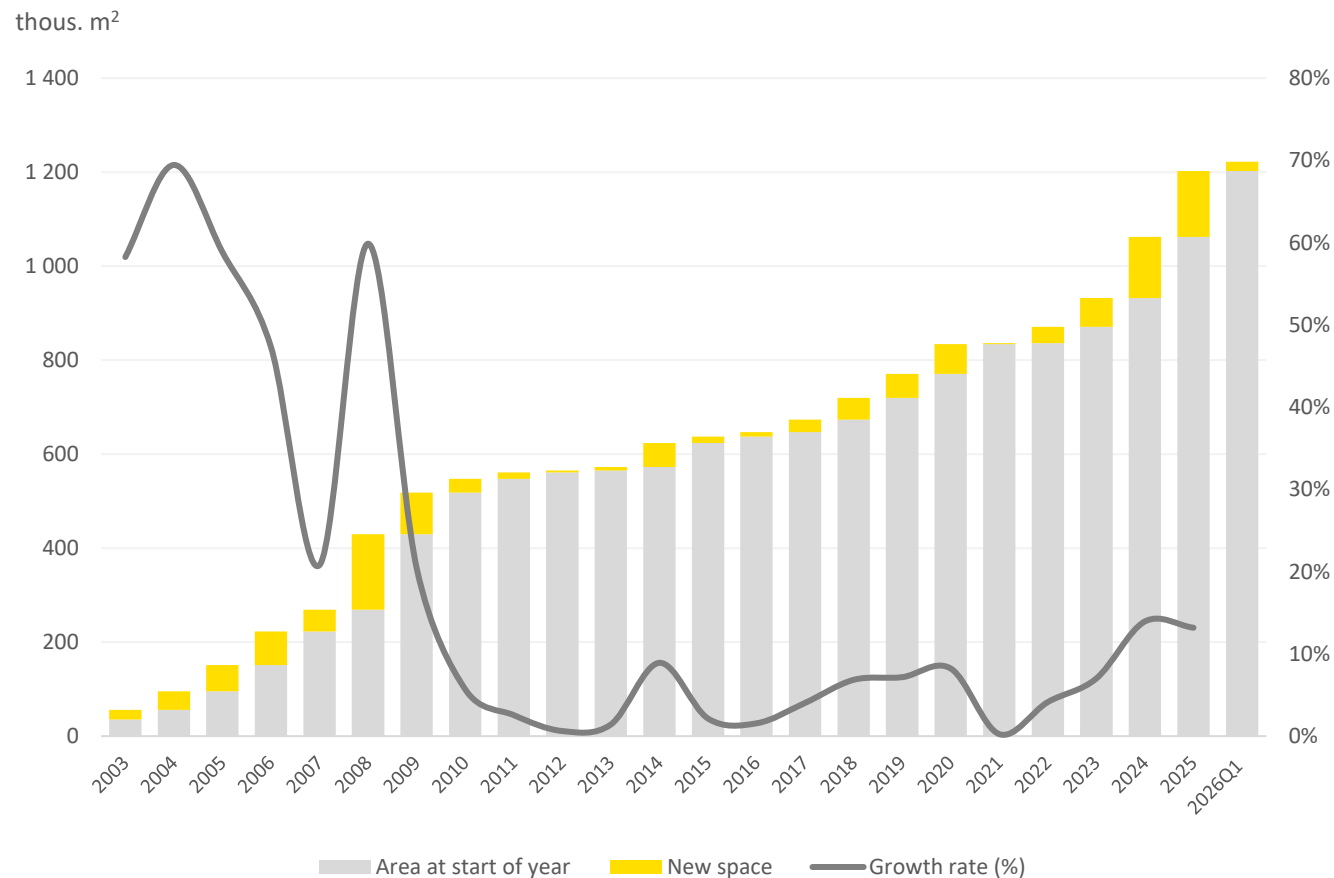


Source: CSB

Following the energy price shock, the structure of inflation in Latvia has changed significantly. Fluctuations in electricity and natural gas prices have become considerably more moderate, while services price growth remains persistent due to rising wages. At the same time, the geopolitical situation in the Middle East has already created risks of rising fuel prices, which may renew inflationary pressure in the coming months. For the commercial property market, this means a possible increase in operating costs and greater attention to energy efficiency from both tenants and investors.

OFFICE SPACE

Office space dynamics



New space put into service in Q4 2025 – Q1 2026:

- After reconstruction, the administrative building at Citadeles iela 7, Riga, was put into service. The building dates from 1775 and has the status of a culturally and historically very valuable building. The building area is 1207 m²; the client for the construction works is *Valsts nekustamie īpašumi*.
- The Estonian real estate developer *Reterra* is in the active construction phase of its new office building *Lāčplēša Plaza* at Lāčplēša iela 76, Riga. More than 75% of the premises are already leased. The office building is being built in Riga's historic industrial district, on the former site of a glue and cork factory. Completion is planned for summer 2026. The four-storey office building will have a total area of 1 617 m², of which 405 m² is intended for retail premises and 1 212 m² for offices.
- After reconstruction, the building at Vecpilsētas iela 7, Old Riga, was put into service. The building was built in 1905 as a warehouse. The building area is 725 m²; the client for the construction works is *Valsts nekustamie īpašumi*.



Space under development in Q4 2025 – Q1 2026:

- Design specifications have been approved for an office building at Kalnciema iela 207, Riga. The building area is 2552 m².
- Construction continues on the Class A office building of Phase 1 of *Preses Nama Kvartāls* at Balasta dambis 1 k-2, Riga. The building is planned to be completed in 2026. The first phase of the project is an 11-storey Class A business centre with an open-plan layout and an area of more than 26 000 m². The business centre will also house a gym, a restaurant and other services. Later development stages of *Preses Nama Kvartāls* envisage additional office buildings, a hotel or residential premises, and possibly a school or a medical facility.

Plans:

- A construction plan has been approved for an office building at Hanzas iela 16A, Riga. The designed building area is 16 000 m², and the developer is *Pillar Development*.
- A construction plan has been approved for an office building at Lielā iela 74, Mārupe.



Largest transactions:

- An office building with land (a design companies' building) at Skolas iela 21, Riga, was sold for EUR 5.88 million to one of the *Merito*-managed real estate investment funds, *SK21*. Total building area 9196.2 m², land area 2068 m².

- For EUR 1.57 million, *Epic Capital Investments* acquired a five-storey office building built in 1938, with land, at Vaļņu iela 32, Old Riga, at an auction held by *Valsts nekustamie*

īpašumi with a starting price of EUR 1.37 million. Total building area 1954.3 m², land area 607 m².

- For EUR 1.04 million, *NTC investīcijas* acquired an office building with land at Pils iela 21, Old Riga, at a repeat auction held by *Valsts nekustamie īpašumi* with a starting price of EUR 1.03 million. Total building area 1214 m², land area 506 m².

- A former teaching building at Ezermalas iela 6 k-4, Čiekurkalns, Riga, was sold at auction for EUR 507.8 thousand – a large plot of land with two structures in poor condition. It had previously been bought from the state in 2017 for EUR 761.2 thousand. The buyer is *Renaissance Construction Group*. Total building area 9900.9 m², land area 18324 m².

- For EUR 2.27 million, *Lomonosoff* acquired, at an auction held by *Valsts nekustamie īpašumi*, the former Health Inspectorate building complex at Klijānu iela 7, Riga (the starting price was EUR 1.88 million). The buildings require reconstruction. Total building area 6381.8 m², land area 5472 m².



Largest transactions:

- For EUR 2.05 million, *GZ77* acquired administrative and school buildings built in 1895, with land, at Brīvības gatve 201 k-1, Riga, near the VEF territory. The property had previously been sold two years ago for EUR 100 thousand less, and the parties to this transaction may be related. Total building area 3831.7 m², land area 8194 m².
- *M1A* acquired a two-storey office building at Vesetas iela 3, Riga, for EUR 1.35 million. Total building area 535.9 m², total land area 757 m².
- For EUR 1.13 million, *AIF INVEST 2* bought the University of Latvia Institute of Biology building complex built in 1970, with land, at Miera iela 3, Salaspils, at an auction held by *Valsts nekustamie īpašumi* (the starting price was EUR 760 thousand). The buildings require reconstruction. Total building area is 10082 m² (5669.7 m² in satisfactory condition, the rest to be demolished); land area is 6 ha.
- For EUR 2.26 million, *KD5* acquired an administrative building with land at Katrīnas iela 5, Riga (opposite the *Joker* club and close to the *Riga Waterfront* plans). The property had previously been sold in 2018 for EUR 2.2 million. It was acquired for conversion into a residential building. Total building area 3502.7 m², land area 2104 m².

OFFICE SPACE CLASSIFICATION

Central Business District (CBD)

- the city's main business centre, characterised by a high concentration of offices, shops and financial institutions;
- selected areas: Skanste, Quiet Centre, Near Centre, Ķīpsala, Āgenskalns Bay.

Class A offices

- prestigious, high-end office premises located in the best business districts;
- modern architecture and technology, top-class amenities (e.g. gym and rooftop gardens), well-designed interiors;
- due to their excellent location and wide range of amenities, Class A offices command higher rents.

Class B1 offices

- well-maintained, quality workspaces, but with a lower level of amenities than Class A offices;
- often located in desirable, easily accessible locations, but not always in the heart of the CBD;
- standard amenities available, such as lifts, air conditioning, etc.;
- a popular choice for small and medium-sized companies seeking a professional environment without considering the most expensive options.

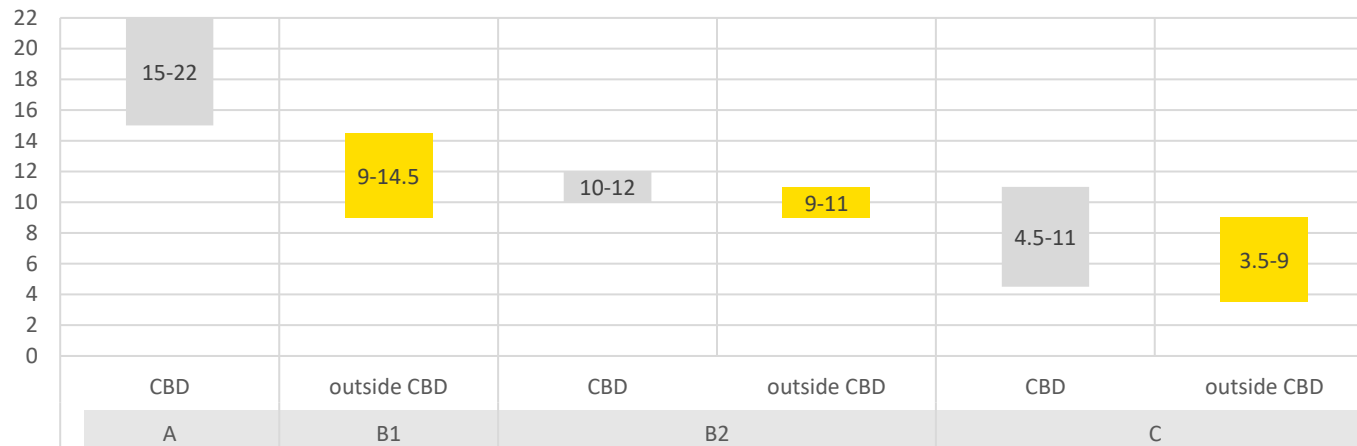
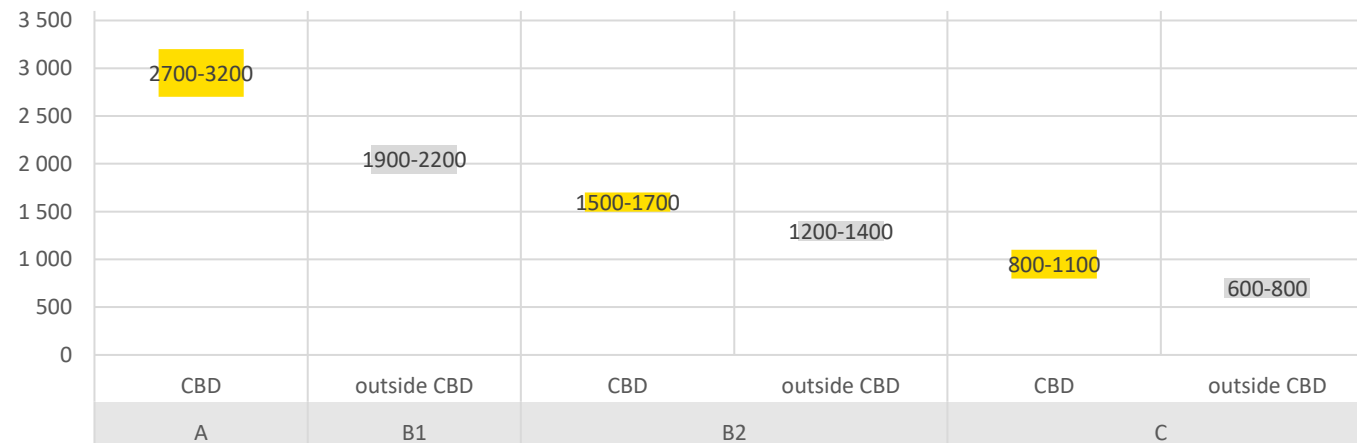
Class B2 offices

- usually older buildings that have been renovated/refurbished to meet modern office needs;
- provide a satisfactory or good workplace;
- a more typical choice for companies looking for functional office space at lower cost.

Class C offices

- the most basic and budget-friendly option;
- often located in less sought-after areas outside the centre;
- may lack some essential amenities;
- suitable for companies seeking a cost-effective and financially advantageous solution for their business;
- can serve as an initial office location for start-ups with limited resources.



Office rents per month (EUR/m²)Office sale prices (EUR/m²)

CBD – Central Business District



OFFICE SEGMENT

The biggest challenges relate to filling new, competitive, energy-efficient Class A office buildings with tenants. The total number of square metres entering the market is considerable, and combined with changing habits and the growing popularity of hybrid working in corporate culture, the situation is very challenging for all landlords. Due to the large supply, the market can now undoubtedly be called a tenants' market – there are plenty of offers from which to choose the most suitable one on the desired terms.

Often, when “large tenants” decide to change office location, they leave premises for which it is difficult to find a new, equivalent tenant. It is interesting to observe what happens as a result with Class B, C or other office space. The practice of converting low-demand office premises and selling them in the residential segment is already well established. The most successful commercial property owners today are those who are most open to unprecedented ideas and ready to look for solutions.

Approaches that currently work well in the market:

1. Large spaces are not in such frequent demand, so in some cases it is worth dividing them into smaller premises and leasing them office by office (where technically possible). Whereas a separate 1000 m² floor could once be used as one office with a series of rooms, today these rooms are often individual units of different companies that frequently share facilities. This creates a greater administrative burden for the owner, but the result is more profitable. Consequently, dividing larger premises into smaller self-contained offices of 50–130 m² allows them to be leased faster than a 400–800 m² space.
2. It is worth ensuring that the building offers premises for different uses, for example by assigning part of the premises the premises group code for medical or healthcare facilities, as this significantly speeds up leasing. This code is usually assigned to a specific floor, which makes it possible to bring together various healthcare-related companies whose synergy creates additional value for the building, as it is convenient for its users. There is also demand for premises with the educational facility code, sought by private kindergartens and small schools.

Anda Locâne

Real Estate Transaction Manager



OFFICE SEGMENT

3. Owners' readiness to adapt space to a specific tenant and/or their initiative to complete the final fit-out even without a tenant encourages faster leasing.
4. Tenants expect larger discounts or other concessions from owners. Owners who are willing to compromise in one direction or another also gain a loyal long-term tenant.
5. An owner's investment in a property, whatever its class, pays off, and any wellbeing initiatives or user experience improvement projects are appreciated by tenants. With the level of Class A modernisation, the overall market bar is rising, as a higher level of service is expected in other buildings too – for example, EV charging, high energy efficiency, air quality and a range of additional services.
6. It is also notable that buildings with relatively high maintenance or utility costs will not be able to compete even with low rents. Tenants carefully review all possible charges to avoid unexpected unpleasant costs in the future.

In some cases there is demand for larger spaces (including 1000–3000 m²), and the supply of such space on the market is still quite extensive. These may be larger companies, or companies whose headcount would require much smaller premises, but which take the opportunity to lease office space in a not-so-new building at a better price and turn the large area into an interactive shared space that helps attract employees. For example, yoga classes, a gym, a “cinema room” for watching films, broadcasts or presentations together, large kitchen areas for more casual get-togethers, and anything else one can creatively imagine. In any case, the understanding of the office as a workspace has changed, and this is both an opportunity and a challenge at the same time.

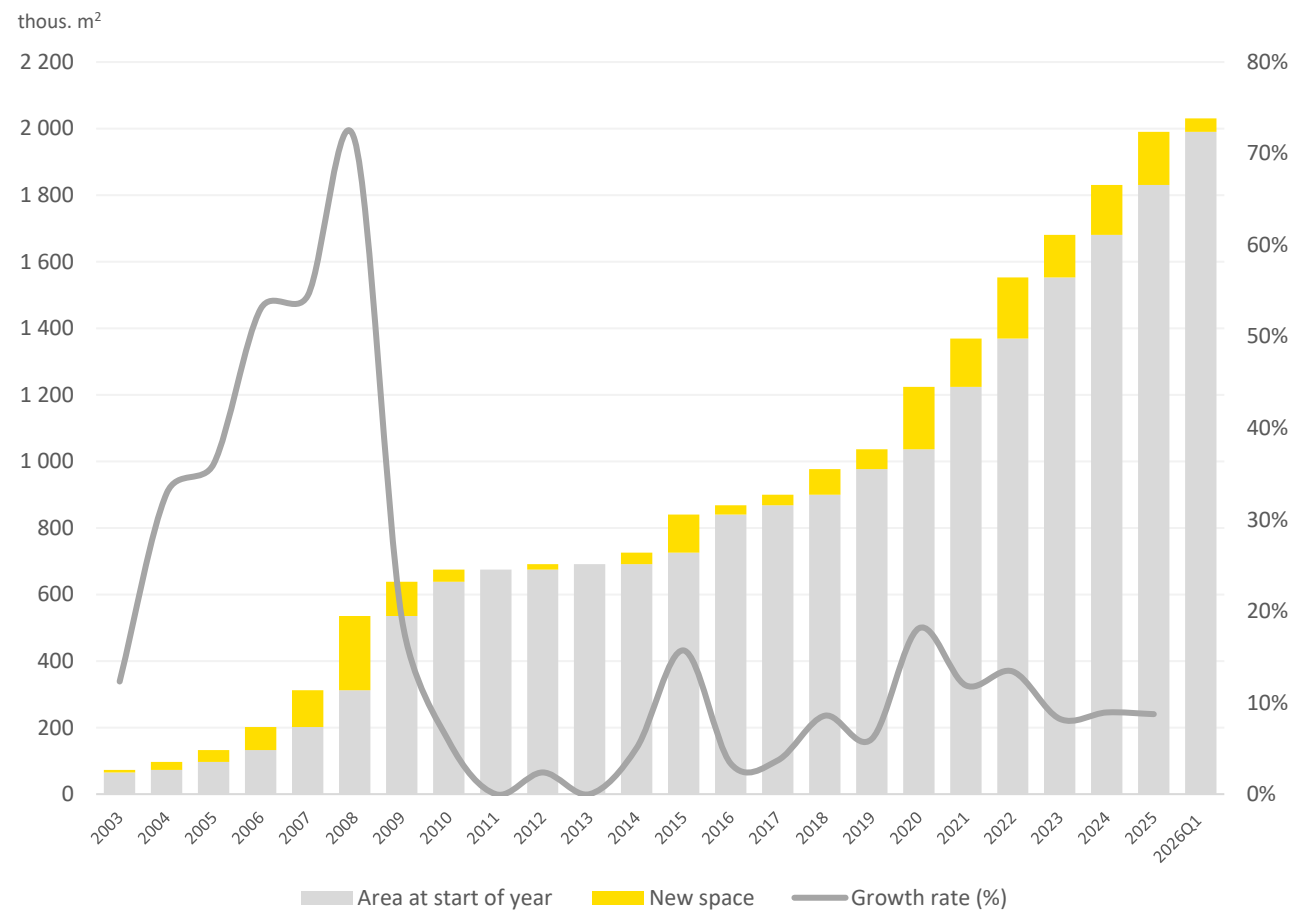
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INDUSTRIAL SPACE

Industrial space dynamics



New space put into service in Q4 2025 – Q1 2026:

- **NORDSPACE** smart warehouse complex at Lubānas iela 133A, Riga, with a total area of 3 194 m². The warehouse premises in the complex are equipped with a video surveillance system, individual utility metering and a remote door access system that allows the premises to be managed via smartphone.
- Vehicle inspection station buildings with a total area of 2159 m² at Latgales iela 456B, Riga. The owner of the property is SIA *AUTESTS*.
- SIA *TILTS* warehouse building at Spilves iela 18, Riga, with a total area of 3 156 m². SIA *TILTS* specialises in the construction and reconstruction of bridges, overpasses and tunnels, as well as other engineering structures on roads and railway infrastructure. The warehouse was built for the company's own needs.
- SIA *VITA Markets* (a store chain operating under the ELVI brand) warehouse premises of 1 565 m² and an office building of 931 m² at Lauku iela 6, Sigulda.
- Warehouse in *Vismaņi*, expanding *PICHE* Mārupe Park (warehouse area 29663 m²).
- Light manufacturing building at Vienības gatve 11, Riga, after reconstruction. The additional built area is 3 885 m². The developer is *VGP*.
- Construction chemicals manufacturer *Tenachem* (a subsidiary of the Belgian *Soudal Group*): warehouse and office building at Spodrības iela 1A, Dobeles. Built-up area 7665 m². EUR 8.6 million was invested in the project.
- *Balticovo* production building with a warehouse at the "Vistas" property, Iecava parish, Bauska municipality. The total area of the building is 8199 m².



Space under development in Q4 2025 – Q1 2026:

- Construction has started on the *VGP Park Dreiliņi* warehouse complex at Ēvalda Valtera iela 40, Riga, with a total designed area of 34740 m². The project envisages three modern warehouse buildings (A 15 344 m², B 5 895 m², C 10 899 m²) with integrated two-storey office premises.
- Construction has started on a production, service and office building for *Hansa Flex* at Ilzenes iela 32, Riga. The designed area of the building is 2268 m².

Plans:

- A construction plan has been approved for the industrial park *VGP Park Riga Airport* at Mūkupurva iela 1 / Grenču iela 2. Three warehouse buildings (A, B and C) with a total built-up area of ~ 24 500 m² are planned. A construction plan has been submitted for a *VGP* industrial park on the “Rūjas” and “Rūjas 1” sites in Ķekava parish. The designed built-up area is about 45 000 m². *VGP* is a pan-European owner, manager and developer of high-quality logistics and industrial real estate.
- A construction plan is at the public consultation stage for *NEXT PARK*, a building for light industry companies and warehouses with offices and sports facilities at Rembates iela 1, Riga (between Rembates, Dzelzavas and Dzilnas streets). The designed area is about 28 400 m². The developer is *PICHE*.
- A construction plan has been approved for a warehouse building with office premises at Latgales iela 487, Rumbula, Riga. The designed building area is 15800 m². The developer is *SIRIN*.
- A construction plan has been approved for a warehouse / logistics centre at Dzelzavas iela 129, Riga. The designed building area is about 16 000 m².



Largest transactions:

- For EUR 7.58 million (533 EUR/m²), *Lietas MD* bought a warehouse complex with land at Dzirciema iela 119B, 199D, 123, Riga. Four properties were included in the transaction as a whole. Total building area 14 220.3 m², land area 2.2 ha.
- For EUR 3.33 million (1107 EUR/m²), *HPJ* bought buildings with land at Ceļāres 1, Spilve, Babīte parish. The buyer is a company related to the garden and forestry machinery company *Sils*. The property had been publicly offered since 2023 with a starting price of EUR 3.5 million. Total building area 3010.6 m², land area 1.55 ha.
- For EUR 995 thousand (186 EUR/m²), the Lithuanian company *Lestena* bought the fish farm *Altum* had taken over at public auction, *Spurēni*, in Inešu parish, Cēsis municipality. The facility opened in 2018 (whose total cost was publicly cited as EUR 3.7 million) raised catfish, sturgeon and pike-perch. Total building area 5343 m², land area 4.46 ha.
- Land with production buildings in poor technical condition at Viskaļu iela 43, Riga, was sold to *Alvente* for EUR 950 thousand (374 EUR/m²). Total building area 2542 m², land area 1.23 ha.
- A production facility in Iecava, “Bucenieki”, was sold for EUR 900 thousand (260 EUR/m²). It had been publicly offered since 2021, the last asking price being EUR 1 million. The buyer is *SIA Bouwart Timber Frame Houses*. Total building area 3450 m², land area 2.28 ha.
- For EUR 630 thousand (716 EUR/m²), *AK Elektro* bought 5598/21173 undivided shares of a commercial property in Katlakalns, Ķekava municipality (office buildings with a warehouse). On offer since early 2024 with an initial price of EUR 980 thousand. Total building area 880 m², land area 5598 m².

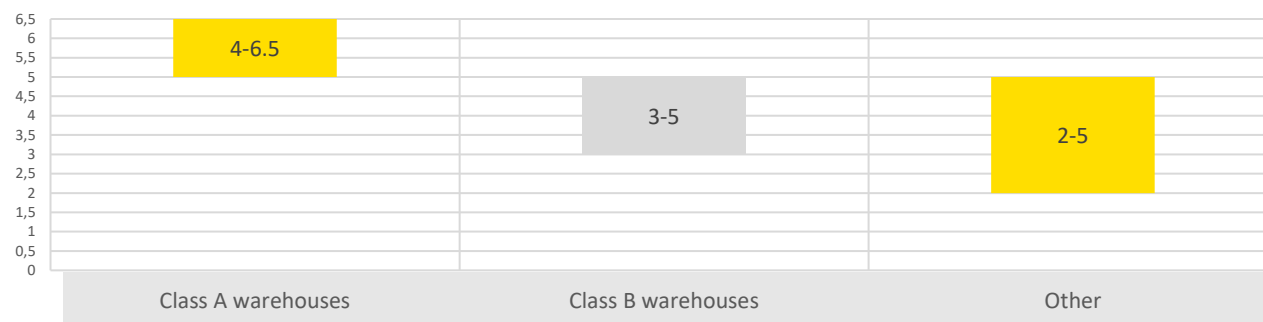


Largest transactions:

- In Salaspils parish, at *Lielrūķi*, a Soviet-era woodworking workshop was sold for EUR 600 thousand (76 EUR/m²). The buyer is *Timber Estate*. Total building area 7928 m², land area 4.17 ha.
- For EUR 435 thousand (74 EUR/m²), *DVL Serviss* acquired warehouse buildings built in 1975, with land, at Mazā Rencēnu iela 10 (Šķirotava), Riga. Total building area 5900 m², land area 14916 m².
- The *EfTEN Capital* logistics building of 12127 m² with a 5.59 ha plot at Krustpils iela 31, Riga, was sold for EUR 9 million. The property is fully leased to DSV – *Global Transport and Logistics* – an international transport and logistics company. The transaction was carried out with local capital as a share deal.
- *Kurzemes Gaļsaimnieks'* related company *KG Food* acquired an office and warehouse building built in 2015, with land, at Robežnieku iela 7, Mārupe, for EUR 2.35 million (645.5 EUR/m²). Total building area 3640 m², land area 12000 m².
- Long-unused production buildings requiring reconstruction at Ģenerāļa Baloža iela 50, Liepāja, were sold for EUR 400 thousand (79 EUR/m²). The buyers are SIA *AVKER* and *TEMPA*. The land is not owned. Total building area 5 073 m².
- For EUR 537 thousand (67 EUR/m²), a private individual acquired undivided shares of an industrial production and office property at G. Zemgala gatve 77 k-1, Riga. Total area of the proportional share of buildings 8048 m²; total area of the proportional share of land 10768 m².



- For EUR 1.35 million, *EcoHeat Technologies* acquired a production facility at Rubeņu ceļš 2B, 2C, 2K, Jelgava. Publicly offered since 2024 for EUR 1.4 million. The site includes a yard with concrete supports for production needs. Total building area 3237 m², land area 16792 m².
- At a public auction, a reconstructed Soviet-era production building with land at Jelgavas iela 21, Kalnciems, owned by battery recycling company *EcoLead*, was sold to a Latvian citizen for EUR 1.51 million (177 EUR/m²). The auction starting price was EUR 1.01 million. Total building area 8515 m², land area 17803 m².
- For EUR 3.28 million, *Riga Waterfront Development* is buying out the former *Sadales Tīkls* land and pre-war and Soviet-era administrative and power supply structures at Andrejostas iela 19, Riga. Total building area 3318 m², land area 8329 m².
- For EUR 4 million (597 EUR/m²), K28 bought undeveloped land units at Emīļa Melngaiļa iela 1, Riga. Total land area 0.669 ha.
- For EUR 600 thousand (440 EUR/m²), *BMG Construction T777J* acquired an industrial production building at Tēraudlietuves iela 23, Riga (in the Čiekurkalns industrial area). Total building area 1366 m², without land ownership.
- For EUR 2 million (430 EUR/m²), metalworking company *MG Industry* acquired an industrial production building at Neretas iela 3 in an industrial area in Jelgava. The buyer operates in an area with 9 foreign investors. The property had previously been sold in 2020 for EUR 300 thousand. Total building area 4644 m², land area 17733 m².

Industrial premises rents per month (EUR/m²)Industrial premises sale prices (EUR/m²)

Class A warehouses

- top-level premises designed for efficiency and functionality;
- modern construction, spacious storage areas, modern logistics management technologies, high ceilings, etc.
- usually located in strategically important locations with good transport connections.

Class B warehouses

- practical and functional, but may lack some of the most modern features typical of Class A warehouses;
- meet basic warehousing needs;
- located in strategically less advantageous locations.



” INDUSTRIAL PROPERTIES

Overall, demand for industrial premises remains similar to the previous half-year, but tenants have become more demanding regarding the quality of premises. Preference is given to well-maintained, functional and technically suitable premises where operations can start without significant additional investment. Warehouse and light manufacturing premises that require investment in utilities or repairs are becoming increasingly difficult to lease, and a lower rent does not always compensate for their insufficient quality.

Market experience shows that demand is largely determined by the condition and practicality of premises rather than price. Owners often offer more favourable lease terms or co-finance the adaptation of premises, but this does not always help to attract tenants quickly. At the same time, quality, well-maintained premises do not stay on the market for long.

The highest demand remains for 200–500 m² warehouse and light manufacturing premises with rents of around 5–6 EUR/m², where warehouse, workshop, light manufacturing and office functions can be combined. Such premises are particularly sought after in the Purvciems and Dārzciems neighbourhoods and around Braslas iela, where quality supply is still limited.

Companies' requirements regarding the working environment and operating costs are also increasing. Financially stronger companies increasingly choose modern, energy-efficient and professionally managed premises, while older industrial properties are dominated by smaller companies with limited investment capacity. As a result, new logistics and production complexes are becoming more competitive, while for older properties a lower rent alone is no longer enough to stay attractive on the market.

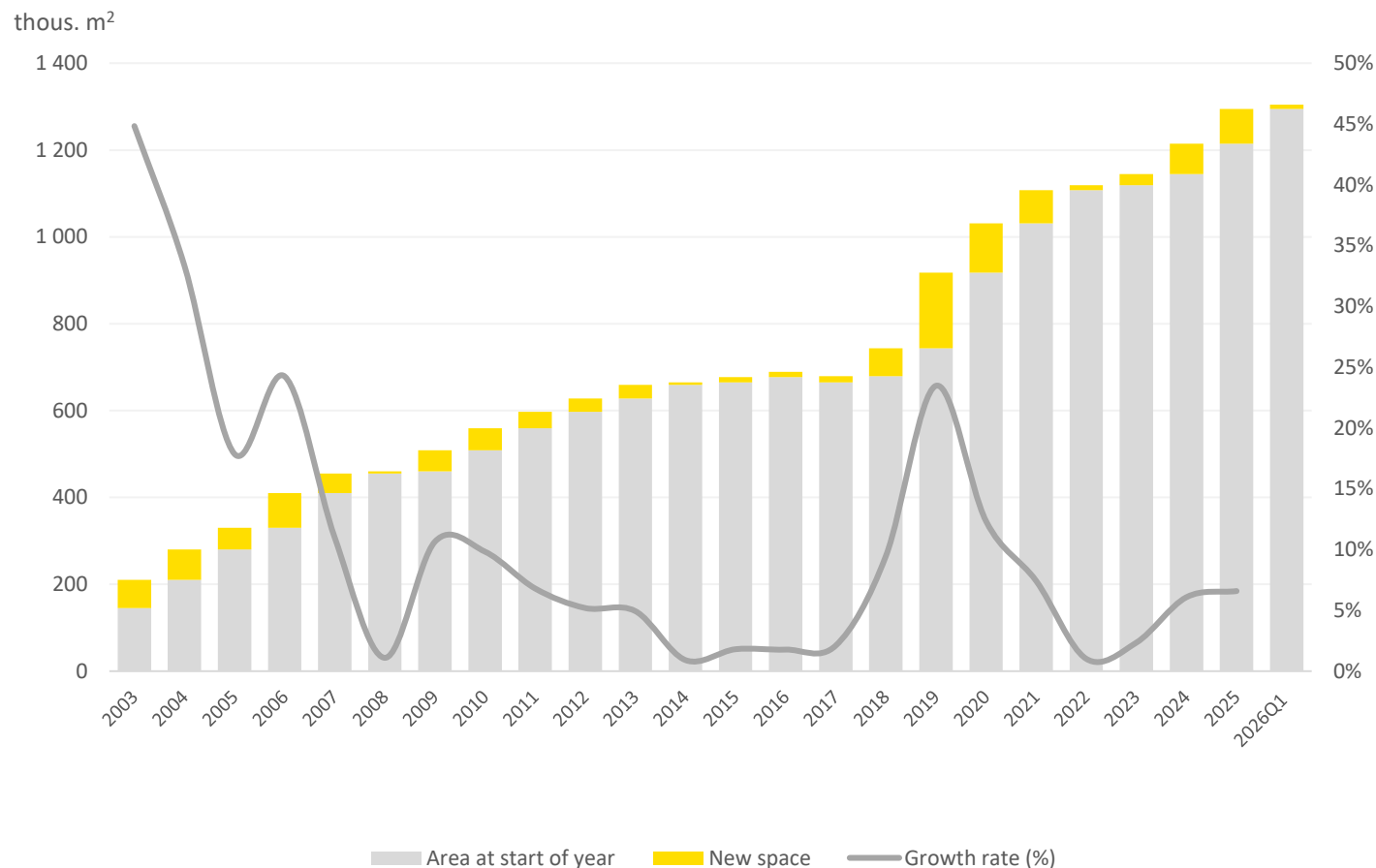
Ernests Rubīns

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RETAIL SPACE

Retail space dynamics



New space put into service in Q4 2025 – Q1 2026:

- *ELVI* store at Pilskalns iela 5, Baldone (992 m²). About EUR 2 million was invested in building the store.
- *TOP* store at Pulkveža Brieža iela 11, Liepāja (843 m²). EUR 1.5 million was invested in the store.
- *Maxima* store at Stirnu iela 25, Rīga (27000 m²).

LIDL stores put into service:

- Lāčplēša iela 76, Rīga. Building area 4764 m².
- Zaļā iela 5, Bauska. Building area 2227 m².

RIMI stores put into service:

- Lambertu iela 35, Mārupe. Building area 2088 m². Almost EUR 6 million was invested in the store.
- Kalēju iela 7, Smiltene. Building area 2289 m².
- Peldu iela 2, Ikšķile. Building area 2420 m². More than EUR 6 million was invested.



New space put into service in Q4 2025 – Q1 2026:

- Retail complex at Anniņmuižas bulvāris 40A, Imanta, Riga. The building area after reconstruction is 5742 m². The main focus of the reconstruction was expanding the retail premises, relocating the main entrance, integrating stairs and a lift for convenient access to the second floor, and renovating the facades and roof.
- *HANSA FLEX* retail building at Rīgas iela 7, Jelgava. The building was built to support the company's business. The building area is 1107 m².
- *Porsche* car showroom at Kārļa Ulmaņa gatve 96 (near the airport overpass).

Space under development in Q4 2025 – Q1 2026:

- Construction of a *JYSK* store has started at Stirnu iela 27, Riga.
- Construction of a *CITRO* store has started at Kuldīgas iela 1A, Saldus. The designed building area is 875 m².
- Construction has started on a retail building with office space at Ziepniekkalna iela 29, Riga. The designed building area is 8 834 m².



Space under development in Q4 2025 – Q1 2026:

- Reconstruction has started at the *Spice Home* shopping centre, involving significant changes to the centre's layout and an interior refurbishment. The project will rebuild 12000 m², with total investment reaching EUR 11 million. The works will be carried out without interrupting the centre's operations.
- Construction of a *LIDL* store has started at Nīcgales iela 35, Riga. Planned area 2056 m².
- Construction of an *ELVI* store has started at Vecozolu iela 105, Tīraine, Mārupe municipality. Construction is planned to be completed in 2027. Investment in building and fitting out the store is about EUR 2 million. In total, about EUR 10 million is planned to be invested in 2026 in developing the *ELVI* store network, including opening new stores, reconstructing existing outlets and various systems development projects.
- Construction of a small shopping centre has started at Anniņmuižas iela 10, Zolitūde, Riga (next to the *RIMI* store).
- The Lithuanian agricultural machinery and spare parts dealer *Lytagra* has started building its retail centre with a warehouse at Aviācijas iela 57, Jelgava.
- TN *Kurši* has started building an additional 1280 m² warehouse next to the *Kurši* store opened in 2025 at Brīvības iela 301, Riga.



- Reconstruction has started of a property in Mēlūži, Jūrmala, at Mēlūžu prospekts 10, which had been unmanaged for several years. It is planned to be rebuilt as a multifunctional building that will also include retail premises. The area of the property before reconstruction is 1750 m².
- Construction works have started on a new *PROMO Cash&Carry* store at Mazirbes iela 1, Rīga (next to the *Spice* shopping centre).
- Construction works have started on the Hanza Garden park in Rīga.
- Construction works have started on a new *Drogas* store at Annīņmuižas iela 10, Rīga (Zolitūde).

Plans:

- A plan has been approved for building a *CITRO* store at Raiņa iela 6A, Sauleskalns.
- A plan has been approved for building a *TOP* store at Ceriņu iela 2A, Aizpute.
- A plan has been approved for building the *Ziemeļu centrs* shopping centre at Rūpnīcas iela 1, Rēzekne. Designed building area 6487 m².
- A plan has been approved for building a retail building at Neretas iela 2, Jēkabpils.



Largest transactions:

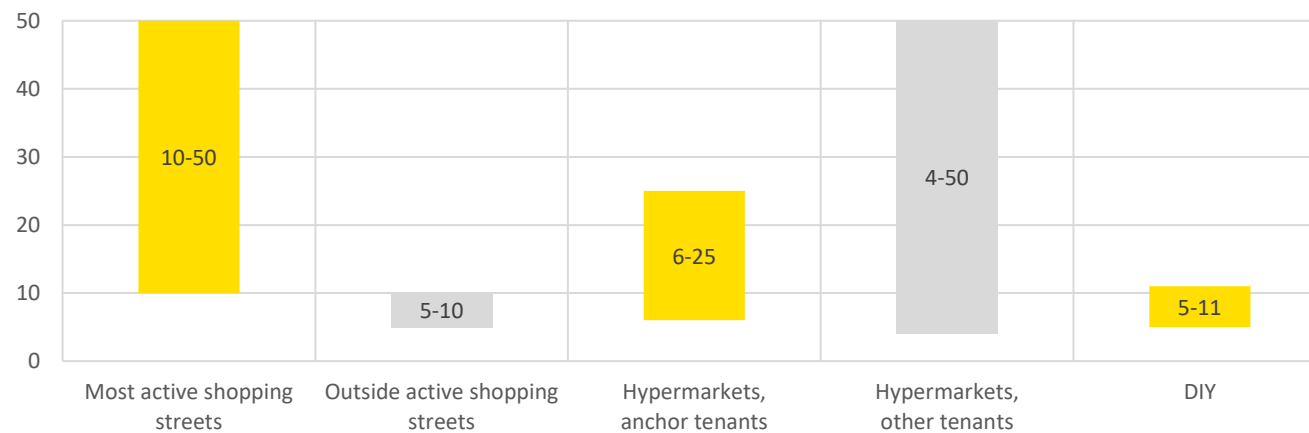
- *Indexo Real Estate Fund* | *RCH Management* acquired the shopping centre *Damme* at Kurzemes prospekts 31, Riga, for EUR 56 million. The centre's main tenants are *Rimi*, *Drogas* and *Lido*, as well as more than 60 other companies. The building area is 17095 m², land 3.5 ha.
- For EUR 4.3 million (598 EUR/m²), TC *Tālava* bought the shopping centre built in 1990, *Tālava*, with land at Andreja Saharova iela 21, Pļavnieki, Riga. On offer since 2022 for EUR 5.6 million. Building area 7194 m², land area 1 ha.
- For EUR 1.42 million (867 EUR/m²), SIA *Konstantum*, one of the official *CFMOTO* (manufacturer of motorcycles, quad bikes and buggies) representatives in Latvia, bought a building with land at Gunāra Astras iela 5, Riga. Asking price EUR 1.59 million. It had previously been sold in 2021 for EUR 1.06 million. Total building area 1637 m², land area 4459 m².
- For EUR 2.78 million (297.95 EUR/m²), SIA *Seginus* (owned by SIA *Maxima Latvija*, part of the private investment group *Vilniaus Prekyba*) acquired a store building built in 1984, with land, at Rīgas iela 1, Salaspils. The buildings are in satisfactory condition; no significant reconstruction has been carried out. The property had been publicly offered since 2023 for both EUR 7 million and EUR 5 million. Total building area 9340 m², land area 1.4 ha.
- Dental clinic *Klīnika Denta* acquired a commercial building with land at Brīvības gatve 244, Riga, for EUR 1.8 million (694 EUR/m²). The property had been publicly offered for between EUR 2.1 and 1.8 million and had previously been taken over at auction in 2023 for EUR 1.37 million. Total building area 2592 m², land area 1775 m².



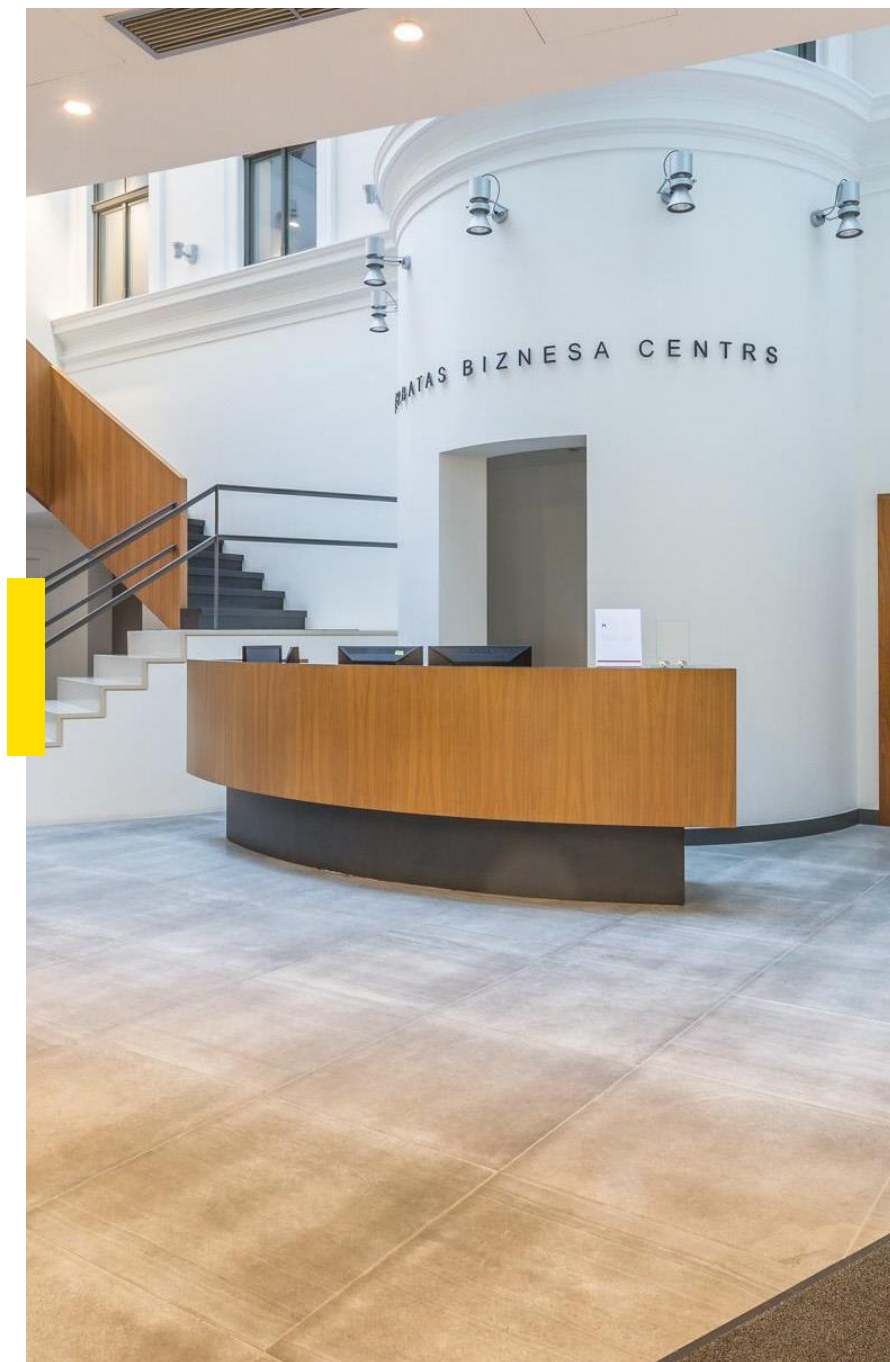
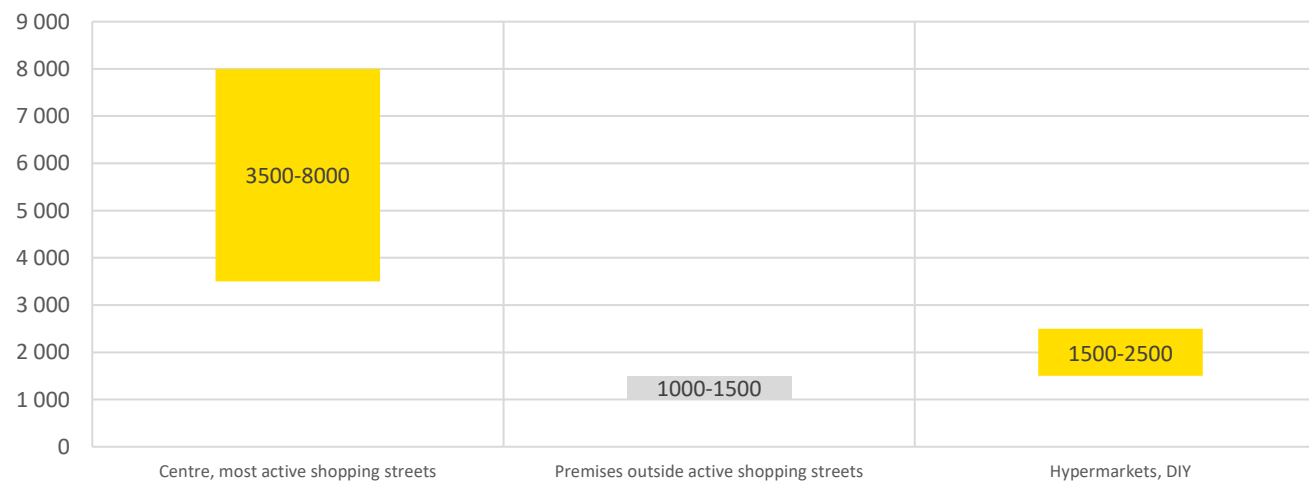
Largest transactions:

- SIA *Valmiera Domus* bought the Vecpuišu Park pavilion with a concert hall at Pāvila Rozīša iela 8/10, Valmiera, for EUR 1.17 million (665 EUR/m²) from SIA *Norlat*, which had acquired the property in 2014 for EUR 125 thousand. Besides the concert hall, the building houses a restaurant, a summer terrace and conference halls. Total building area 1767 m², land area 8195 m².
- One of the *TOP* store operators, SIA *Dekšņi*, bought a building with land at Daugavgrīvas iela 72, Riga, for EUR 900 thousand (915 EUR/m²). The property was not recorded on the public market. Total building area 983 m², land area 1334 m².
- Shopping centre developer and operator SIA *Linstow* acquired a small retail building with land on Riga Station Square, 13. janvāra iela 2A, for EUR 850 thousand (4022 EUR/m²). Total building area 211 m², land area 390 m².
- *FRANIKS Medical* (which also owns Pirts Nr.1) acquired the former *Circle-K* filling station at Krasta iela 101, Riga, for EUR 2.3 million (306 EUR/m² of land area). Total building area 272 m², land area 7527 m².
- Saldus Municipality acquired the Brocēni sports centre at Ezera iela 1 for EUR 1.62 million (320 EUR/m² of main building area); it includes an ice hall, a hotel, office buildings, stands and a stadium. The municipality had previously leased the property. Total building area 5057 m², land area 3.15 ha.

Retail premises
rents per month (EUR/m²)



Retail premises sale prices (EUR/m²)





RETAIL

In the retail sector, tenants mostly want ready, well-maintained premises that require only minor cosmetic improvements, such as repainting the walls or installing their own equipment. For unrenovated and cheap premises, especially if they are not in an attractive location, it is very difficult to find tenants.

In retail, location is as important as ever. Shopping centres have concentrated a large share of shopper traffic, as it is convenient for people to drive there, buy various goods in one place and use several services. As a result, it is becoming harder for small retailers to attract customers to classic retail premises in Riga centre or in less active street locations.

Large companies often have no need to open additional stores outside shopping centres, while small businesses increasingly choose to sell online. This is why interest is growing in premises that combine a *showroom*, a small shop and a warehouse in one place. In such cases, location is not always the main factor – it is more important that the premises are in good order, accessible to customers and easy to drive to.

Rents for this type of premises usually range from about 6 to 9 EUR/m².

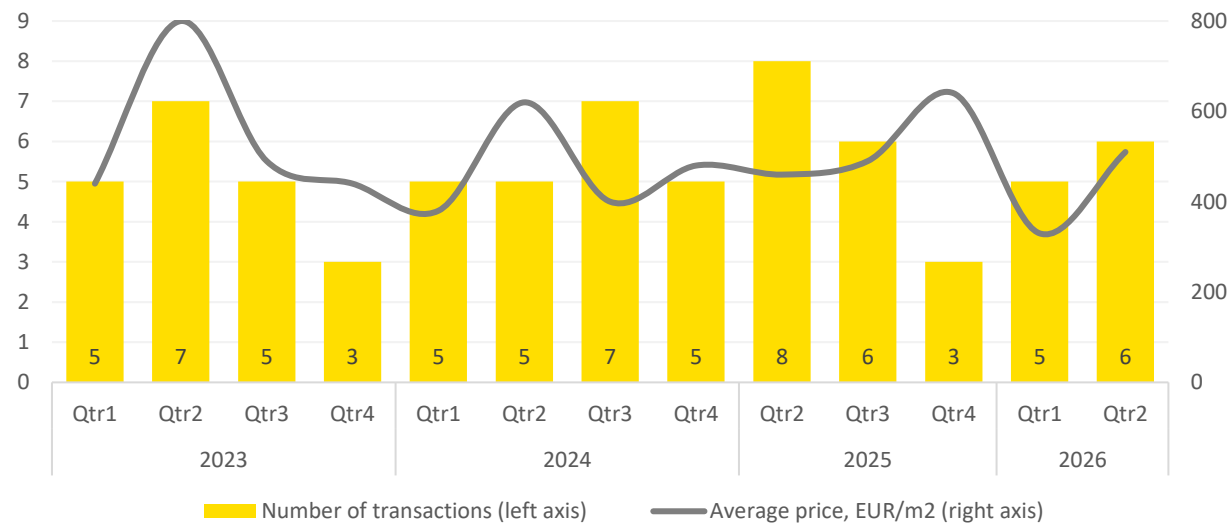
Ernestis Rubīns

Junior Real Estate
Transaction Manager

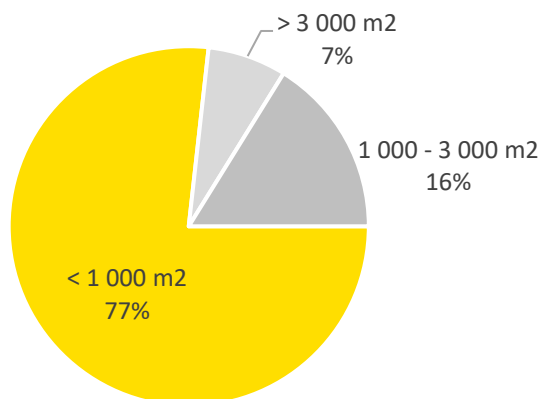


RESIDENTIAL BUILDINGS

Number of transactions with residential buildings and average price (EUR/m²)



Transactions by floor area, 2024–2026



Selected market transactions with multi-apartment buildings with a building area of at least 500 m² and 1/1 undivided share of land

Building type	Average prices 2026
Masonry buildings	710 EUR/m ²
Wooden buildings	320 EUR/m ²



Prices and yields by building type

Types	Price (EUR/m ²)	Rental yield
1. Buildings in poor or unsatisfactory condition, bought for full reconstruction, changing both the apartment layouts and the overall condition of the building and interiors	400 – 600 EUR/m ²	Not determinable, as the purpose of the transaction is most often different
2. Average buildings with cash flow partly at market level, bought for partial improvements, to vacate long-term tenants, raise rents and sell as a rental building with stable and attractive cash flow, or to sell off as apartments	600 – 700 EUR/m ²	4-5%* Often not determinable, as the purpose of the transaction is most often different
3. Fully reconstructed buildings with stable cash flow and maximum occupancy	1 200 – 1 500 EUR/m ²	6-7%

* yield at existing cash flows, which need to be adjusted to the market or the building's use concept changed (renovate and then let at market rents), but this is often not the motivation for the purchase. The aim is different – vacating and selling off apartment by apartment

Currently, most transactions involve buildings of the second type, which are bought for reconstruction and sale of apartments. The fewest transactions involve fully reconstructed rental buildings with stable cash flow. According to information available to Latio specialists, the supply of third-type buildings is also very limited, while buyer demand for precisely such properties is very high.

It is also observed that transactions with the first building type (technically and legally “bad”) are becoming increasingly rare.

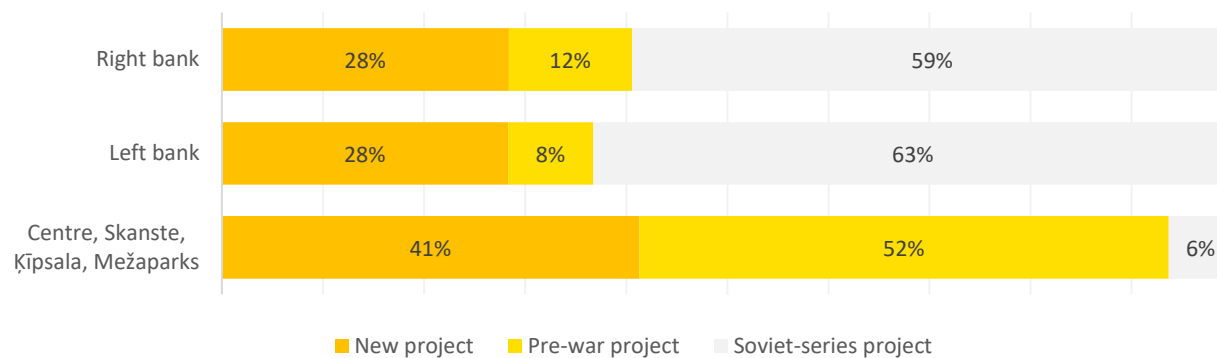
Buildings whose owners carry out a full reconstruction and completely renew them to modern standards practically do not return to the sales market as a single property. Given the high cost of reconstruction, owners keep such properties as rental buildings or sell them off as individual apartments and commercial premises.

In the residential building segment, each transaction is in its own way a unique case.

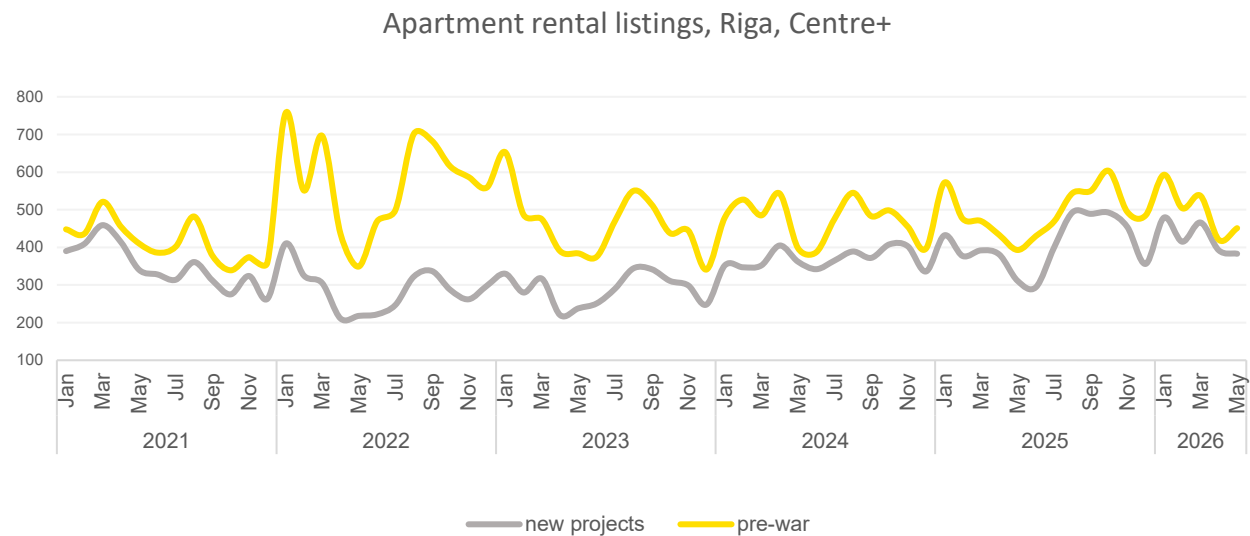
■ Average rent EUR/month/m² in rental buildings of different technical condition

Rentable area	Good technical condition	Satisfactory technical condition
15-20 m ²	15-22 EUR/month/m ²	11-16 EUR/month/m ²
30-40 m ²	10-18 EUR/month/m ²	7-13 EUR/month/m ²
60-80 m ²	9-17 EUR/month/m ²	6-12 EUR/month/m ²

Long-term rental apartment listings by building project and location



Long-term rental supply



Average monthly rent in pre-war residential buildings in Riga, Centre+

Years	1 rm.		2 rm.		3 rm.	
	EUR/mont h	EUR/m ²	EUR/mont h	EUR/m ²	EUR/month	EUR/m ²
2023	295	10.2	450	8.8	655	8.0
2024	310	10.8	480	9.4	720	8.7
2025	345	11.9	510	10.1	775	9.5
2026H1	350	12.0	540	10.4	800	10.0



Largest transactions with residential buildings in Riga

Address	Area, m ²	Transaction amount	Comment
Zolitūde Priedaines iela 20	Total premises area: 13 053 m ² Total land area: 4 494 m ²	EUR 2 420 000 (185 EUR/m ²) April 2026	Year built: 2011 Floors: 13 Buyer: SIA «PR20»
Centre Dzirnavu iela 26	Total premises area: 848 m ² Total land area: 1 163 m ²	EUR 1 150 000 (1 355 EUR/m ²) April 2026	Year built: 1880 Floors: 3
Old Riga Kalēju iela 23	Total premises area: 339 m ² Total land area: 102 m ²	EUR 1 150 000 (3 390 EUR/m ²) December 2025	Year built: 1910 Floors: 4
Āgenskalns Kalnciema iela 12A	Total premises area: 1 495 m ² Total land area: 2 578 m ²	EUR 1 100 000 (735 EUR/m ²) March 2026	Year built: 1861 Floors: 4 Buyer: SIA «K12A»
Bieriņi Īves iela 3	Total premises area: 483 m ² Total land area: 876 m ²	EUR 740 000 (1 530 EUR/m ²) December 2025	Year built: 1910 Floors: 3
Centre, Akas iela 2	Total premises area: 408 m ² Total land area: 177 m ² 10707 / 34225 (undivided land shares)	EUR 660 000 (1 620 EUR/m ²) March 2026	Year built: 1890 Floors: 4
Avoti Ģertrūdes iela 125	Total premises area: 909 m ² Total land area: 1 718 m ²	EUR 619 520 (680 EUR/m ²) November 2025	Year built: 1900 Floors: 2
Latgale neighbourhood Daugavpils iela 74	Total premises area: 2 174 m ² Total land area: 1 012 m ²	EUR 568 000 (260 EUR/m ²) January 2026	Year built: 1910 Floors: 5 Buyer: SIA «REMA Group»
Latgale neighbourhood Daugavpils iela 57	Total premises area: 1 821 m ² Total land area: 634 m ²	EUR 550 000 (300 EUR/m ²) April 2026	Year built: 1901 Floors: 5 Buyer: SIA «Daugavpils 57»

RESIDENTIAL BUILDING SEGMENT

Buying residential buildings, renovating them and then selling off the apartments is still the dominant trend in the residential building segment. The creation of individual rental buildings flares up occasionally, but these really are isolated cases. For example, construction of a small building (35 apartments) has been announced at Lapu iela 24, Āgenskalns.

The segment is steadily active, and interest in buying residential buildings remains. Rising apartment prices support this, but at the same time high construction costs require careful assessment of project profitability. Sale prices for typical residential buildings in the centre are holding very steadily in the range of 600–700 EUR/m².

The rental market also looks very active. No significant changes in rents have been observed – supply is increasing, which keeps rents from rising sharply.

Judging by developers' offerings, the market also has steady interest in optimal 2–3-room apartments as well as four-room apartments, and today's new buildings no longer consist solely of 15–25 m² studio apartments, as was the case in the recent past.

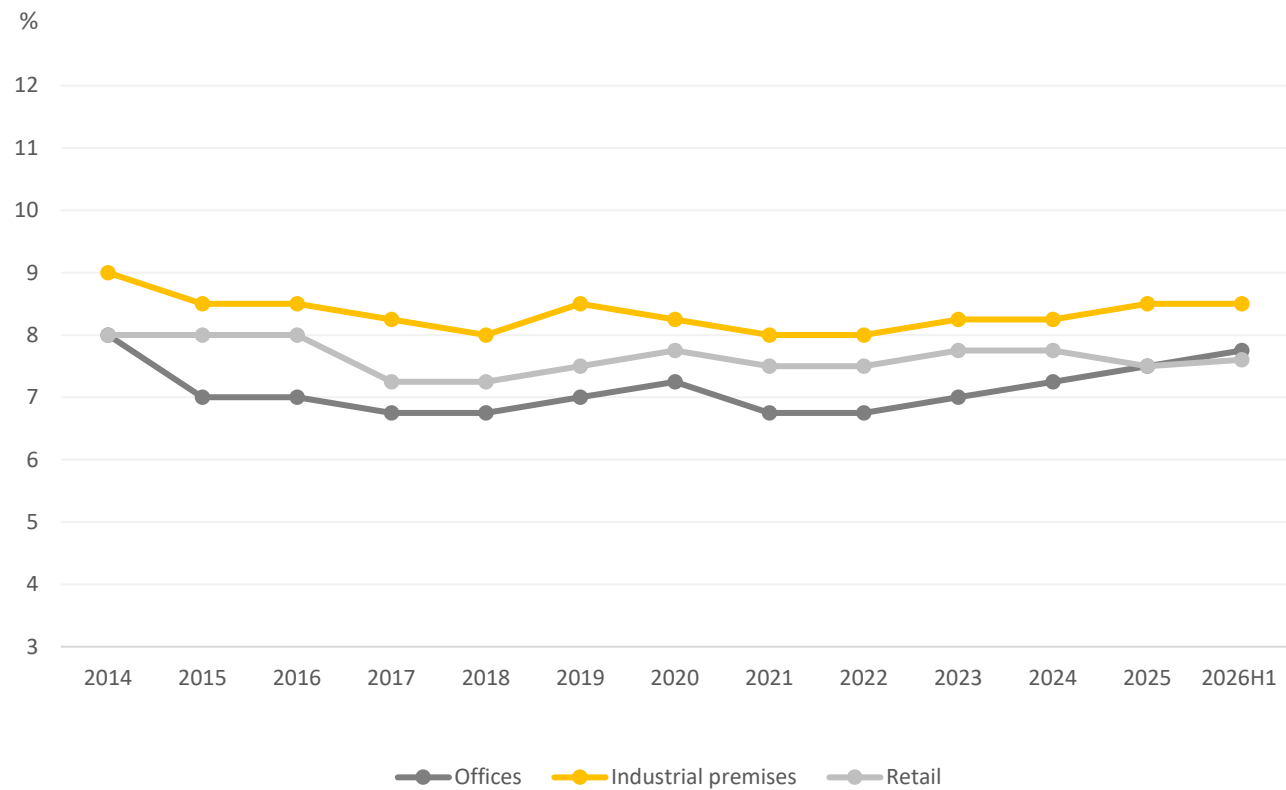
Anda Zvirbule

Certified Commercial Property
Valuer

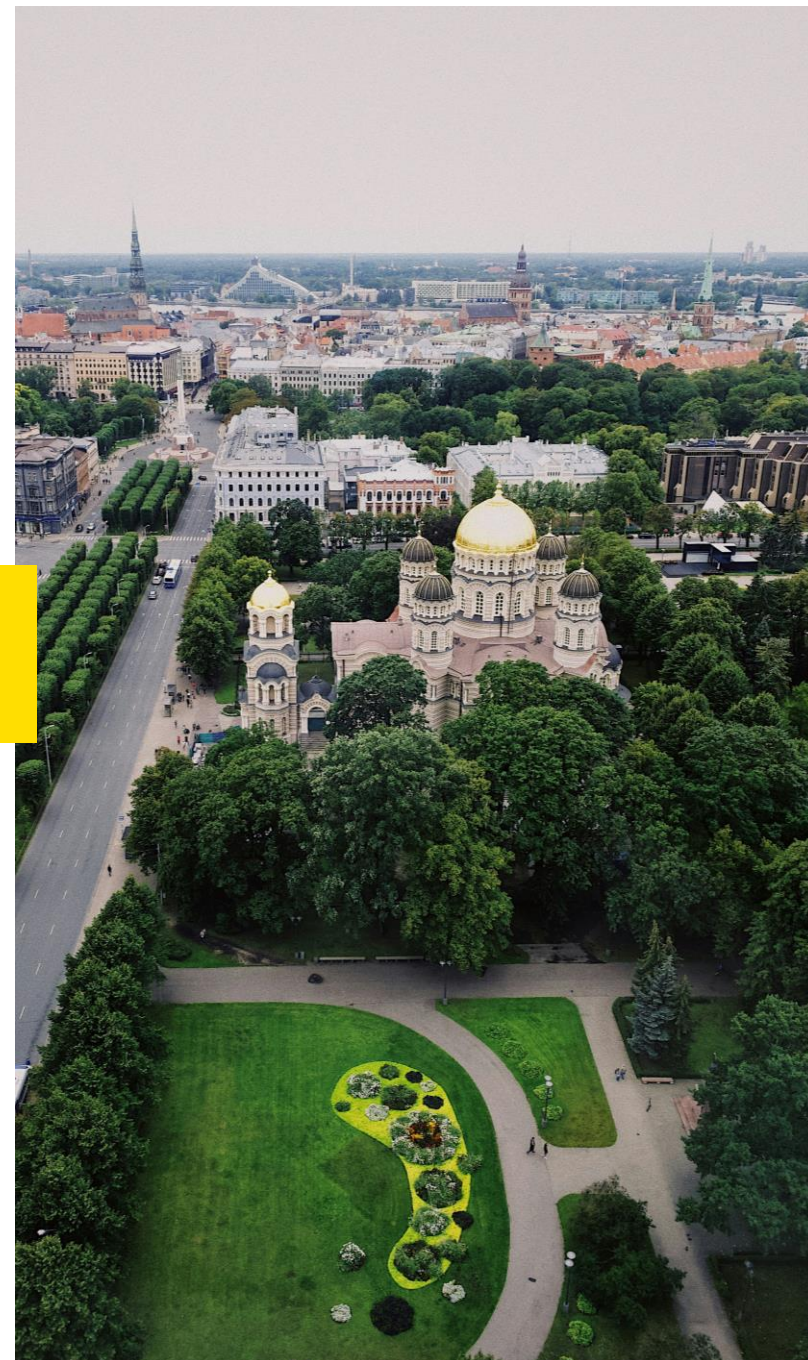


YIELDS

Yields



Yields are determined on the basis of Latio market research on the returns required by investors in transactions with cash-flow-generating properties in the real estate segments shown in the chart.

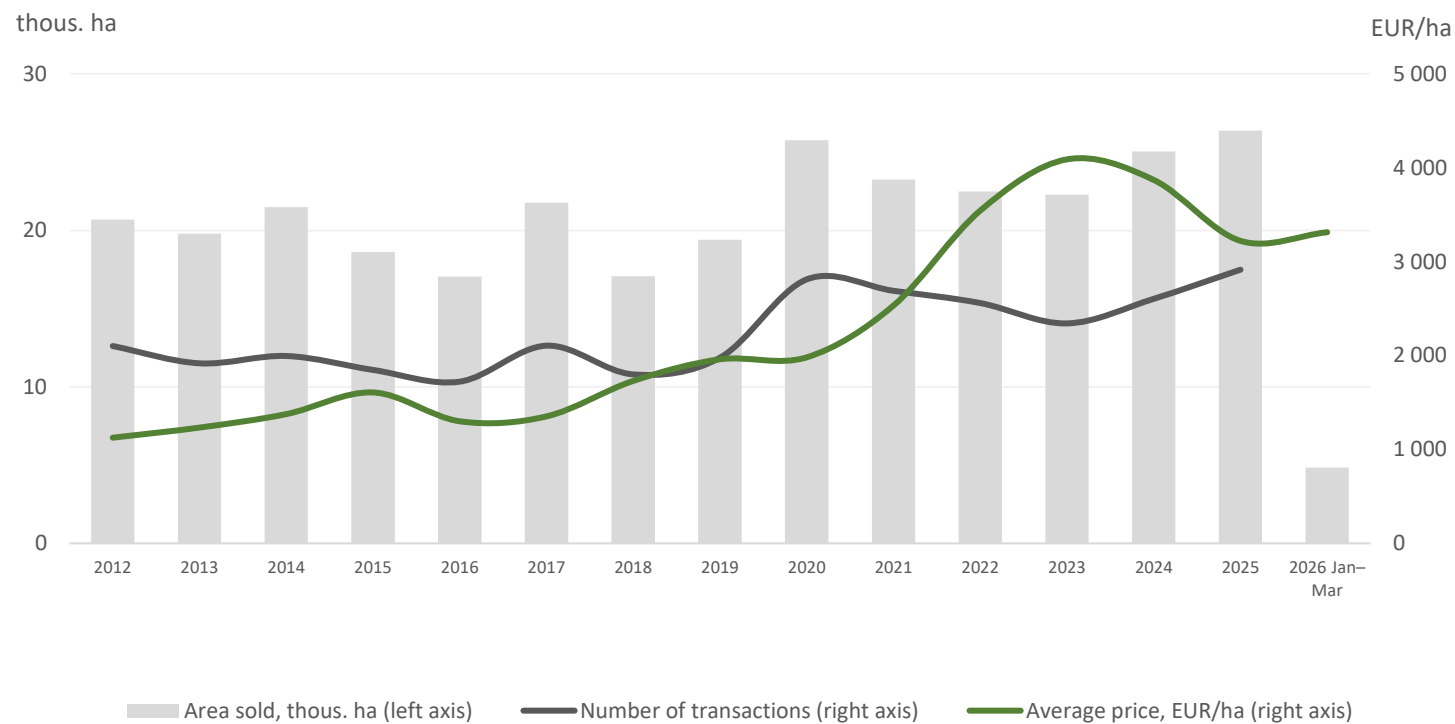


FOREST LAND

—

AGRICULTURAL LAND

Number of forest transactions and average prices

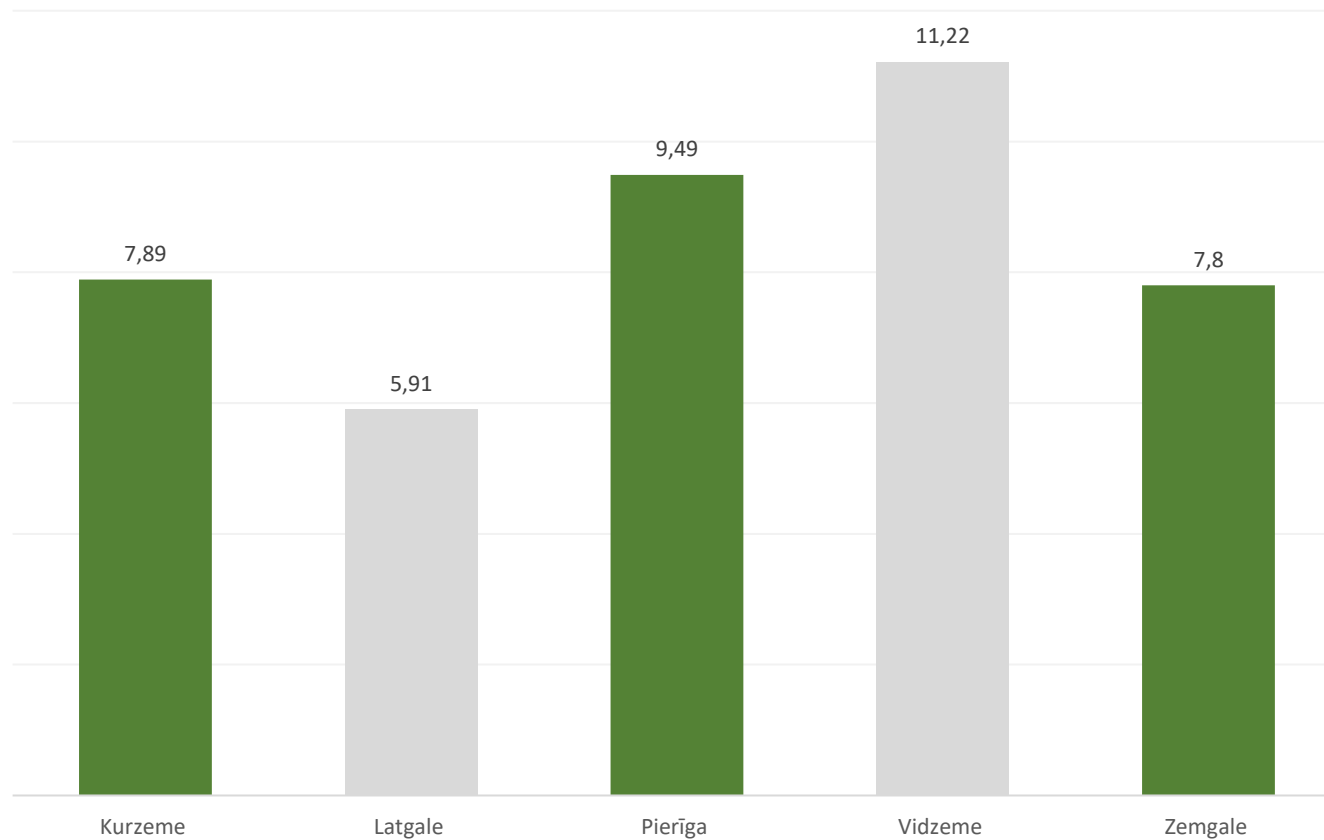


Transaction selection criteria:

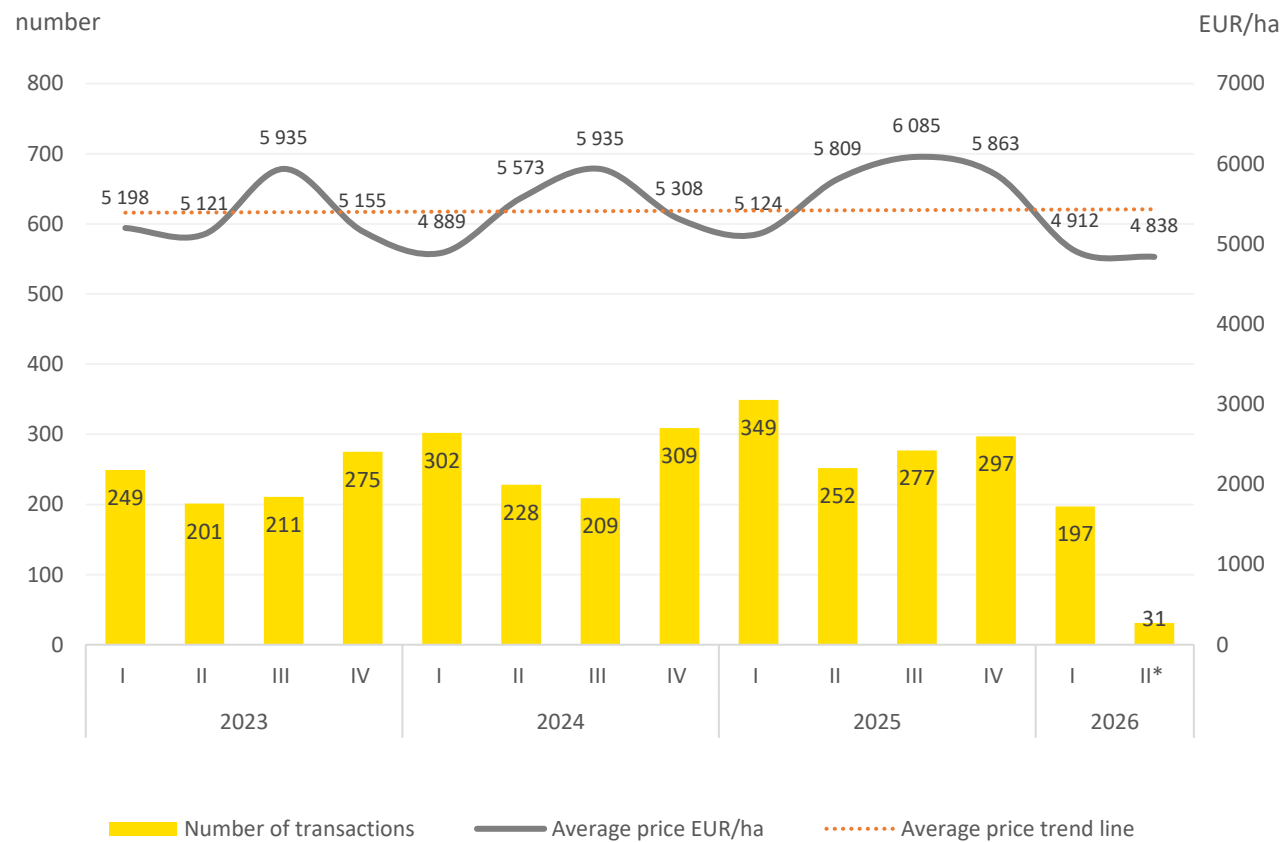
- price EUR/ha < EUR 30 000
- land is undeveloped
- at least 70% of the land is forest
- area > 1 ha
- transactions within the same legal group are excluded



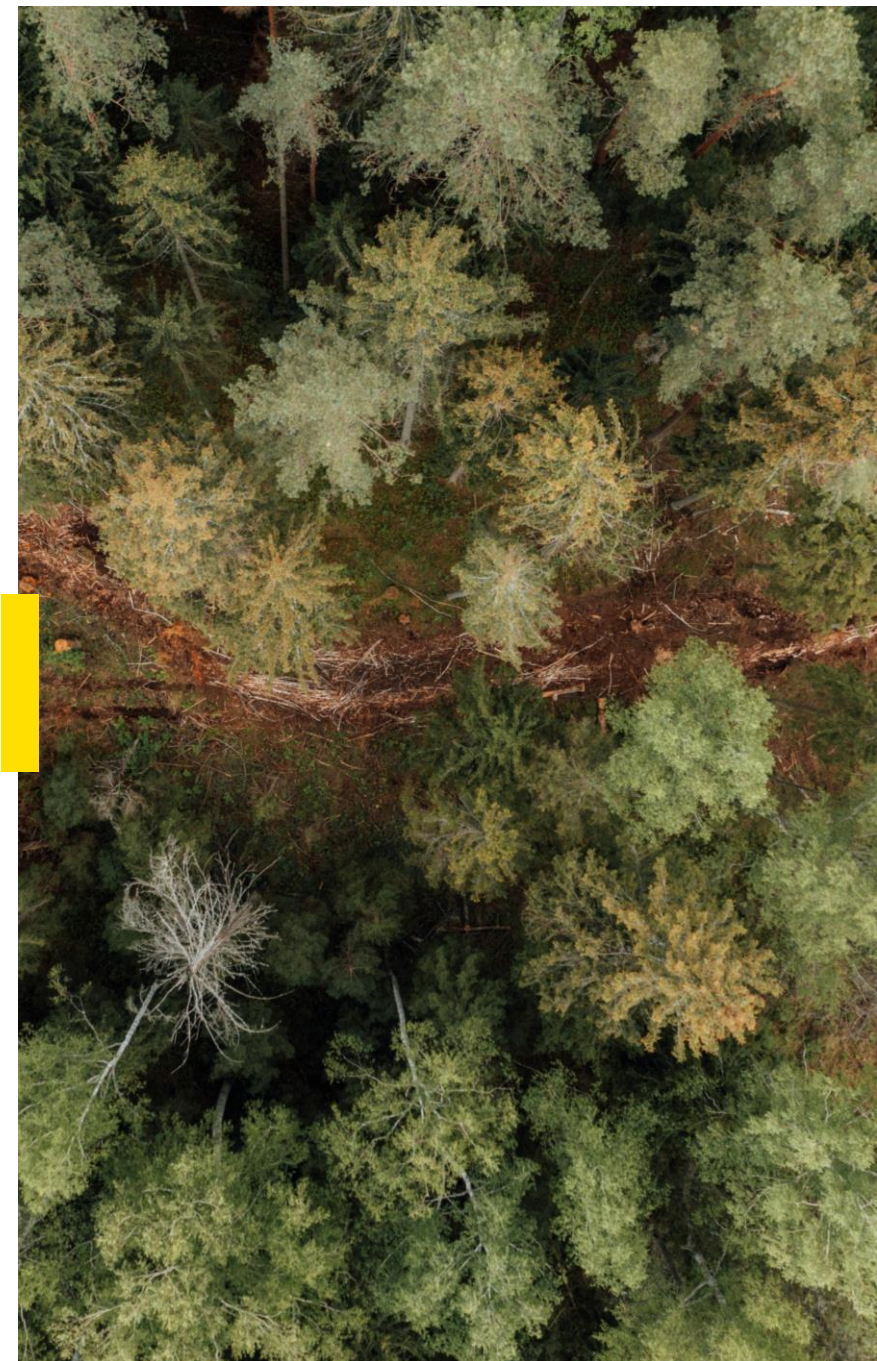
■ Average forest area sold, Q1 2026 (ha)



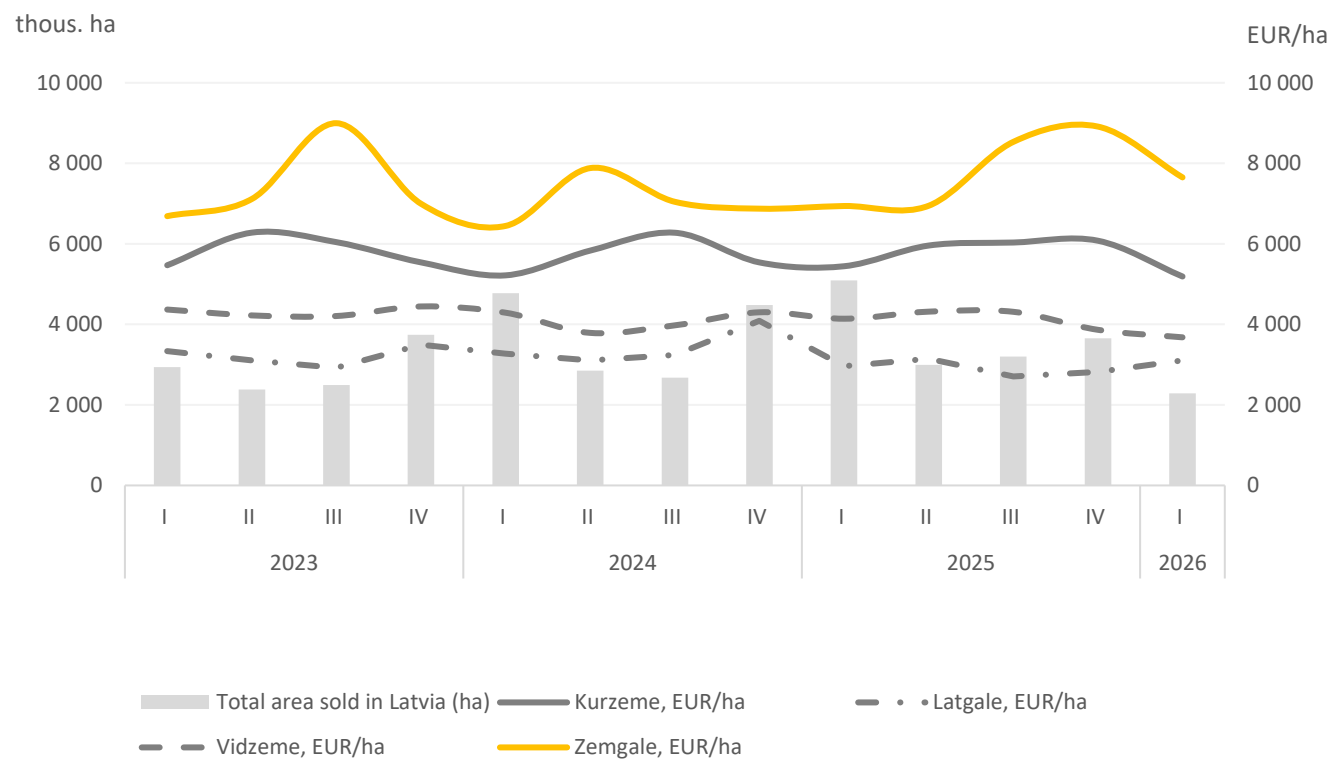
Agricultural land transactions and average prices



* Data will be updated after a number of transactions are registered in the Land Register in the following period



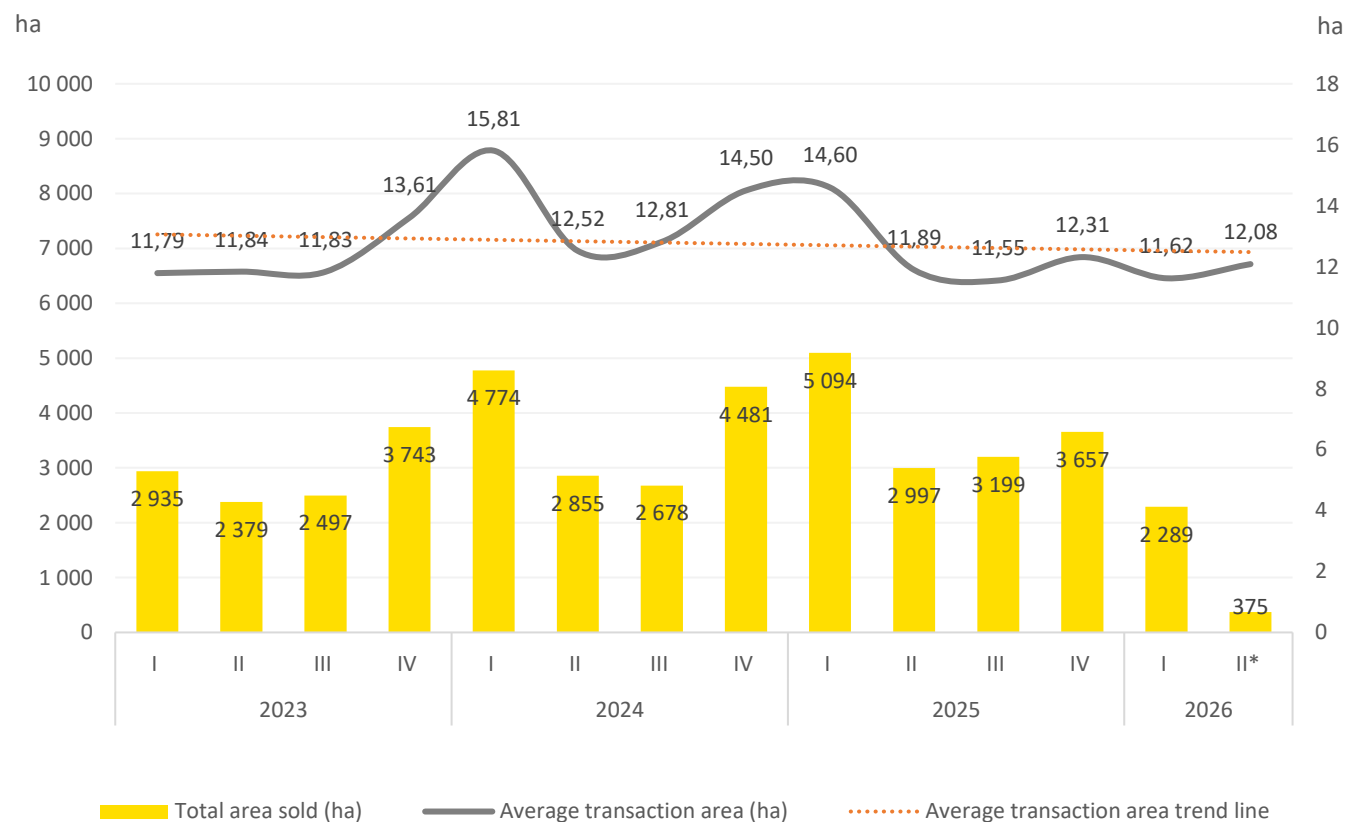
Agricultural land: area sold and average prices by region



* Data will be updated after a number of transactions are registered in the Land Register in the following period



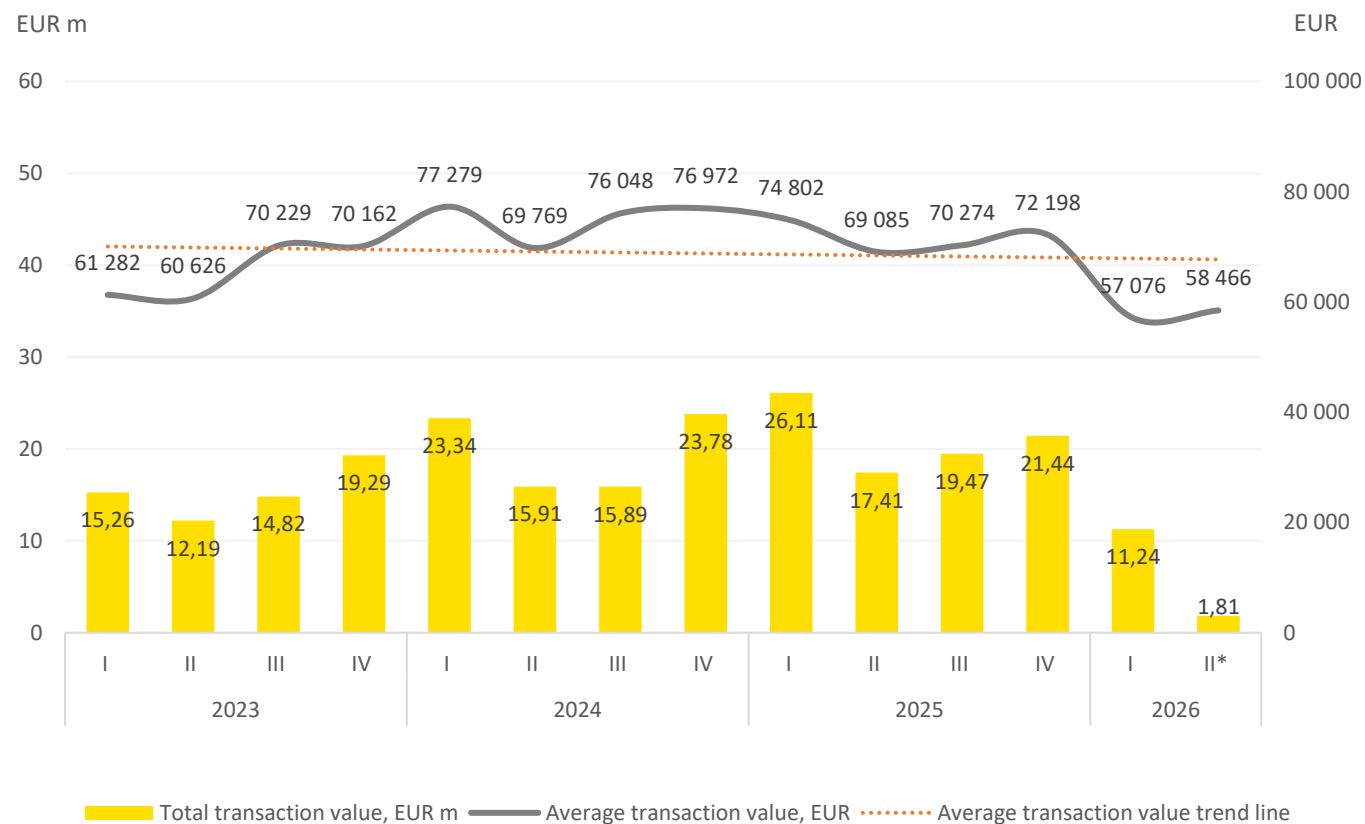
Agricultural land area sold



* Data will be updated after a number of transactions are registered in the Land Register in the following period



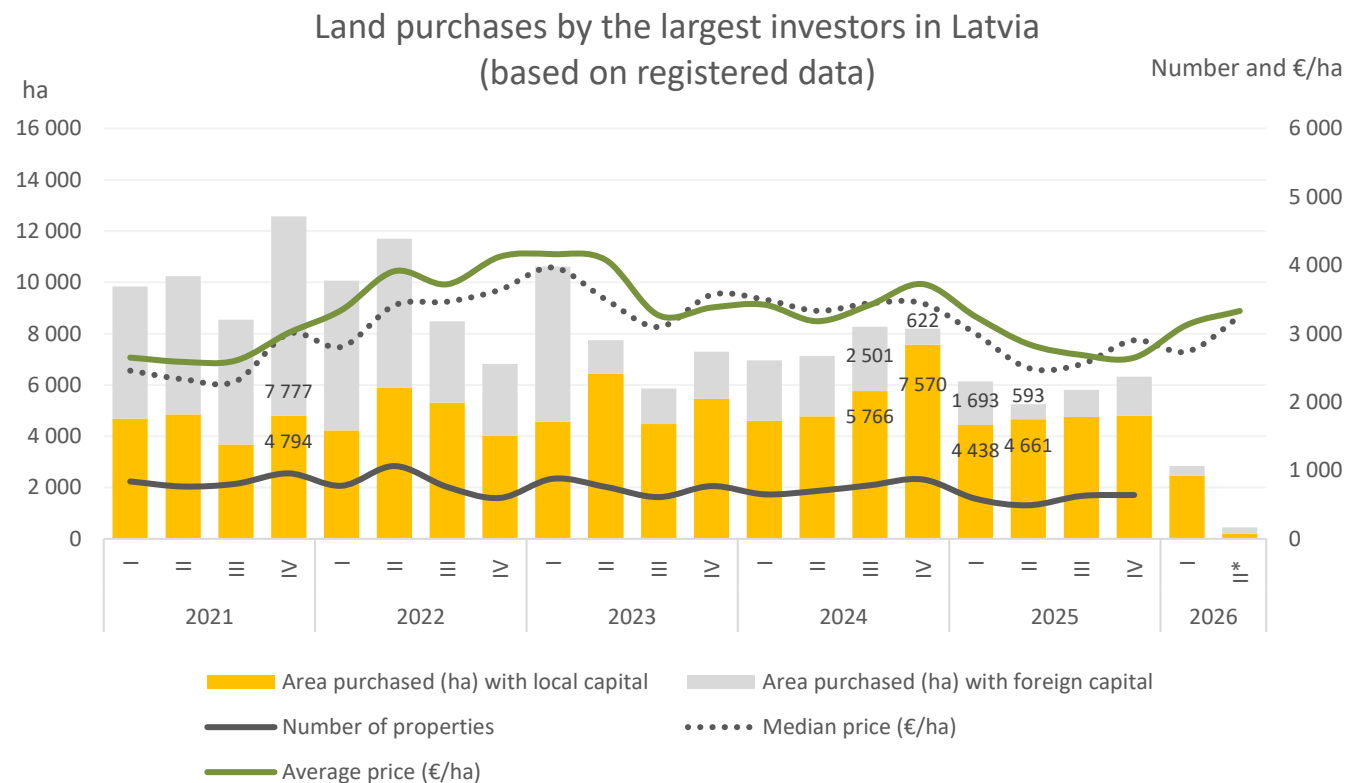
Agricultural land transaction values



* Data will be updated after a number of transactions are registered in the Land Register in the following period



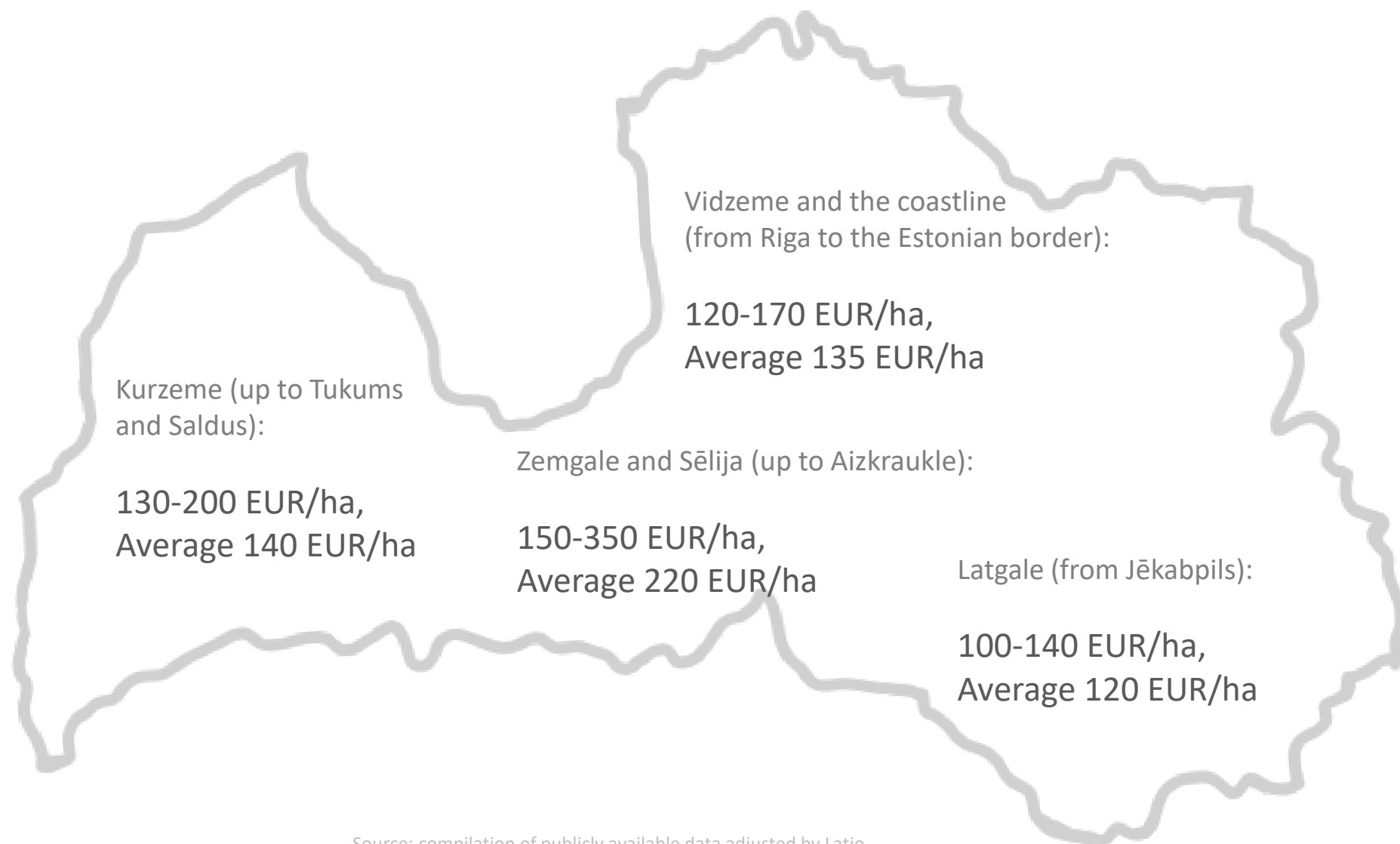
Land purchases by the largest investors in Latvia*



* Data will be updated after a number of transactions are registered in the Land Register in the following period



■ Average rent for agricultural land



Source: compilation of publicly available data adjusted by Latio

TRENDS

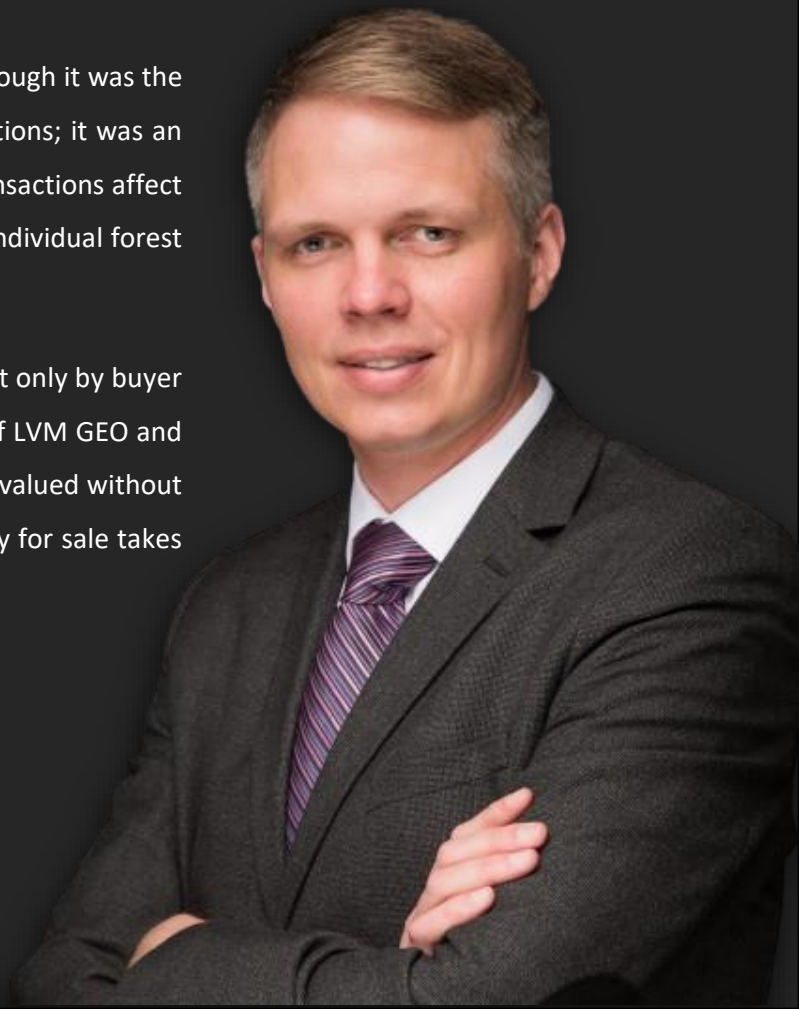
Over the past half-year, no significant changes in the buyer structure have been observed in the forest property market. The segment is still dominated by the same players. This is not a market where the main activity consists of emotional purchases or small private buyers. Decisions here are based on figures: timber stock, species composition, felling opportunities, access and long-term management potential.

At the same time, the impact of the large Södra and Ingka Investments transaction is still felt in the market. Although it was the largest forest property transaction in the region, it cannot be directly compared with everyday market transactions; it was an off-market portfolio deal in which ownership of a large volume of forest assets changed hands at once. Such transactions affect market sentiment and investor expectations, but they do not always accurately reflect the price level at which individual forest properties are currently bought and sold in Latvia.

We are unlikely to see a sharp rise in activity in the forest property market in the near future. This is affected not only by buyer caution and the more wait-and-see stance of large investors, but also by practical obstacles: the unavailability of LVM GEO and other mapping tools widely used in the industry after the LVM cybersecurity incident. Of course, a forest can be valued without one particular tool, but it becomes slower and more complicated. Assessing, surveying and preparing a property for sale takes more time, as information has to be sought in several sources rather than in one familiar working environment.

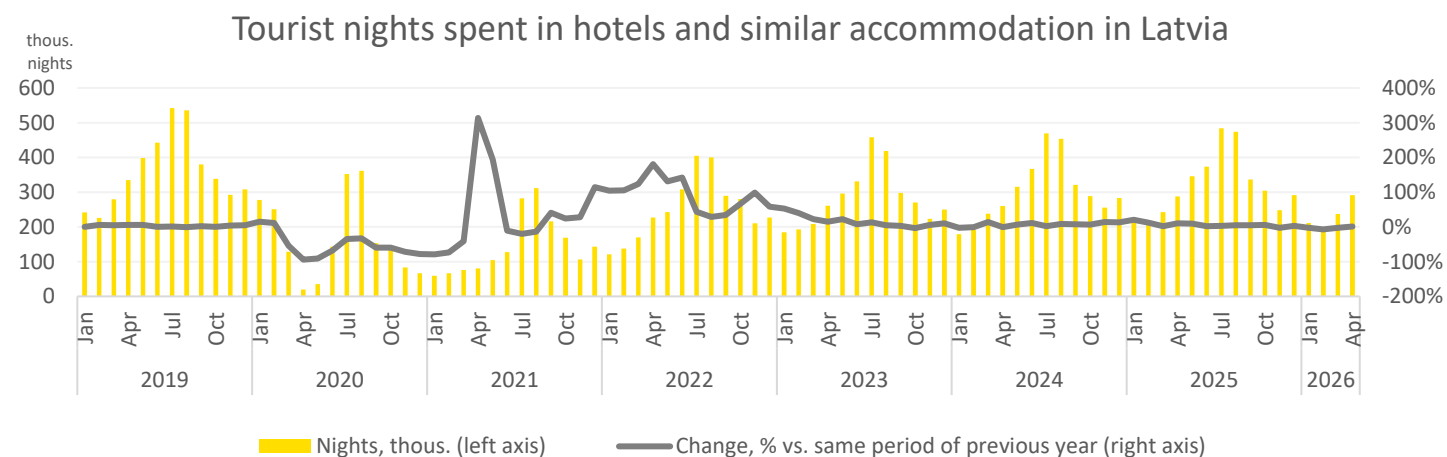
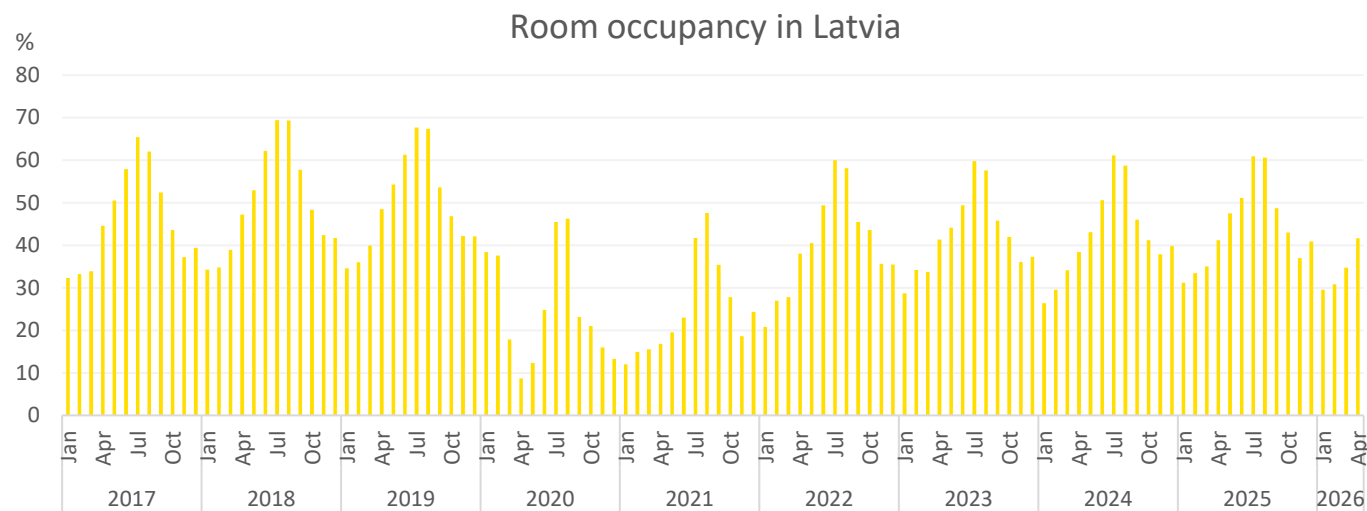
Jānis Vēbers

Head of Forest and Agricultural Land
Sales



HOSPITALITY SECTOR

■ The hospitality sector has recovered since the pandemic, but the previous level has not yet been reached



Latvia's hospitality sector continues to recover gradually, with both hotel room occupancy and the number of tourist nights increasing. Although in some periods results have approached pre-pandemic levels, the sector has not yet fully regained its 2019 activity. The recovery is mainly driven by growth in foreign tourism and the gradual return of business travel, but geopolitical uncertainty and slowing economic growth in Europe still limit faster development. The stabilisation of the hospitality sector has a positive impact on the hotel and retail real estate segments, especially in Riga.



New supply:

- After reconstruction, the new apartment hotel *Carillon Aparthotel* has opened at Pils iela 13, Old Riga, in a historic building built in 1904. The total area is 3 772 m². The hotel has 61 apartments, and more than EUR 15.5 million was invested in its construction, reconstruction and fit-out. The developer is a company of the *Amberstone Hotels* group.
- Construction continues on the *Duck Republik* student hotel at Slokas iela 51, Riga. The building, for more than 250 students, is due to open in August 2026. It will be a three-storey building with shared spaces, study and relaxation areas, co-working spaces, a courtyard and functional living units adapted to students' everyday needs. The investment in the project is about EUR 14.5 million.

Plans:

- The public consultation has ended and a construction plan has been approved for a hotel at Mežaparka ceļš 5, Kadaga. The four-storey hotel will have 96 single rooms. The total area of the building is 2 785 m².
- A construction plan has been approved for a hotel in Old Riga, in the block between Tirgoņu, Mazā Jaunavu, Mazā Monētu and Kaļķu streets. Designed building area 1 636 m².

Transactions

Address	Total building area, m ²	Transaction amount	Comment
Brīvības iela 48/50, Rīga	Total land area: 2058 m ² . Total building area: 4078 m ² .	EUR 7 440 000 (1825 EUR/m ²)	SIA «Foroms»: hotel and casino buildings with land, <i>Aston Hotel Riga</i> (3 properties in total)
Miesnieku iela 4, Rīga	Land area: 300 m ² . Total building area: 1042 m ² .	EUR 1 600 000 (1540 EUR/m ²)	Swiss-registered company <i>ABI Informatik AG</i> , with a Latvian citizen as board member, acquired the <i>Dome Hotel</i> in Old Riga. The transaction cannot be classified as an arm's-length transaction. The property had previously been sold in 2021 for EUR 1 800 000.
Jomas iela 29/31, Jūrmala	Land area: 5472 m ² . Total building area: 2605 m ² .	EUR 1 275 000 (490 EUR/m ²)	A hotel complex built in 1925, with land, in Jūrmala was sold. In 2017 it was taken over by a creditor and has since been on the public market with a starting price of EUR 2.7 million, the last recorded price in 2025 being EUR 1.5 million. Buyer: SIA "Pansionāts Jūrmala".
Saules iela 1, Tūja, Liepupe parish, Limbaži municipality	Total land area: 8500 m ² . Total building area: 939 m ² .	EUR 540 000 (575 EUR/m ²)	A property under development was sold – a large seafront plot with an unfinished new guest house. On offer since early 2024; asking price EUR 490 000. Buyer: SIA "Daugavas mežsaimnieks"
Atlantijas iela 4, Rīga	Total land area: 3734 m ² . Total building area: 4477 m ² .	EUR 1 087 648 (243 EUR/m ²)	A hotel building requiring reconstruction in Vecmīlgrāvis, with the status of an environmentally degrading property, was sold. Buyer: private individual.
Lāčplēša iela 106, Rīga	Total land area: 5597 m ² . Total building area: 6198 m ² .	EUR 2 430 000 (392 EUR/m ²)	SIA «Hagberg Development» bought, at a Valsts nekustamie īpašumi auction, a dormitory building complex requiring reconstruction, with land, in the Latgale neighbourhood next to the Latgalīte market.

R E P O R T P R E P A R E D B Y

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Analyst
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Marketing Project Manager
Pēteris Rezņikovs

Forest valuation specialists
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- Business and property valuation
- Legal advice
- Investor attraction and advisory
- Market research

