

Housing market

# OVERVIEW

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## F O R E W O R D



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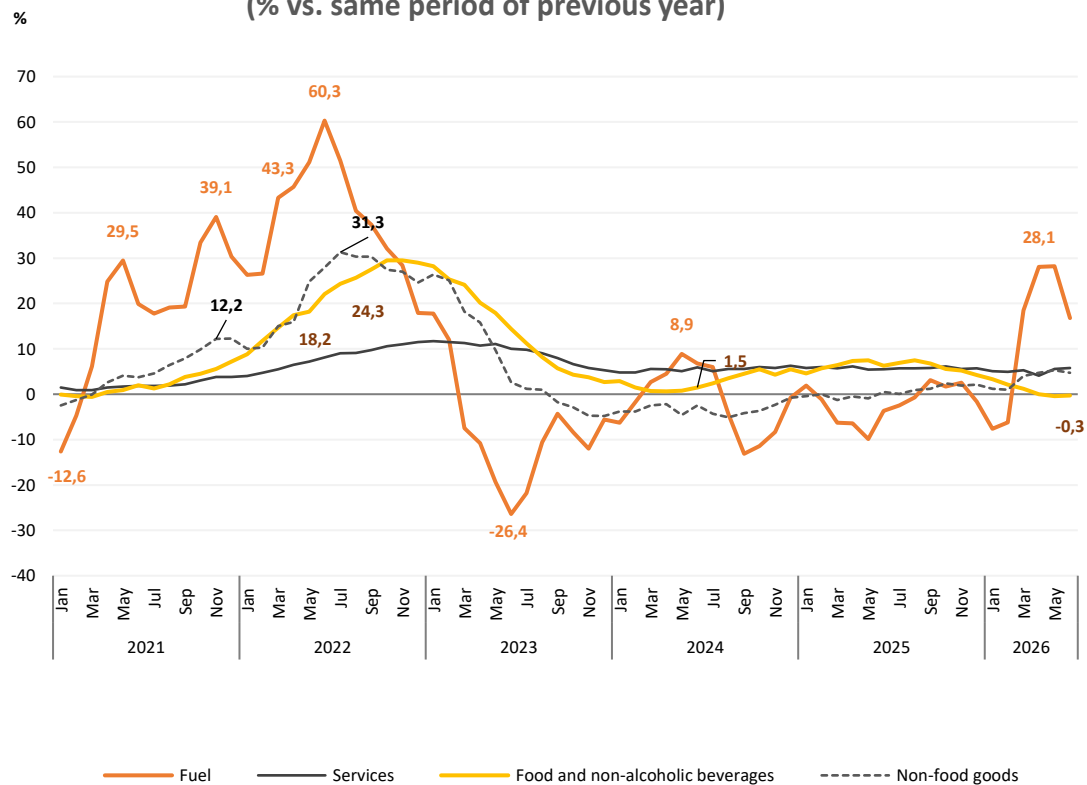
There are fewer transactions in the housing market, but prices continue to rise. The desire to live better runs up against a shortage of quality housing that fits the budget. This is neither a buyers' nor a sellers' market. This is a market of reality – quality at a fair price.

EDGARS ŠĪNS  
Chairman of the Board, Latio

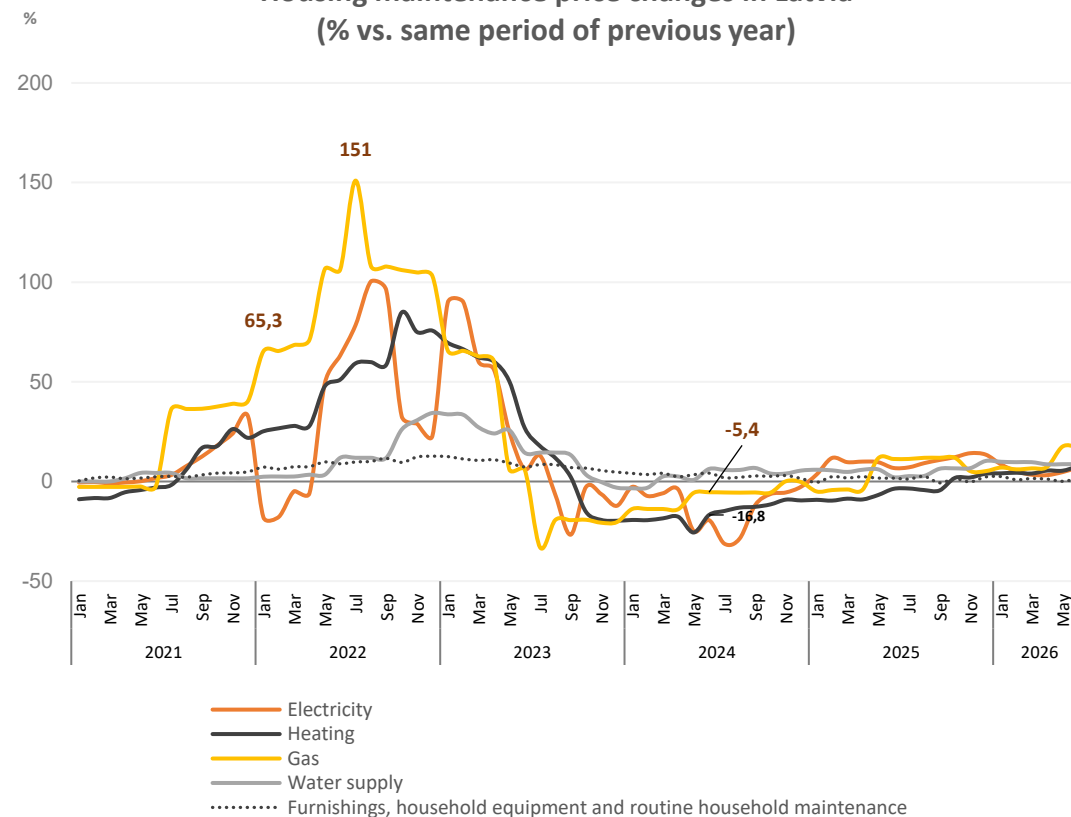
# M A C R O E C O N O M I C S

## PRICES

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

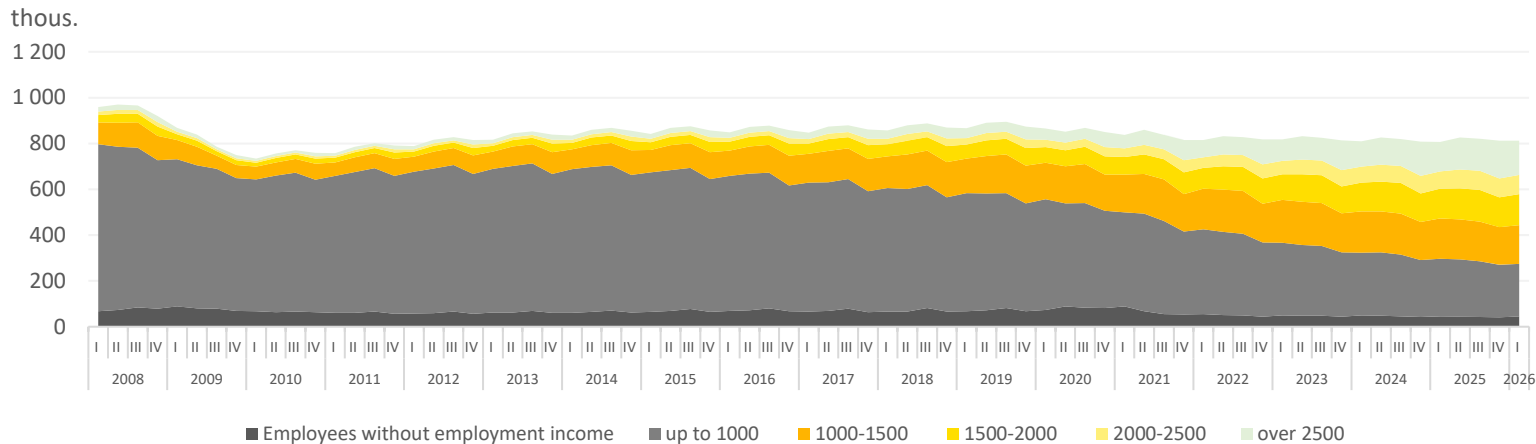


Housing maintenance price changes in Latvia  
(% vs. same period of previous year)

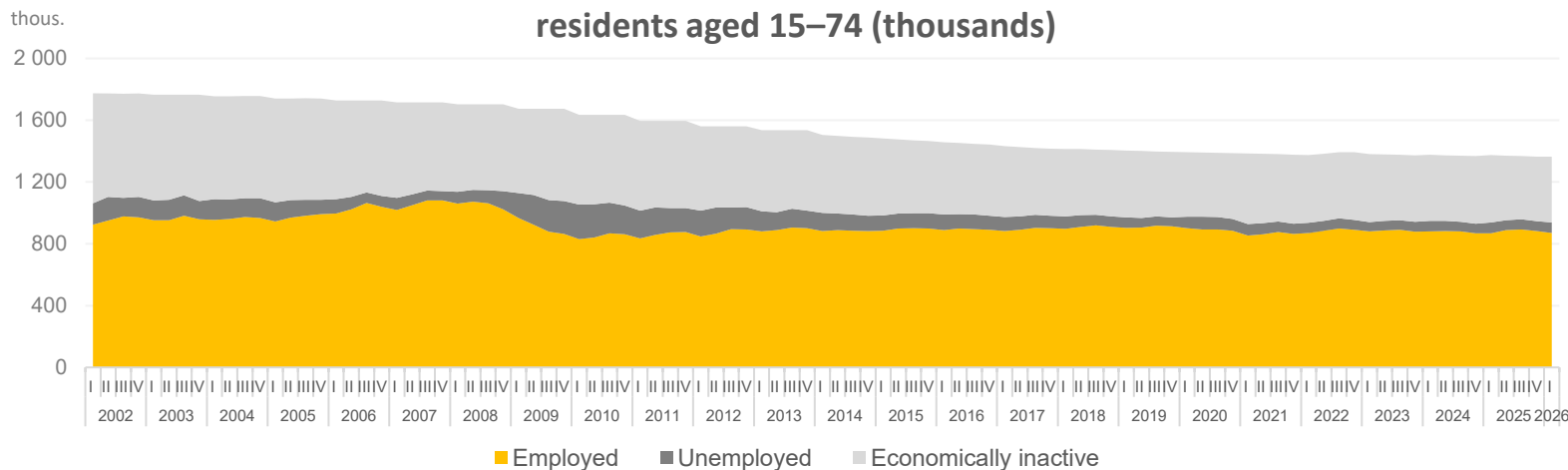


# LABOUR MARKET

Distribution of employees by gross income (thousands)



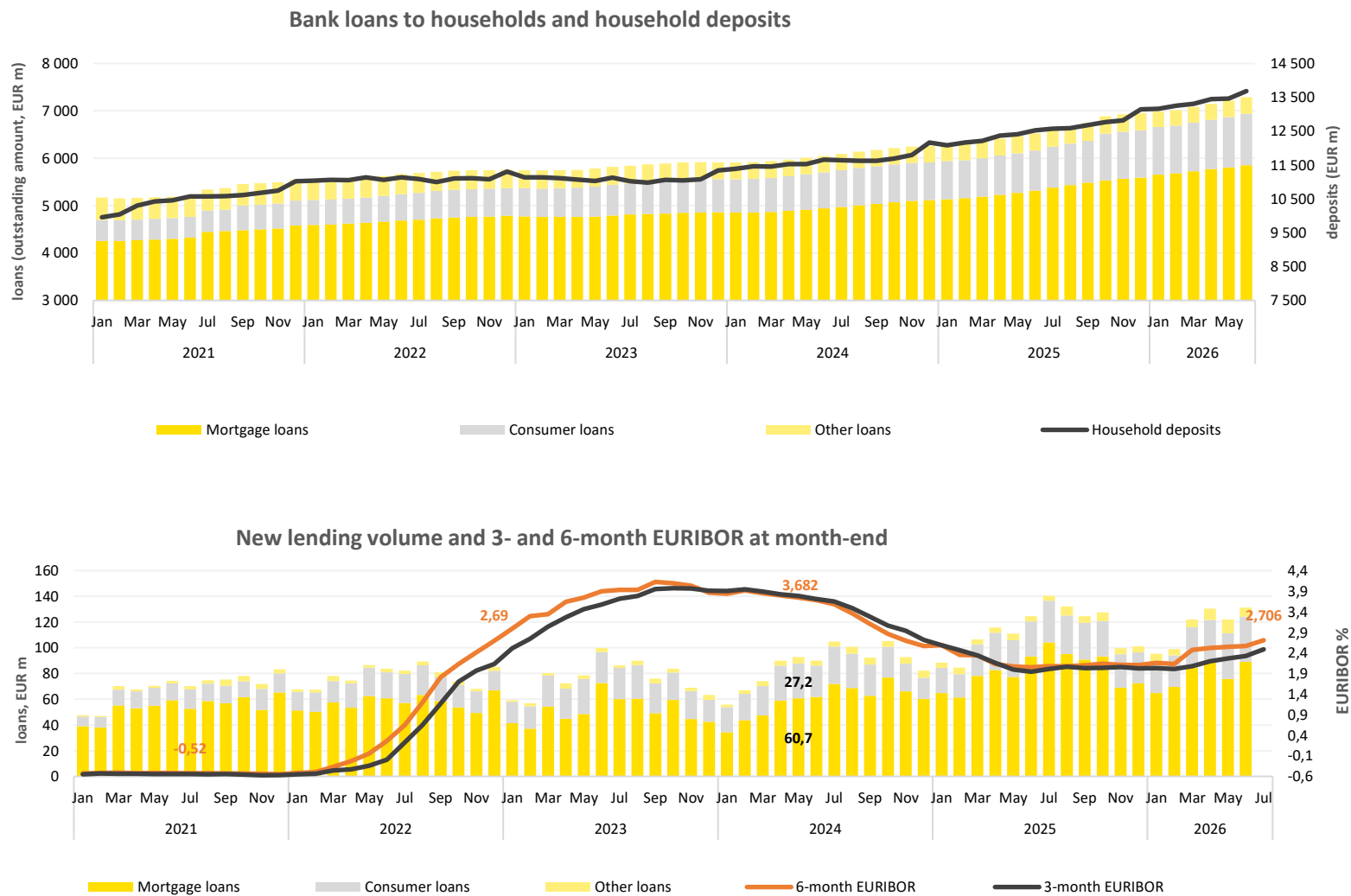
Unemployed, employed and economically inactive residents aged 15–74 (thousands)



Source: Central Statistical Bureau



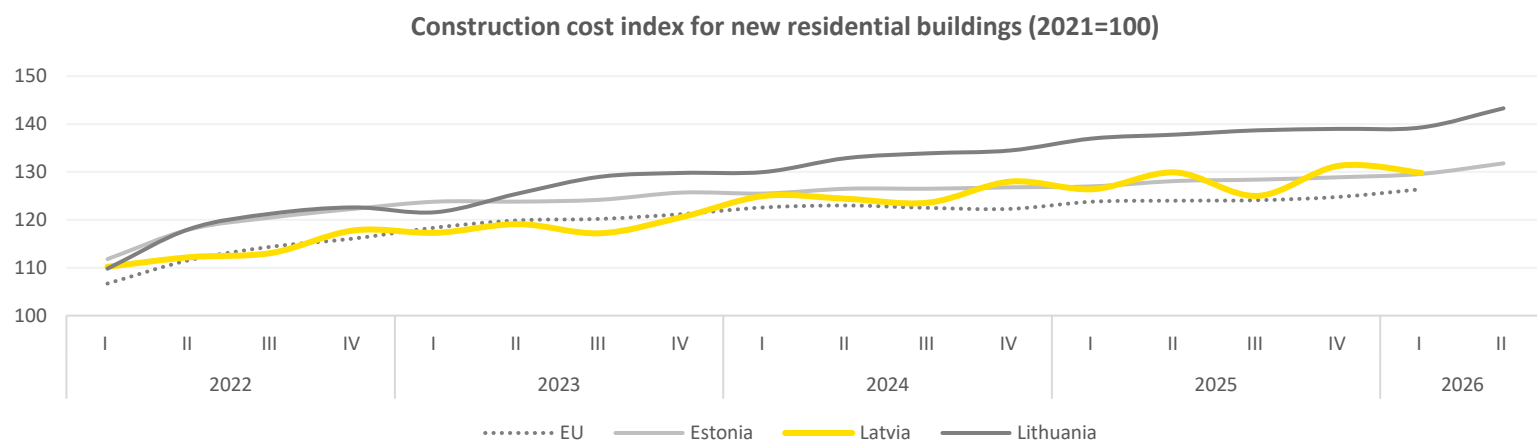
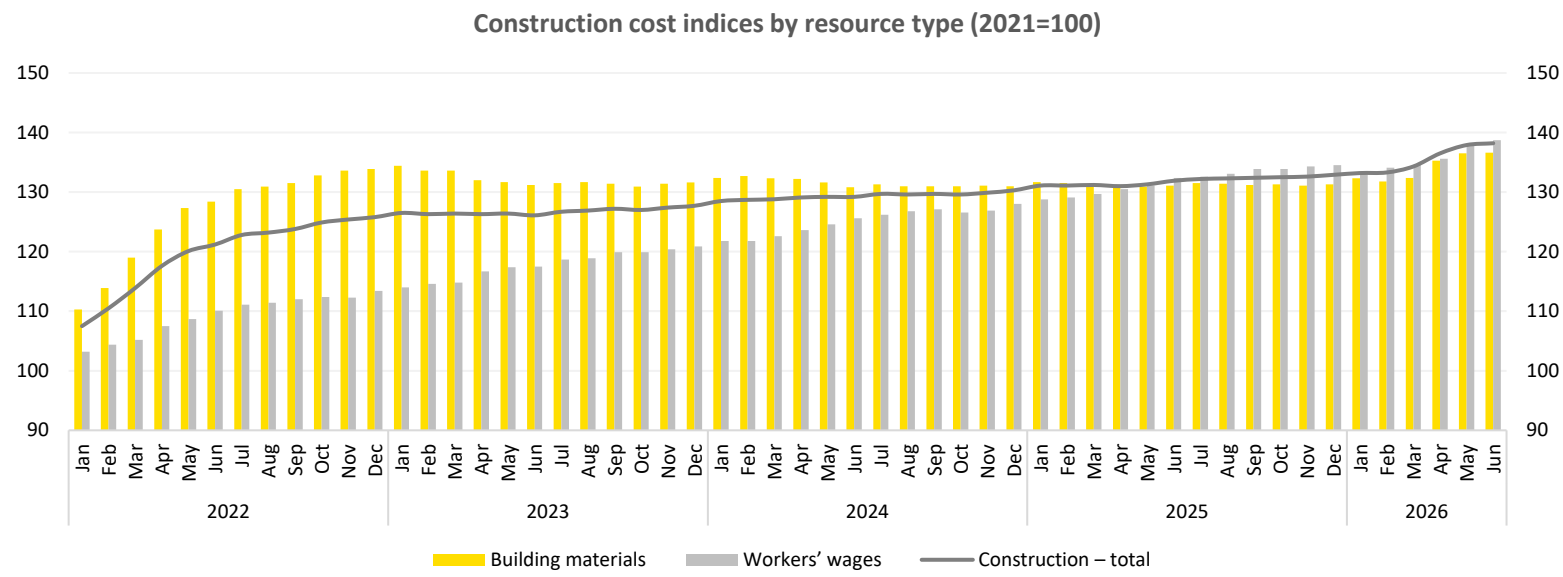
# LOANS, DEPOSITS AND INTEREST RATES



Source: Bank of Latvia



# CONSTRUCTION



Source: Central Statistical Bureau, Eurostat



H O U S I N G   M A R K E T   I N D I C A T O R S  
A N D   T R E N D S

## SUMMARY OF KEY HOUSING MARKET INDICATORS



\* Calculated on the basis of assessments by “Latio” transaction managers on a scale of 1–10, where 1 = buyer’s market and 10 = seller’s market

### Total transaction value\*

EUR 775.8m Y/Y ▼ - 3 %

### Median transaction value\*

EUR 38 350 Y/Y ▲ + 5 %

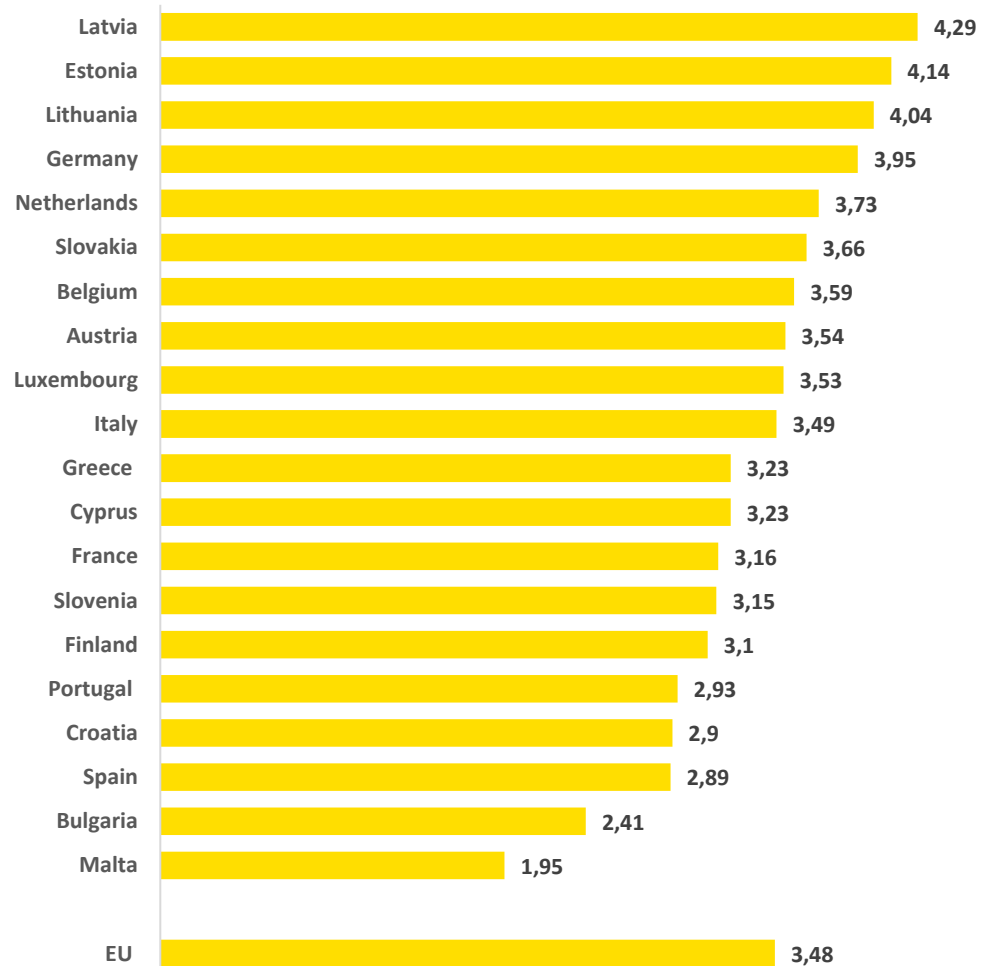
### Number of transactions\*

~ 12 450 Y/Y ▼ - 5 %

\*\* All transactions with apartments and private houses from January to June 2026 compared with the same period of 2025

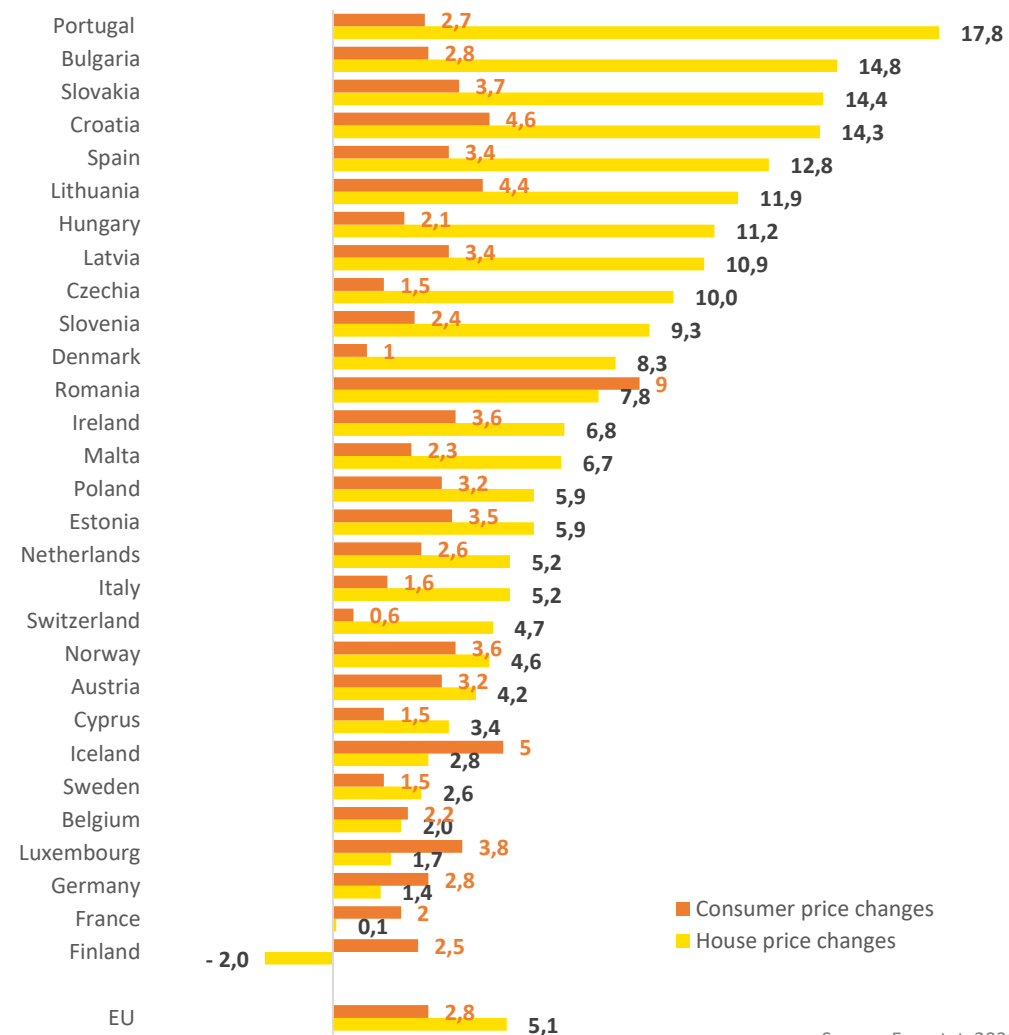
## In many European countries, housing price growth exceeds overall inflation

Average mortgage interest rates, %  
as of 30 June 2026



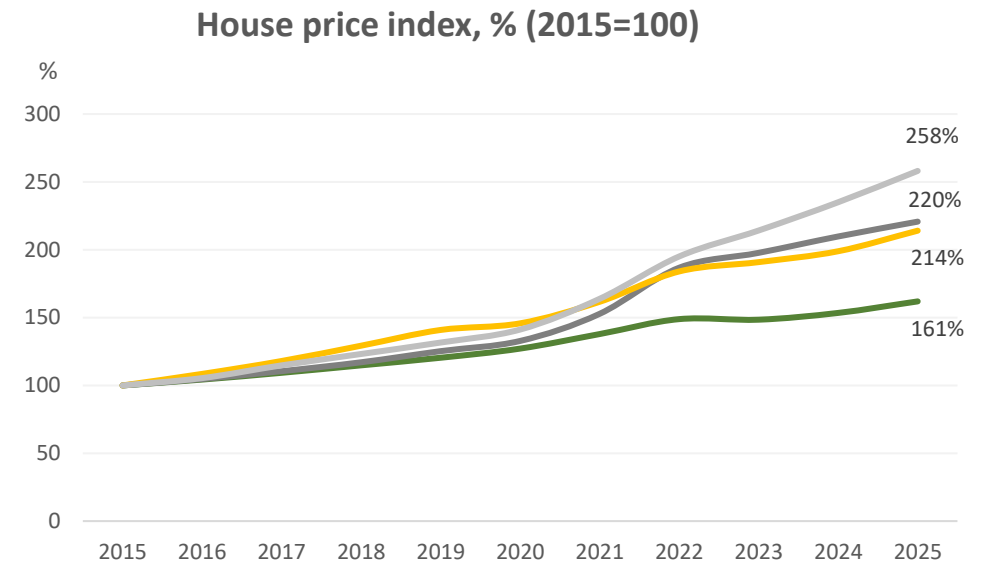
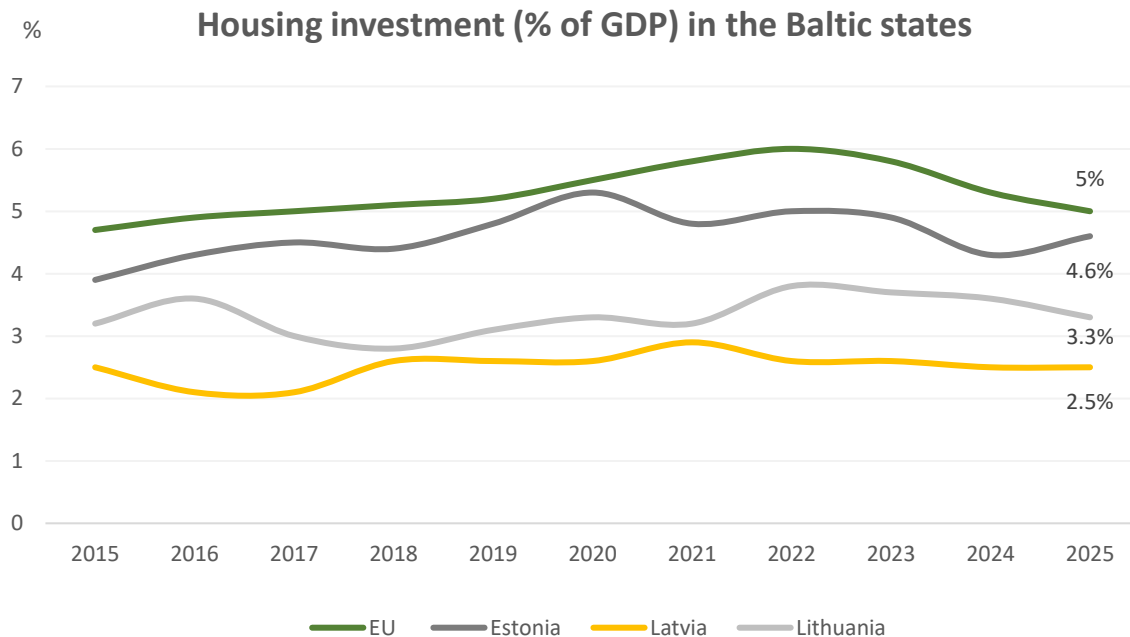
Source: ECB, 2026

Price changes (%), Q1 2026 vs. same period of previous year



Source: Eurostat, 2026

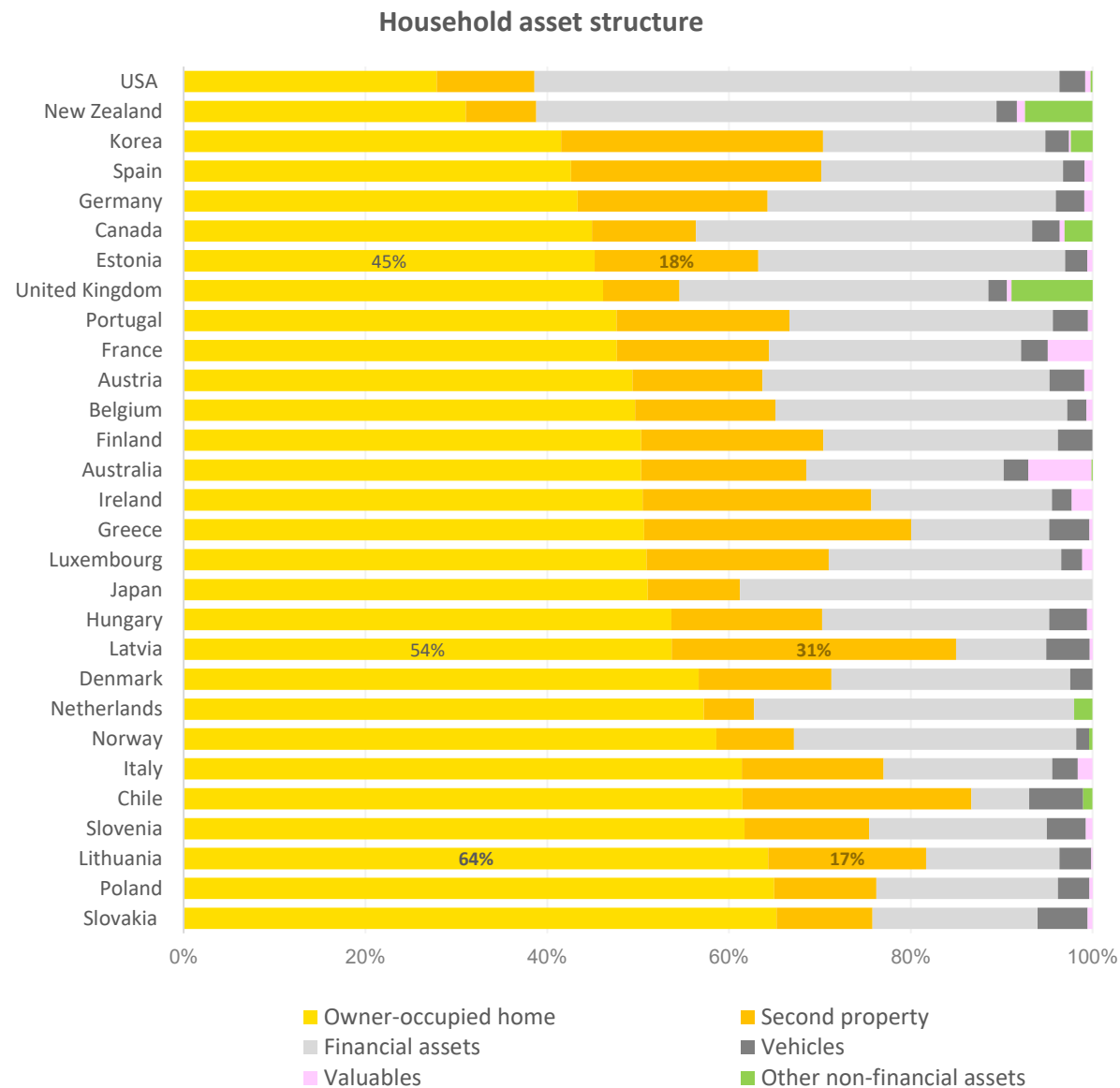
## Low housing investment has not protected Latvia from rapid price growth



Over the entire decade under review, housing investment in Latvia has been the lowest among the Baltic states and has consistently lagged behind the EU average, i.e. 2.5% vs. 5% in the EU and 4.6% in Estonia.

Paradoxically, the low level of investment has not protected Latvia from rising housing prices – rather the opposite. Latvia's house price index has grown by 114% over ten years, close to Estonia's figure (120%) and well above the EU average (61%). This suggests that rapid inflation dynamics and limited supply are intensifying the pressure on prices. The model is not entirely linear, however: Lithuania's investment rate is higher than Latvia's (3.3% vs. 2.5%), yet price growth there has been even faster (258%), indicating that inflation and the supply deficit are one of several drivers of price dynamics rather than the only one.

## Housing vs. capital markets



Source: OECD

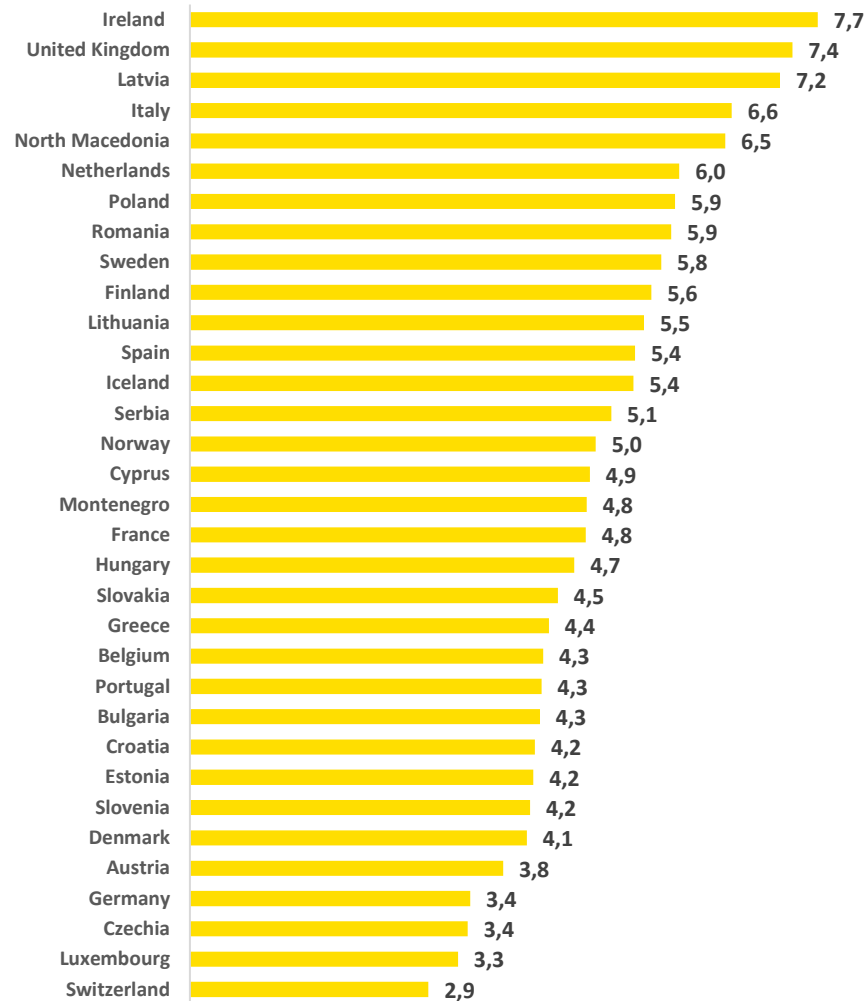
Although interest in various types of investment has grown in recent years, real estate remains the most valuable asset for Latvian residents. According to OECD data, for almost 54% of Latvian households the main wealth is the home they live in, while around 31% of Latvian household asset value consists of other real estate, such as land or an apartment for rent. This is the highest such figure among OECD countries and sets the wealth structure of Latvian residents significantly apart from that of neighbouring countries. By comparison, in Lithuania and Estonia only around 18% of households invest in a second property, more often investing in financial markets.

Historically, real estate has always been the most understandable type of investment for Latvians – not only as a place to live, but also as a way to preserve capital. An apartment, house or land seems a safer asset than financial instruments whose value is affected by global markets. Property has a physical presence and a practical function, and if purchased thoughtfully, it can protect capital in times of inflation.

Latvia's capital is currently in an attractive position for investors. Housing prices are still lower than in Vilnius and Tallinn, and Riga leads in terms of rental yield. As a result, in the eyes of both local and foreign investors, Riga currently stands out with a relatively lower "entry price" and higher potential returns. Considering the Bank of Latvia's forecast that inflation this year could reach 3%, as well as last year's jump in housing prices, real estate prices for quality housing will continue to rise. However, this does not mean that any apartment purchased automatically becomes a good investment.

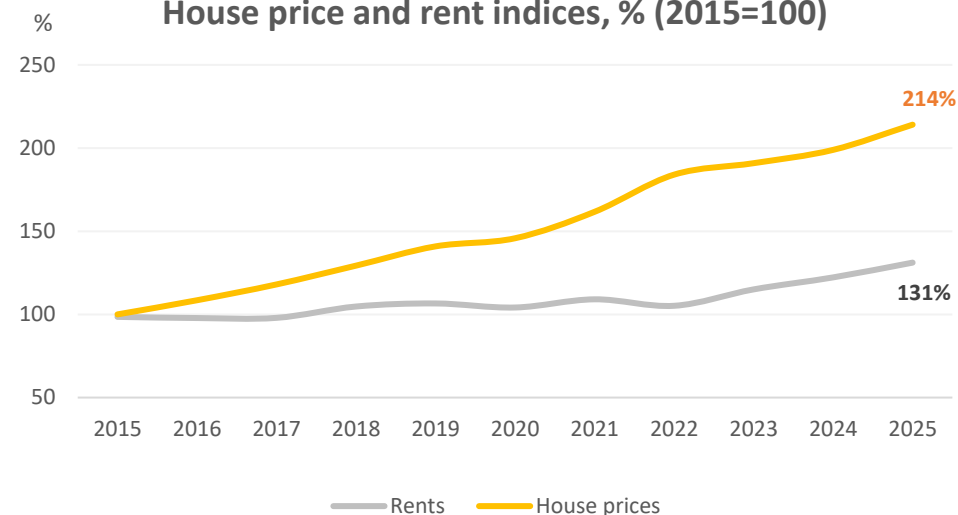
## In Riga, housing prices are rising faster than rents

### Apartment rental yield, %, August 2026



Source: Global Property Guide

### House price and rent indices, % (2015=100)



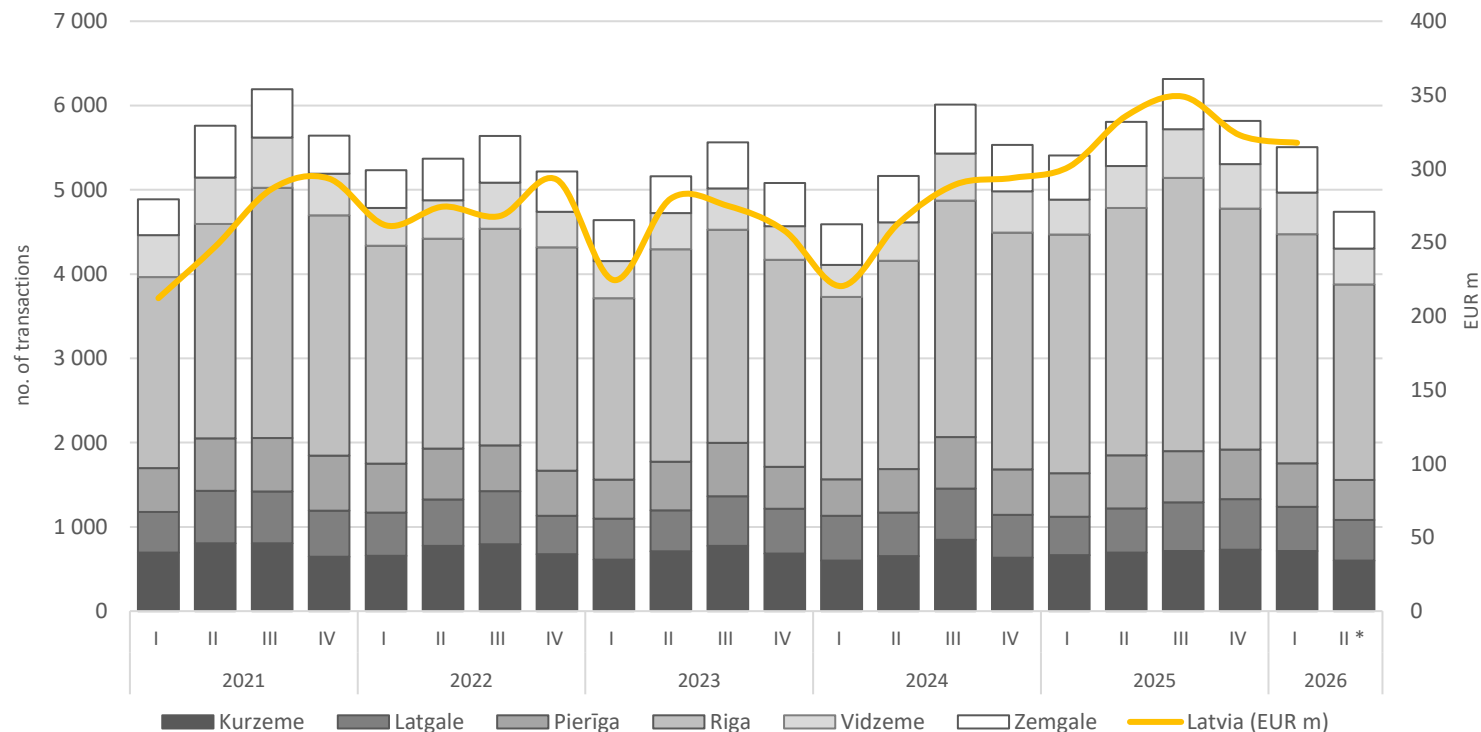
During 2025, the average apartment rent in Riga increased by only 5–6%, while sale prices rose roughly twice as fast. Currently almost one in five residents lives in rented housing, whereas elsewhere in Europe this share exceeds 50%. In Latvia, rental prices are significantly constrained by the affordability ceiling of potential tenants.

Whereas the question “rent or buy?” used to be a practical choice between two equivalent alternatives – comparing the mortgage payment with the monthly rent – residents now lean towards buying a home with the idea of renting it out to others rather than renting themselves. The rental market is sensitive – it is a direct mirror of affordability. That is why rent increases hit a ceiling much sooner than prices in the sales market.

H O U S I N G   M A R K E T

# APARTMENT MARKET IN LATVIA

Total registered number and value of transactions



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

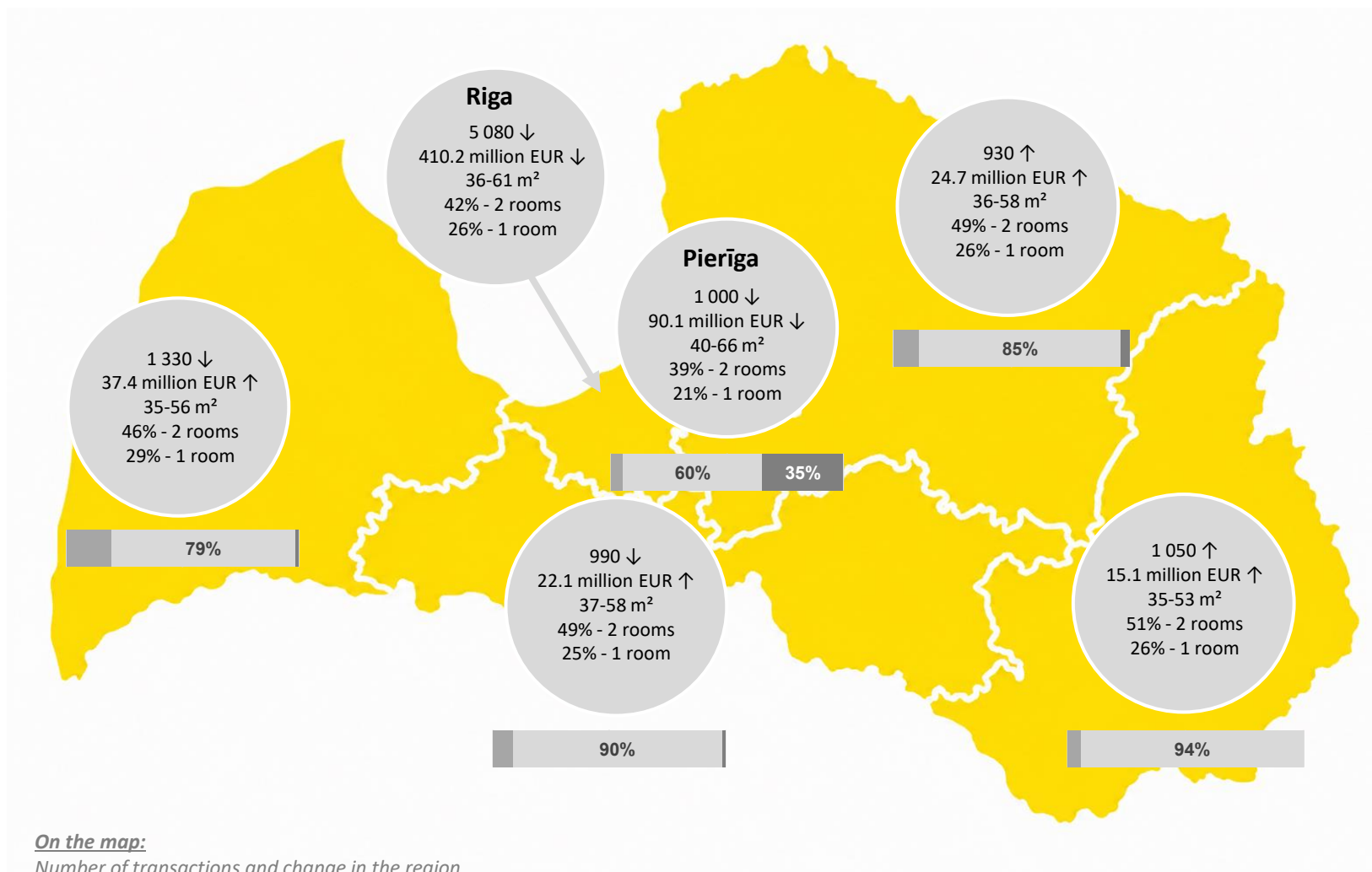
The drop in activity in the first half of 2026 compared with 2025 is no surprise – Latvia still has the most expensive mortgage loans, negative population dynamics, and geopolitical and inflation concerns. All of this limits the number of transactions precisely at a time when prices continue to rise.

The dominance of Riga and Pierīga in the transaction structure is expected and stable; it reflects where both the population and purchasing power are concentrated. This concentration echoes the unevenness of regional development and investment.

Analysing apartment market indicators reveals another nuance – a significant gap between the true value of homes and the prices stated in official transactions. Namely, 50% of apartments in Latvia are sold for less than EUR 38 350, and in some transactions the purchase price is just EUR 1. Low transaction amounts should be treated with caution, as they only partly reflect the true market situation. One of the main reasons why transactions are registered at such low amounts is unofficial payments. Buyers and sellers often agree to state a lower sale price in the contract in order to avoid paying personal income tax or to reduce the state fee.

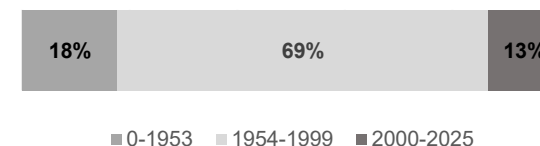
Another reason is fictitious gifts, for example when a property is sold to family members for a symbolic price of EUR 1. By structuring the transaction this way, the parties are in fact making a hidden gift – the purchase contract is needed only for appearance's sake.

# APARTMENT MARKET IN LATVIA



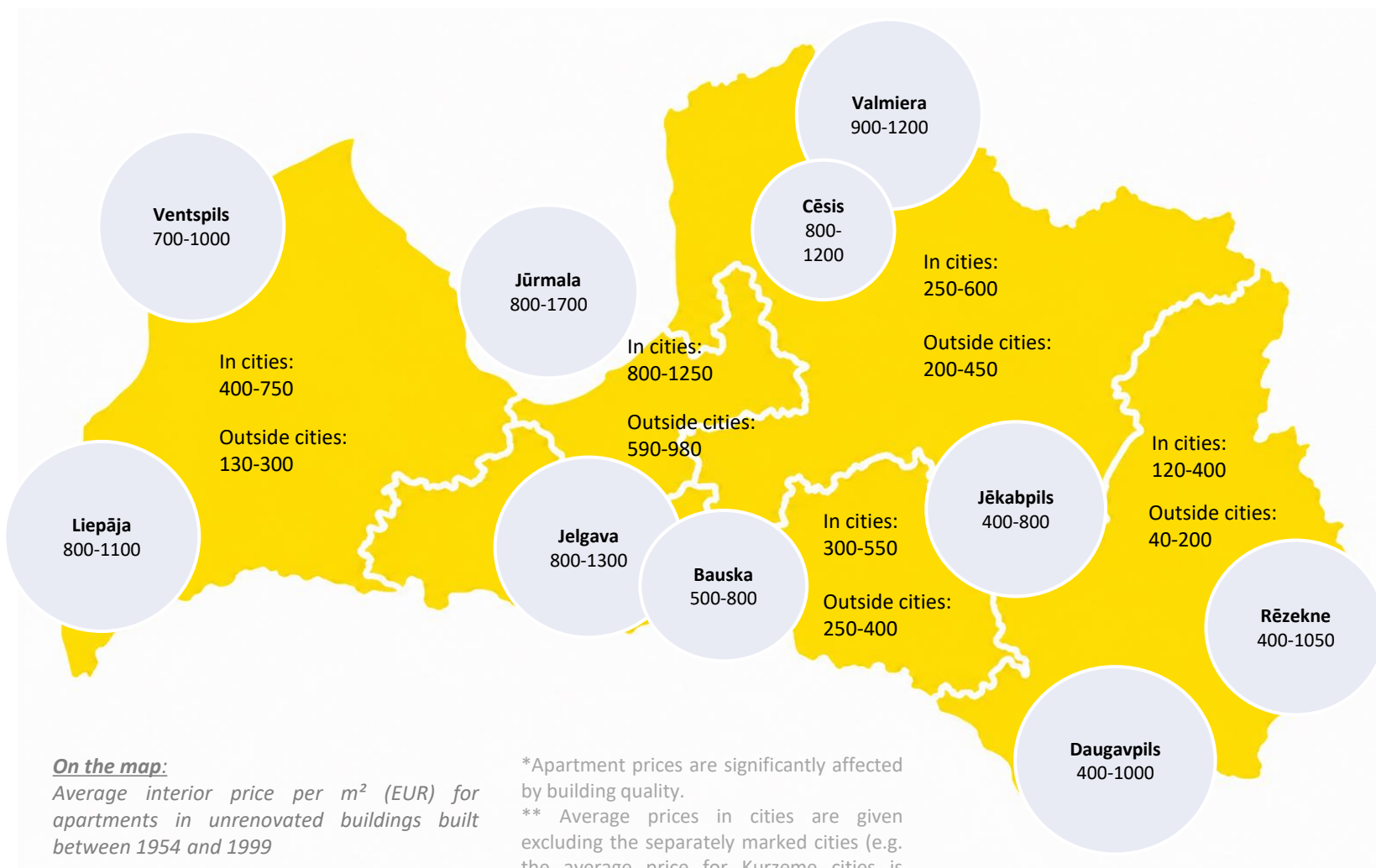
|                                     |                                               |
|-------------------------------------|-----------------------------------------------|
| Number of transactions              | ~ 10 350 ↓                                    |
| Transactions with 1-room apartments | 26%                                           |
| Transactions with 2-room apartments | 44%                                           |
| Transactions with 3-room apartments | 23%                                           |
| Total transaction value             | 595 million EUR ↑                             |
| Average floor area (median)         | 50.3 m <sup>2</sup> ↑<br>(47 m <sup>2</sup> ) |

## Transactions by building construction year



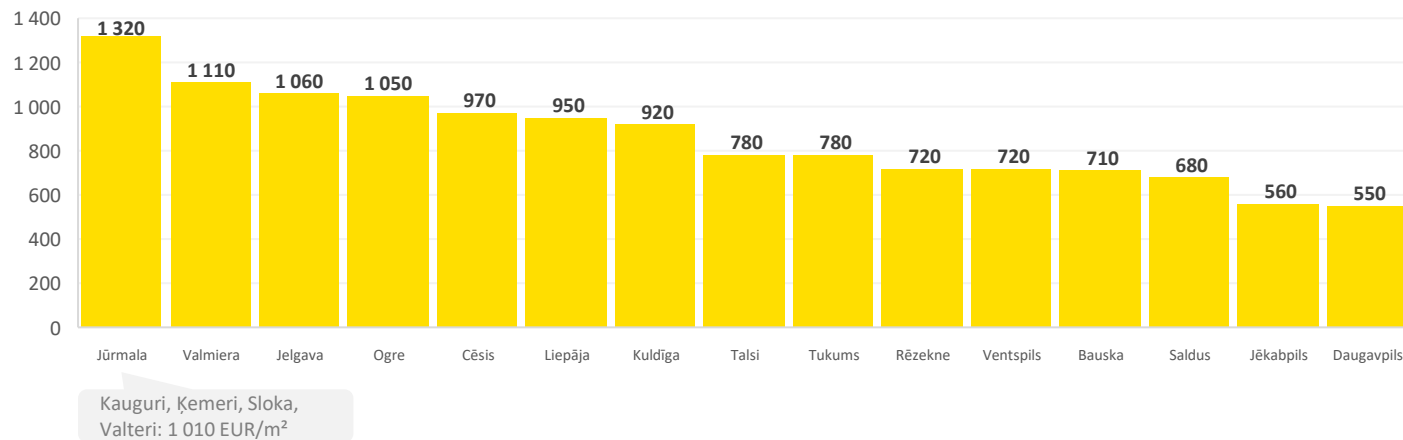
All data and changes are calculated by comparing data for January–June 2026 with the same period of 2025.

# APARTMENT MARKET IN LATVIA – SOVIET SERIES

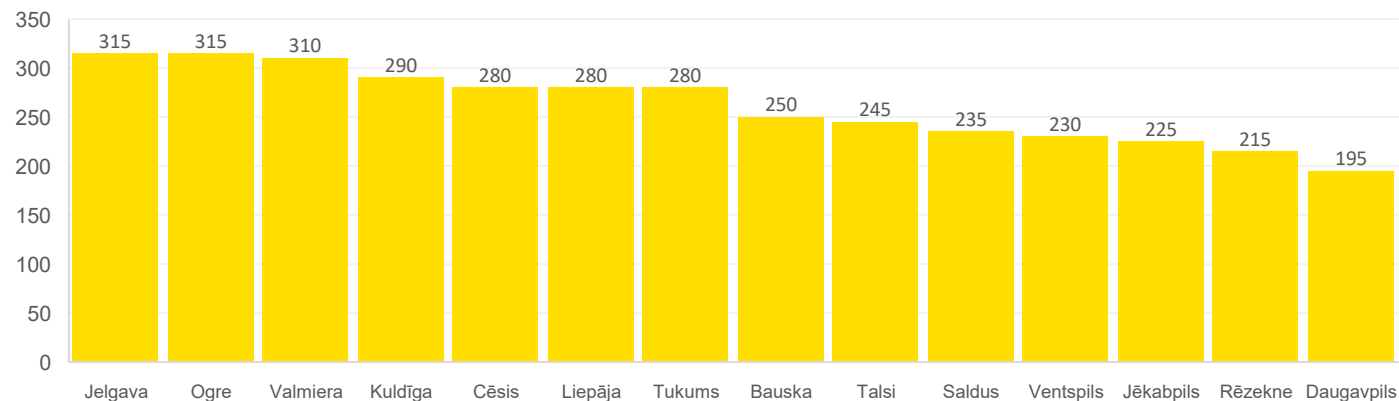


## SALE AND LONG-TERM RENTAL LISTINGS – PRICE BY REGION

Asking prices for Soviet-series 2-room apartments (EUR/m<sup>2</sup>)

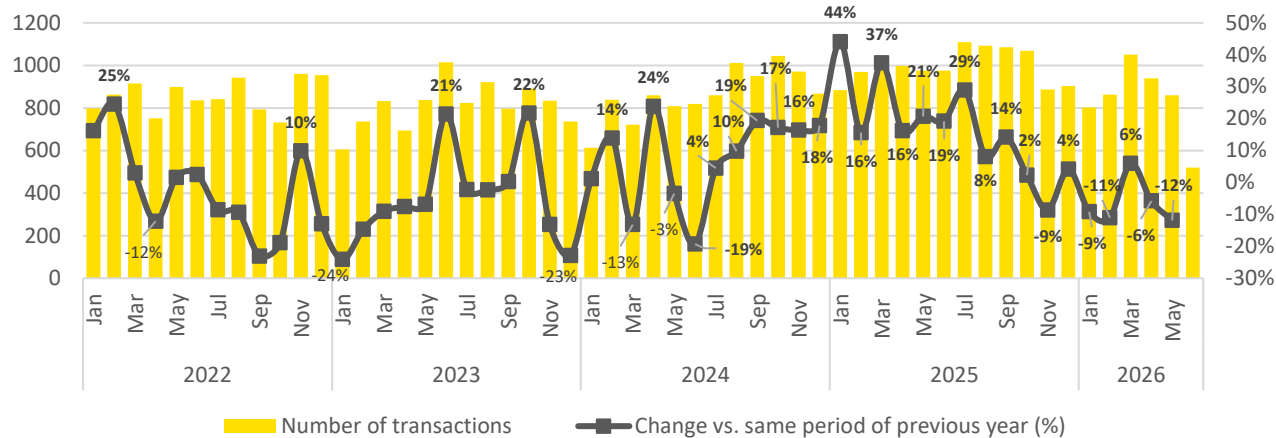


Asking rents for Soviet-series 2-room apartments (EUR/month)

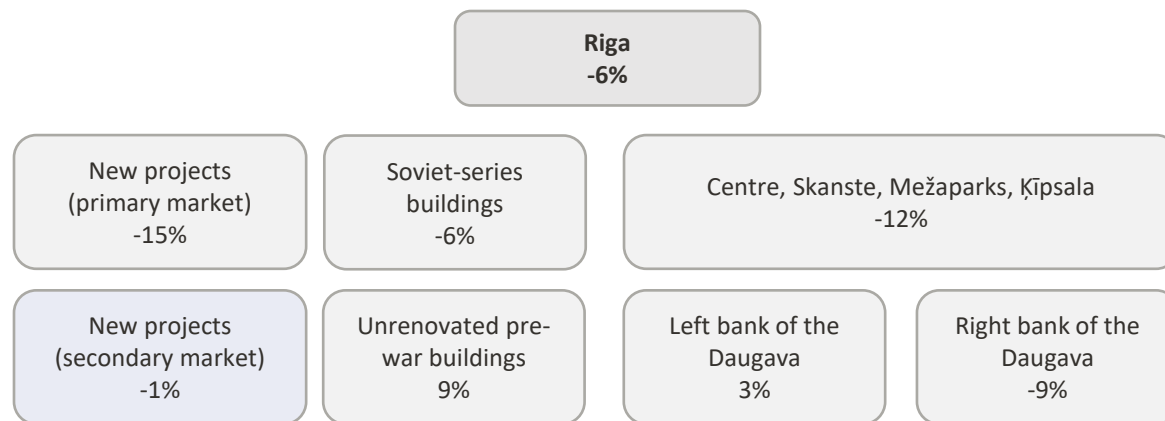


# RIGA APARTMENT TRANSACTIONS

Number of transactions and monthly change



Change in number of transactions\*\*



\* June 2026 data are partially available

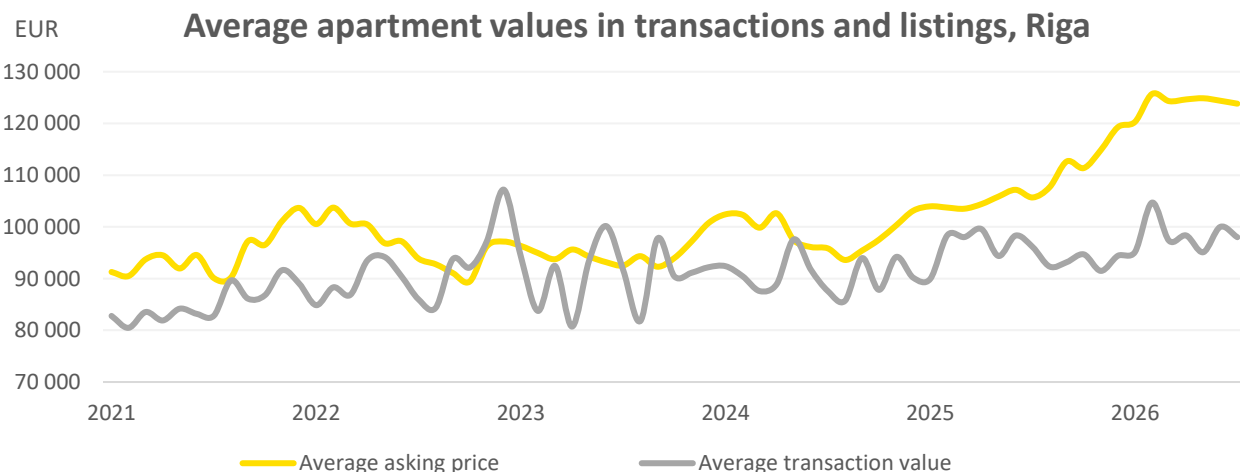
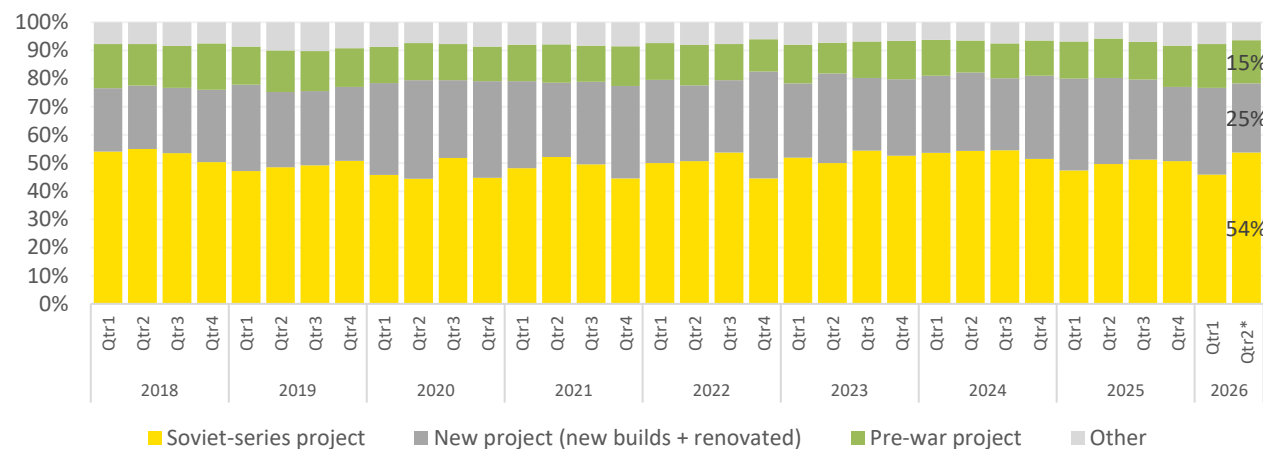
\*\* January–May 2026 data compared with the same period of 2025

In the first half of 2026, the picture is the complete opposite of what we saw in 2025. Whereas last year the monthly year-on-year growth in the number of transactions regularly reached 20–40% (as much as 44% in January), at the beginning of 2026 this pace slowed sharply, and already in the spring months the year-on-year change turned negative, reaching -12% in May. To a large extent this is a natural base effect from the high level of 2025, i.e. last year's comparison months were unusually strong, so even a stable transaction volume in 2026 looks like a decline against this backdrop. Additional pressure may also come from the fact that in June 2026 the European Central Bank raised its key rate for the first time since 2023 (due to energy price inflation caused by the conflict in the Middle East). This means that the favourable effect of low rates that fuelled growth in 2025 will no longer work this year, or may even reverse.

Overall, the number of transactions in Riga has fallen by 6% compared with the previous year. Interestingly, the decline has hit hardest precisely those segments that showed the fastest growth in 2025 – new projects in the primary market and the most prestigious neighbourhoods in the centre. Meanwhile, segments that previously lagged behind are now showing relative resilience or even growth – unrenovated pre-war buildings (+9%), the left bank of the Daugava (+3%) and new-project transactions in the secondary market, which have remained practically at the previous level. This suggests that the 2025 boom largely exhausted the available new supply precisely in the most prestigious and most actively developed locations, and buyer interest is now partly shifting to cheaper and older segments – once again confirming the impact of the affordability constraints described above on the market structure.

# TRANSACTION STRUCTURE

Transaction structure by type



The transaction structure by project type in Riga is surprisingly stable – Soviet-series apartments account for 44–54% of all transactions throughout the period under review, and this proportion has not changed for at least ten years. This means that more than half of all apartment transactions in Riga still involve apartments in Soviet-era series buildings, regardless of the market cycle, interest rate fluctuations or growth in the number of new projects. New projects (new builds and renovated buildings, in both the primary and secondary markets combined) account for around a quarter of transactions, while pre-war projects make up another 15% or so.

This structure is determined not by one but by several factors that change over time: sometimes it is an insufficient volume of quality new supply on the market, in another period high interest rates and lending restrictions, in yet another high inflation. Against the background of all these factors, one and the same obstacle remains constant: residents' purchasing power is not sufficient for new projects to become a mass-market segment.

Demand and the desire to live in new, modern projects do exist, however. This is also indirectly confirmed by the growing gap between the average asking price in sale listings and the actual transaction value in Riga, which has been particularly pronounced since 2024–2025 (around EUR 120–125 thousand in listings, but around EUR 95–100 thousand in completed transactions). In other words, completed transactions are still concentrated at a lower price level, which is also typical of Soviet-series apartments. Put differently – the desire for a new home exists in the market, but the affordability and lending “ceiling” prevents this desire from turning into actual transactions on a mass scale, which is why the apartment market in Riga has remained structurally the same for several years.

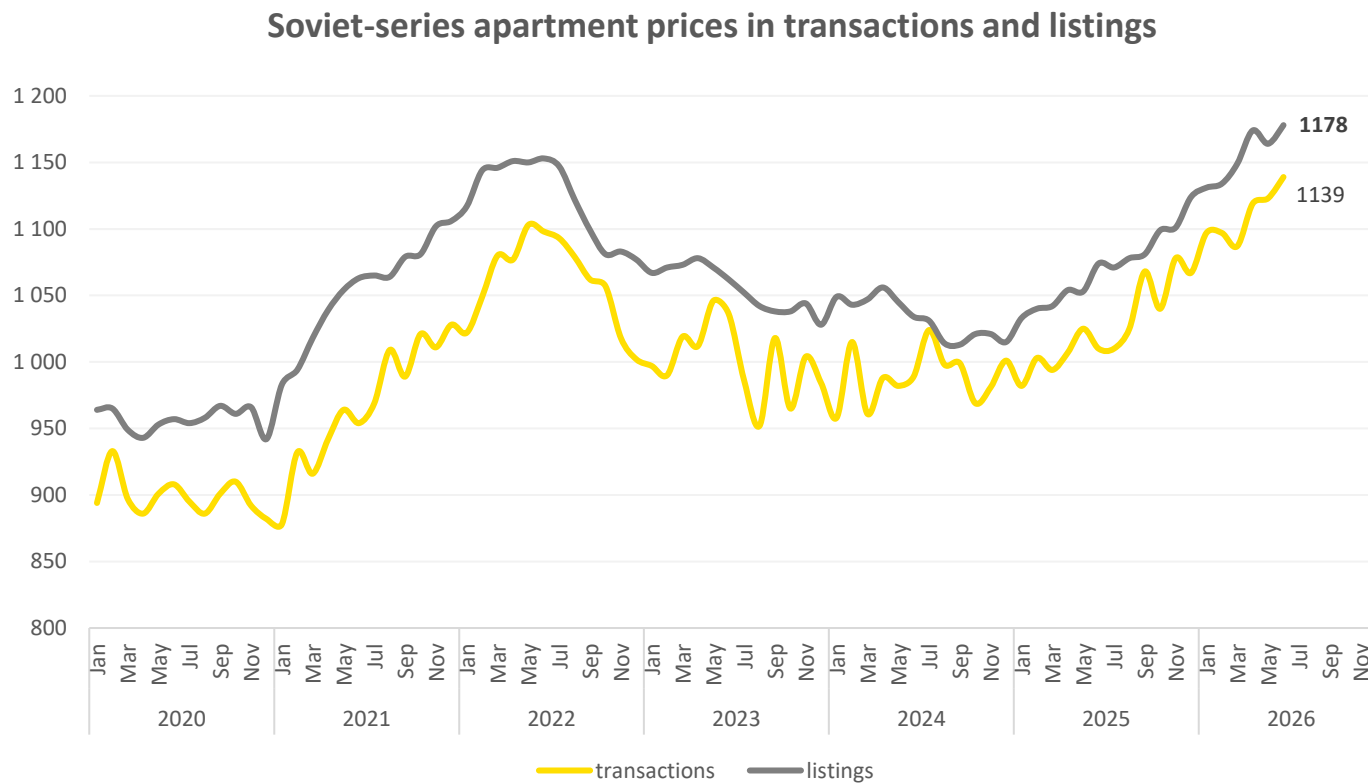
# SOVIET-SERIES APARTMENT TRANSACTIONS – RIGA NEIGHBOURHOODS



|                                                                   |                                                                                            |                                                                  |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| <b>880</b> (-7%)                                                  | <b>Number of transactions</b>                                                              | <b>1 540</b> (-10%)                                              |
|                                                                   | Number of transactions by number of rooms:                                                 |                                                                  |
| 24%                                                               | 1 room                                                                                     | 27%                                                              |
| 49%                                                               | 2 rooms                                                                                    | 43%                                                              |
| 21%                                                               | 3 rooms                                                                                    | 23%                                                              |
| <b>43.5</b> million EUR (-1%)                                     | <b>Transaction value (change)</b>                                                          | <b>80.2</b> million EUR (+0.5%)                                  |
| <b>36-55</b> m <sup>2</sup>                                       | <b>Most popular floor areas</b>                                                            | <b>35-56</b> m <sup>2</sup>                                      |
| <b>46.9</b> m <sup>2</sup> ↓                                      | <b>Average floor areas</b>                                                                 | <b>46.2</b> m <sup>2</sup> ↓                                     |
| <b>Imanta</b> (24%) – 1 165 EUR/m <sup>2</sup> (↑9%)              | <b>Most popular areas</b>                                                                  | <b>Purvciems</b> (21%) – 1 180 EUR/m <sup>2</sup> (↑10%)         |
| <b>Iļģuciems</b> (18%) – 1 040 EUR/m <sup>2</sup> (↑10%)          | (% of total number of transactions) – average interior price per 1 m <sup>2</sup> (change) | <b>Kengarags</b> (18%) – 1 040 EUR/m <sup>2</sup> (↑10%)         |
| <b>Ziepniekkalns</b> (15%) – 1 165 EUR/m <sup>2</sup> (↑6%)       |                                                                                            | <b>Plavnieki</b> (14%) – 1 170 EUR/m <sup>2</sup> (↑11%)         |
| <b>Lithuanian project</b> (26%) – 1 115 EUR/m <sup>2</sup> (↑12%) | <b>Most popular series</b>                                                                 | <b>Lithuanian project</b> (20%) – 1 045 EUR/m <sup>2</sup> (↑9%) |
| <b>602 series</b> (17%) – 1 150 EUR/m <sup>2</sup> (↑8%)          | (% of total number of transactions) – average interior price per 1 m <sup>2</sup> (change) | <b>602 series</b> (18%) – 1 175 EUR/m <sup>2</sup> (↑13%)        |
| <b>Khrushchyovka</b> (15%) – 1 100 EUR/m <sup>2</sup> (↑5%)       |                                                                                            | <b>Khrushchyovka</b> (18%) – 1 100 EUR/m <sup>2</sup> (↑13%)     |
| <b>1 145</b> EUR/m <sup>2</sup> (↑9%)                             | <b>Average price per 1 m<sup>2</sup></b>                                                   | <b>1 130</b> EUR/m <sup>2</sup> (↑11%)                           |

All data and changes are calculated by comparing data for January–June 2026 with the same period of 2025.  
Data shown as available for June 2026.

## SOVIET-SERIES PRICES – RIGA NEIGHBOURHOODS

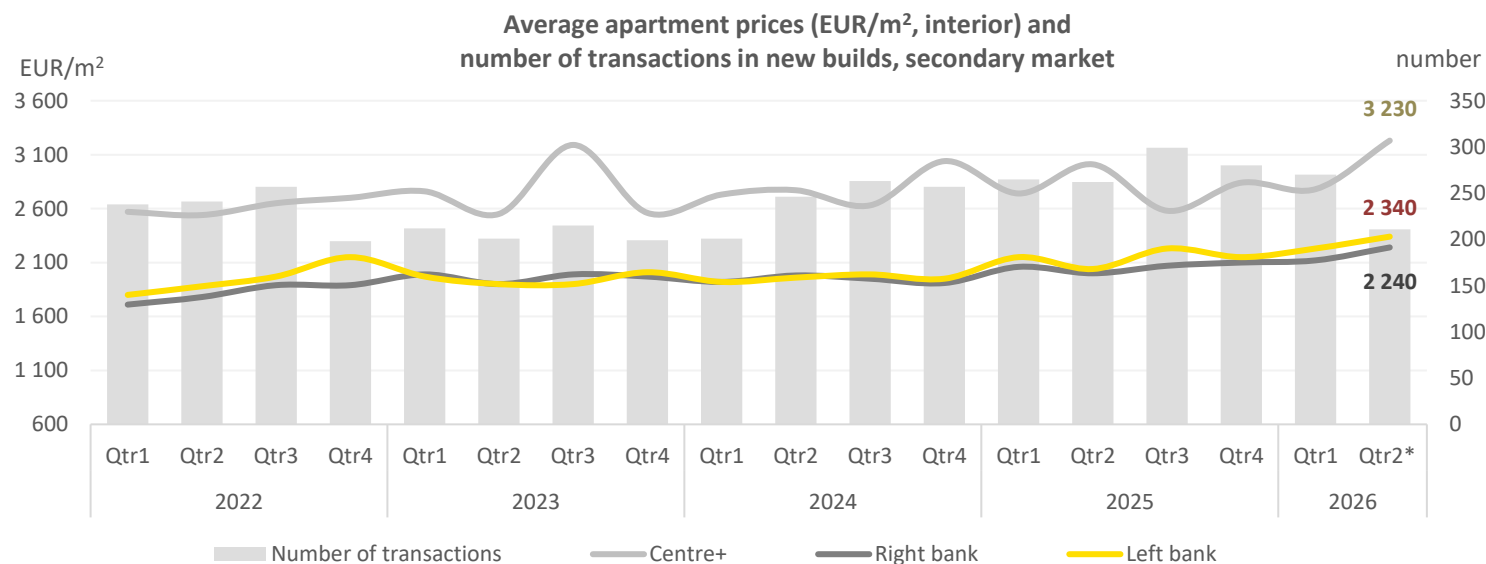
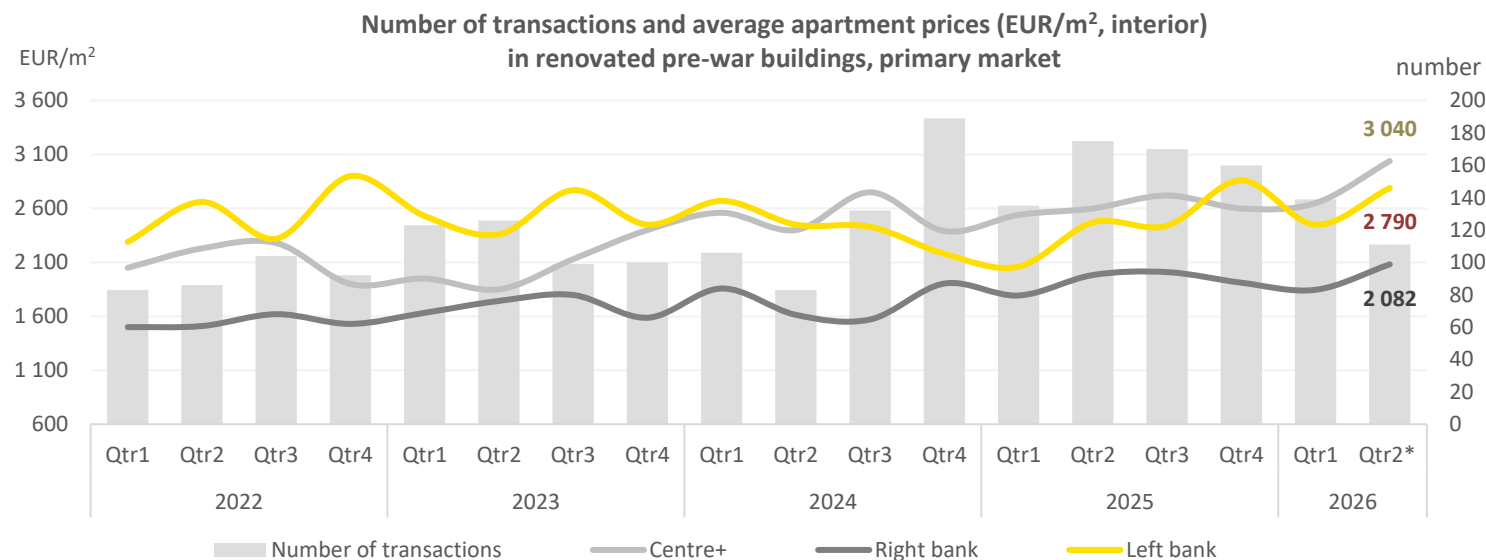


### TOP 5 most expensive areas

| Left-bank neighbourhood | EUR/m <sup>2</sup> |
|-------------------------|--------------------|
| Āgenskalns              | 1380               |
| Pleskodāle              | 1350               |
| Šampēteris              | 1320               |
| Zolitūde                | 1240               |
| Zasulauks               | 1220               |

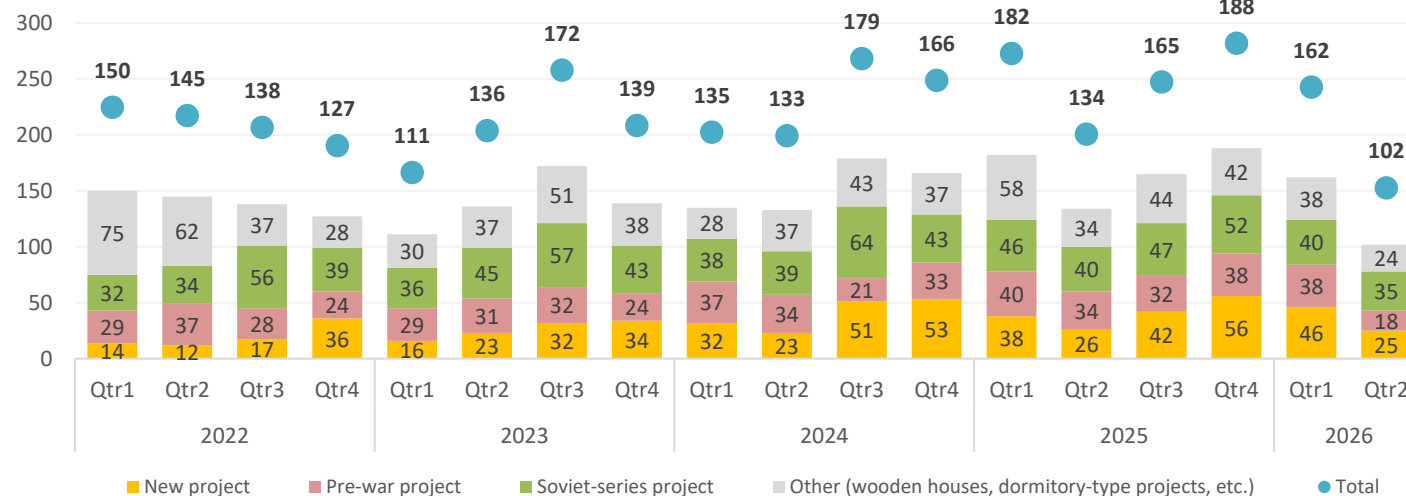
| Right-bank neighbourhood | EUR/m <sup>2</sup> |
|--------------------------|--------------------|
| Teika                    | 1280               |
| Čiekurkalns              | 1260               |
| Purvciems                | 1180               |
| Dārziems                 | 1180               |
| Pļavnieki                | 1170               |

# RENOVATED PROJECT TRANSACTIONS



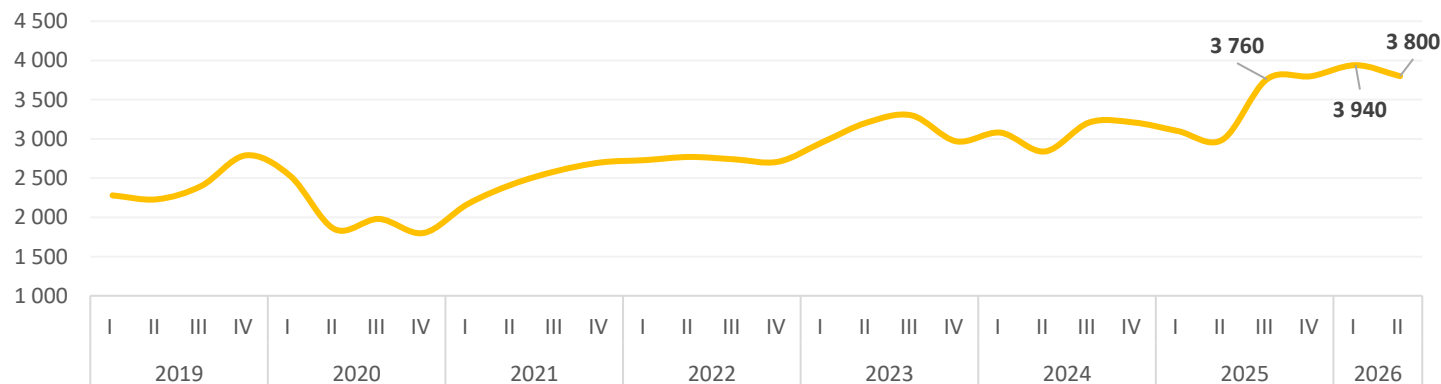
# RENOVATED PROJECT TRANSACTIONS

Transactions with apartments of 15–25 m<sup>2</sup> in Riga



EUR/m<sup>2</sup>  
(interior)

15-25 m<sup>2</sup> apartments: average prices in renovated pre-war buildings in central Riga



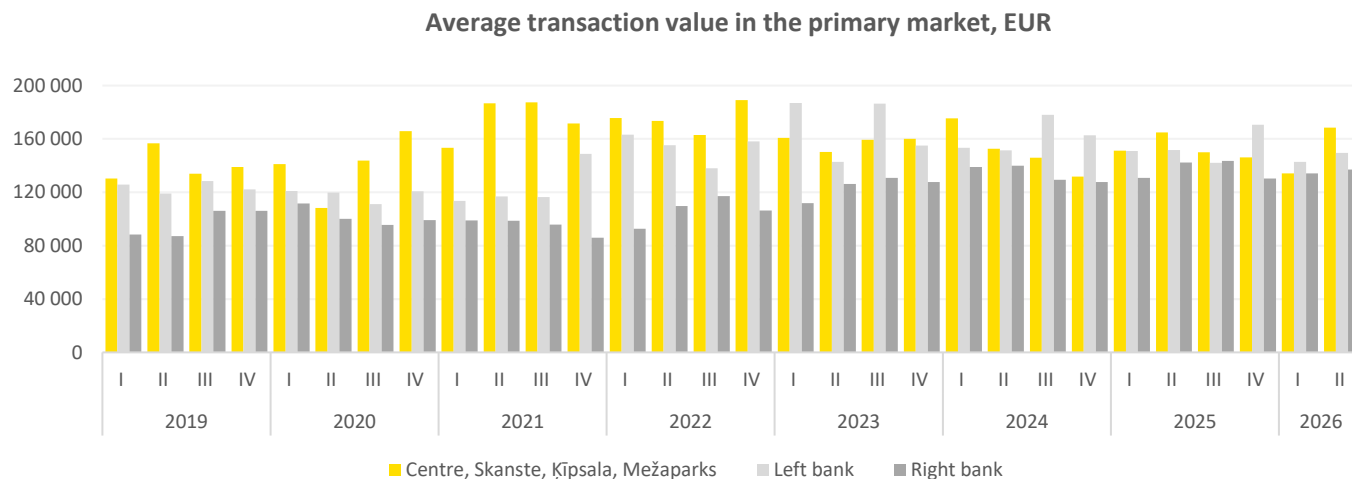
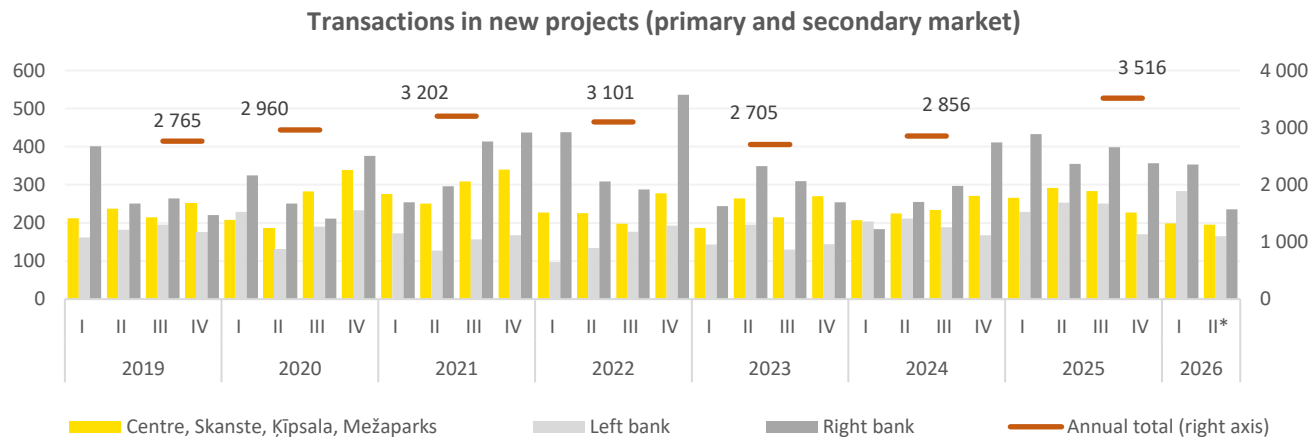
Browsing listing portals, one increasingly comes across properties that raise just one question – who would want to buy a 19 m<sup>2</sup> home? And who would want to, or physically could, live in one? Despite the scepticism, micro-homes are in demand and popular, and the price per square metre of small apartments in many cases already equals or even exceeds the price of new projects in certain Riga neighbourhoods. The average price of a 15–25 m<sup>2</sup> home in Riga centre has increased by ~13% over the year and now reaches 3800 EUR/m<sup>2</sup>.

The popularity of micro-apartments began to take off even before the pandemic, but grew especially rapidly after it. They are actively bought by small investors, foreign students, expats staying in Riga for a fixed period, and well-paid IT specialists looking for a small place to live outside the family home who do not want to work remotely from a noisy home environment. Mini-apartments are particularly attractive to small private investors, as the yield on such properties usually exceeds 6% and they can be rented out quickly.

Such apartments occupy a very specific niche in the market. Most of these properties are available in renovated pre-war buildings in Riga centre. They are most often bought by investors – both private individuals and legal entities – for EUR 70 000 to 90 000. The apartment is given a cosmetic upgrade, furnished in a modern style following the best “Pinterest” traditions, and then rented out.

Rents in this segment vary widely – from EUR 250 per month in the outer centre to as much as EUR 1 000 per month for high-quality renovated apartments in the heart of the city.

# TRANSACTIONS IN NEW PROJECTS



The largest number of primary market transactions in the first half of 2026 took place in the following projects (*number of transactions and average price per m<sup>2</sup> of interior area shown*):

## Riga centre, Skanste, Mežaparks and Ķīpsala:

- Šefela Nams (33; 3280 EUR/m<sup>2</sup>)
- Lāčplēša 36 (13; 2680 EUR/m<sup>2</sup>)
- Moho Garden (13; 3500 EUR/m<sup>2</sup>)
- Place 4 (10; 3 740 EUR/m<sup>2</sup>)
- Spārģeļu 10 (11; 2390 EUR/m<sup>2</sup>)

## Right bank of the Daugava:

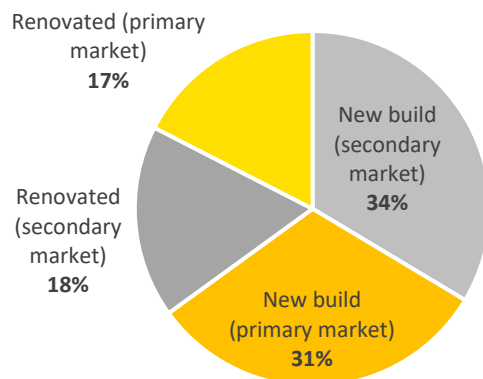
- Deglava Gleznatāju rezidence (58; 2380 EUR/m<sup>2</sup>)
- Kaivas kvartāls (47; 2480 EUR/m<sup>2</sup>)
- Ezerjugla (24; 2650 EUR/m<sup>2</sup>)
- Maskavas 146A (19; 1620 EUR/m<sup>2</sup>)
- Dreiliņu priedes (17; 2700 EUR/m<sup>2</sup>)
- Ezera SOLO (15; 1390 EUR/m<sup>2</sup>)
- Valterciems (15; 2660 EUR/m<sup>2</sup>)
- Čiekurkalna lofti (14; 2740 EUR/m<sup>2</sup>)
- Trebū Home (9; 2580 EUR/m<sup>2</sup>)

## Left bank of the Daugava:

- Pīlādžu mājas (76; 2420 EUR/m<sup>2</sup>)
- Parka kvartāls (36; 2610 EUR/m<sup>2</sup>)
- Ziepniekkalna kāpa (15; 2850 EUR/m<sup>2</sup>)
- Mimosa (12; 2920 EUR/m<sup>2</sup>)
- Smilģa 29 (11; 3290 EUR/m<sup>2</sup>)
- Lielirbes 9A (9; 2600 EUR/m<sup>2</sup>)
- Mazā Nometņu 24 (9; 3020 EUR/m<sup>2</sup>)
- Raņķa dambis 31 (8; 1780 EUR/m<sup>2</sup>)
- Grafīts (8; 2780 EUR/m<sup>2</sup>)

# TRANSACTIONS AND PRICES IN NEW PROJECTS

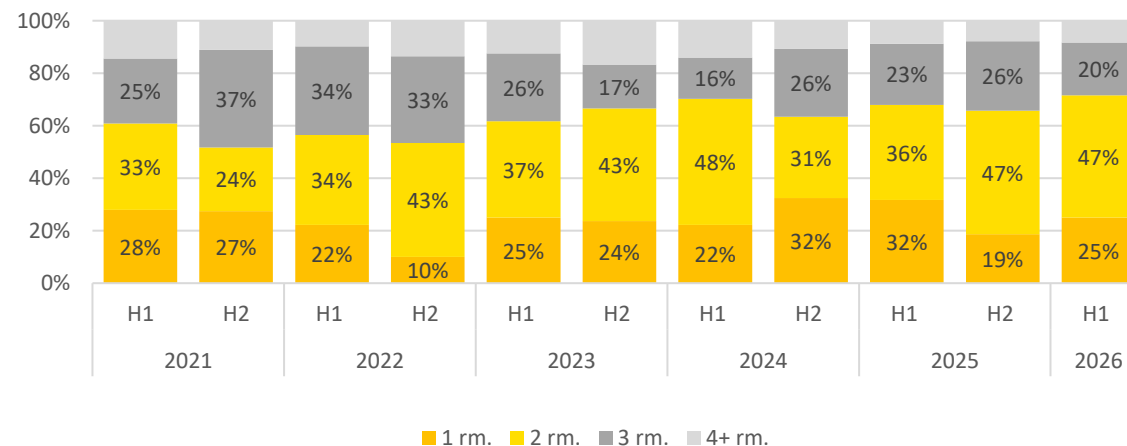
Transactions in new projects



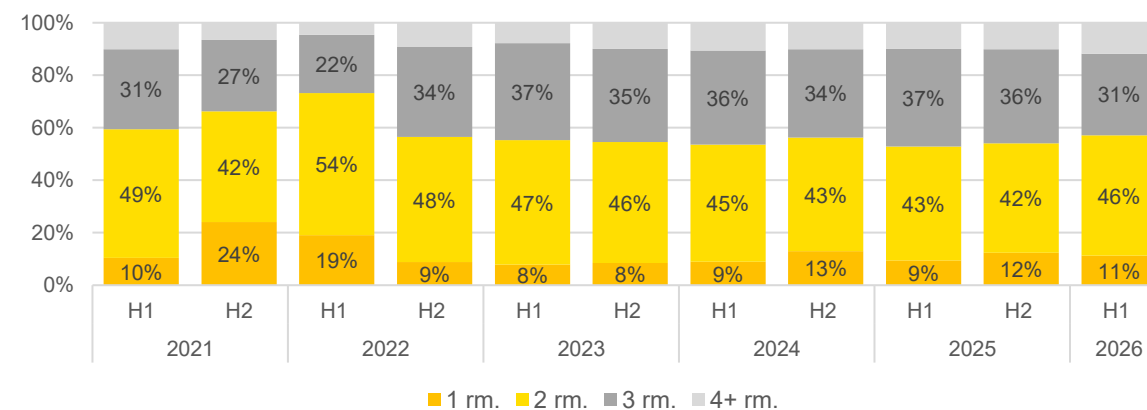
Average interior prices in the primary market in H1 2026, compared with H1 2025

|                                            | New builds                        | Renovated pre-war buildings       |
|--------------------------------------------|-----------------------------------|-----------------------------------|
| Centre, Skanste, Mežaparks, Ķīpsala        | 3 670 EUR/m <sup>2</sup><br>(+7%) | 2 805 EUR/m <sup>2</sup><br>(+4%) |
| Left bank of the Daugava                   | 2 680 EUR/m <sup>2</sup><br>(+1%) | 2 580 EUR/m <sup>2</sup><br>(+1%) |
| Right bank of the Daugava                  | 2 610 EUR/m <sup>2</sup><br>(+1%) | 1 960 EUR/m <sup>2</sup><br>(+1%) |
| Exclusive projects, regardless of location | 3 950 EUR/m <sup>2</sup><br>(+6%) |                                   |

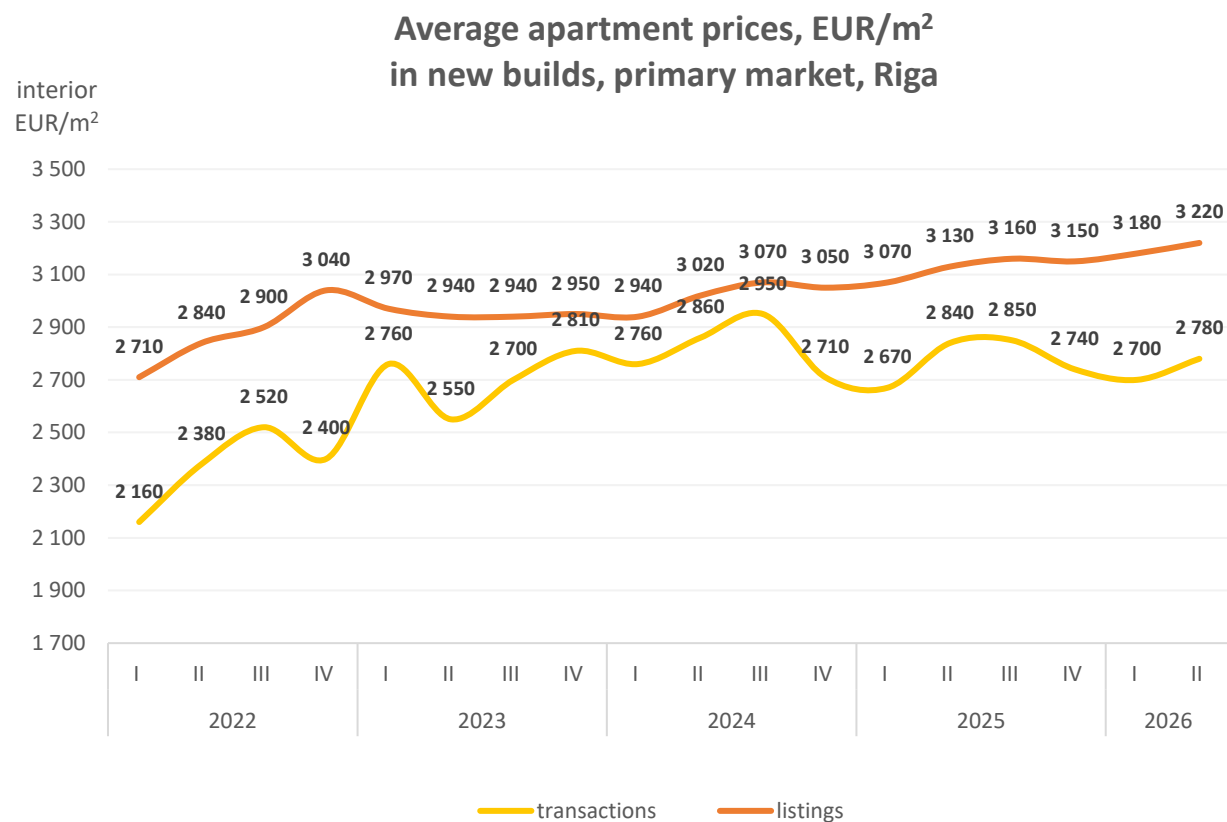
Primary sales in new projects  
(Centre, Skanste, Mežaparks, Ķīpsala)



Primary sales in new projects (rest of Riga)

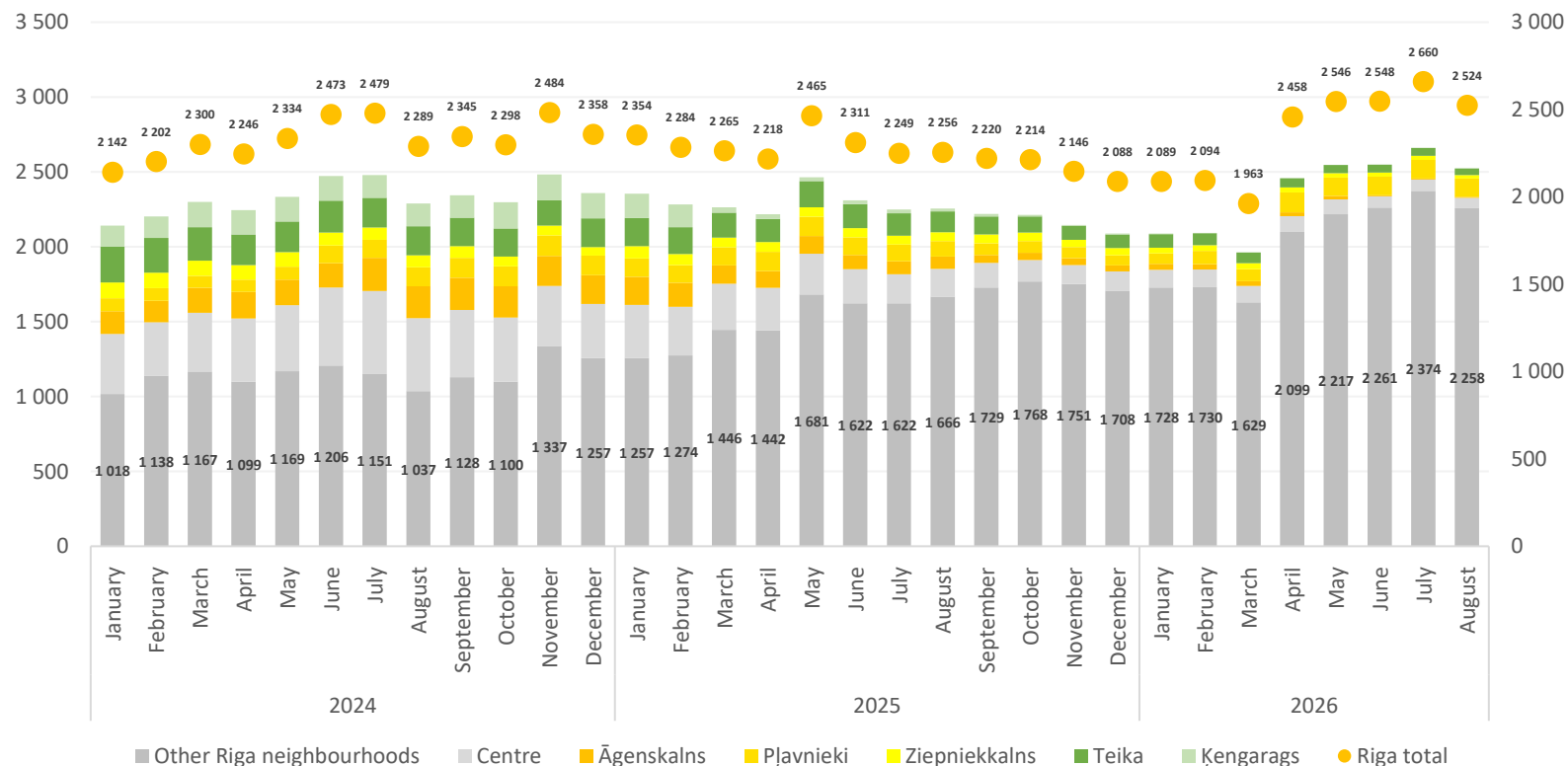


# NEW PROJECT SEGMENT



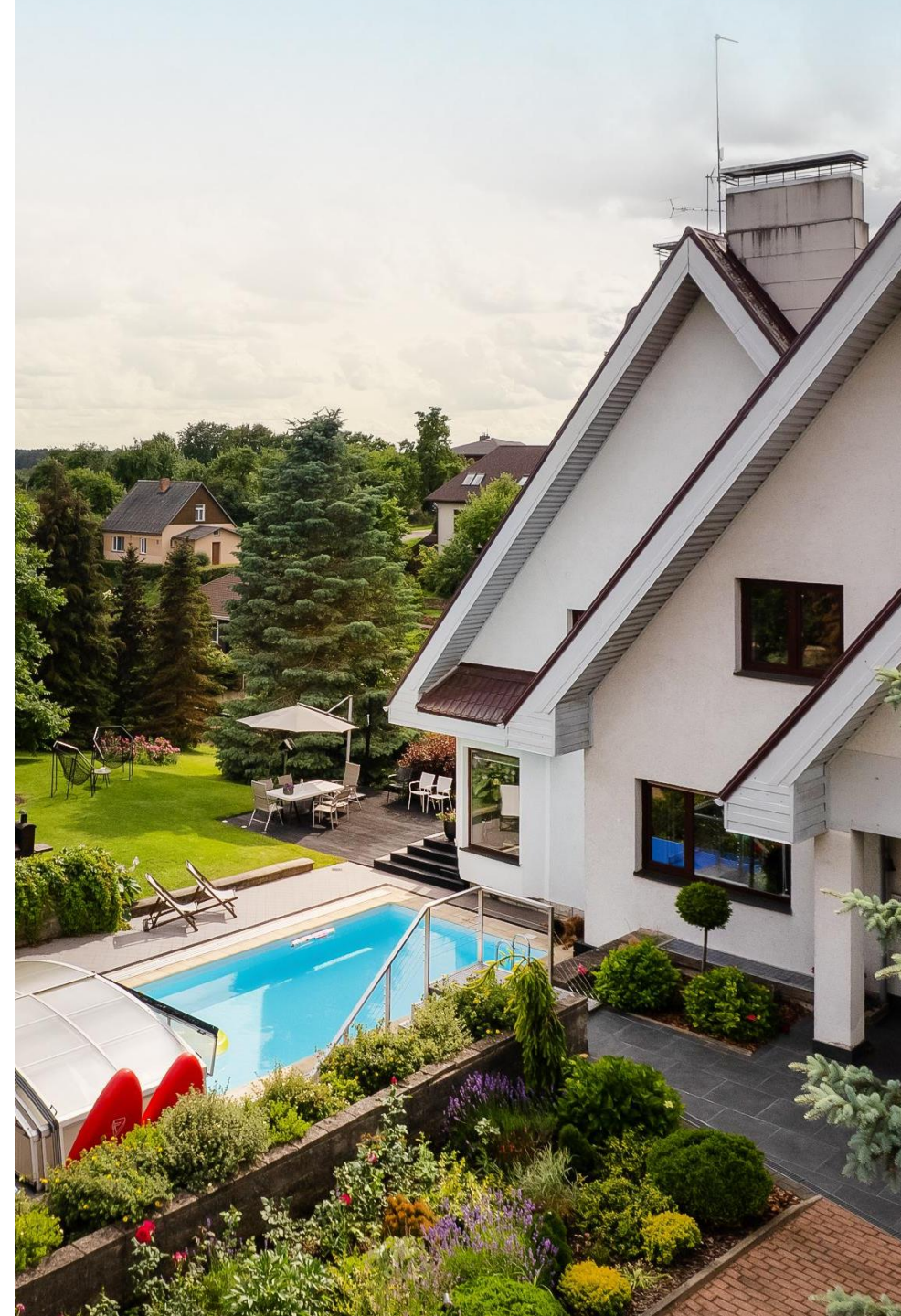
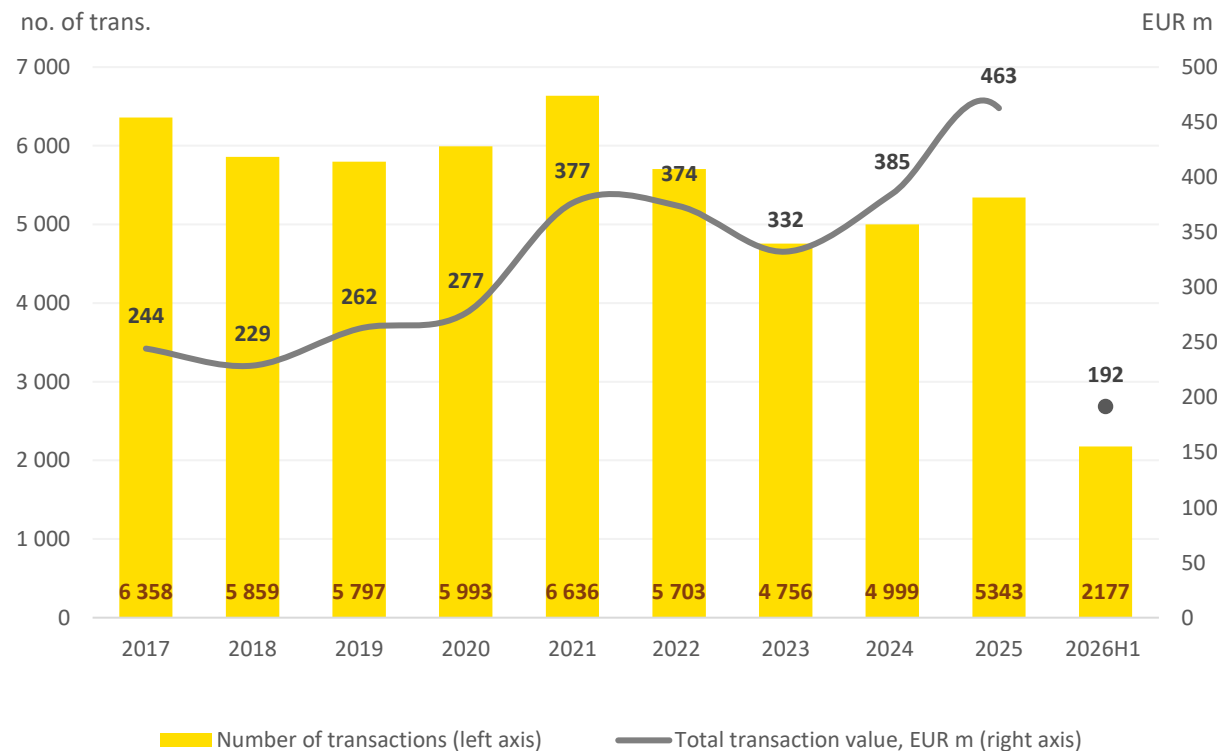
## NEW PROJECT SEGMENT

Number of new-build and renovated apartments  
on offer in the primary market at month-end



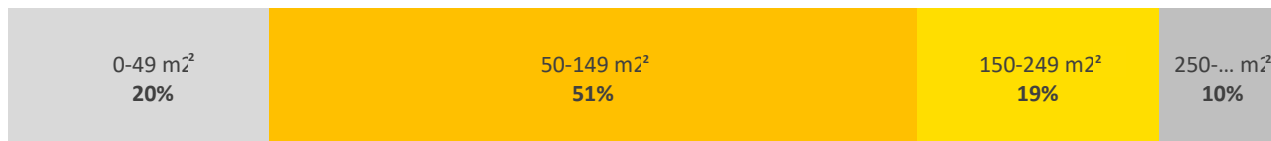
# PRIVATE HOUSE SEGMENT

## Number and total value of transactions



# PRIVATE HOUSE SEGMENT

Share of transactions by house floor area



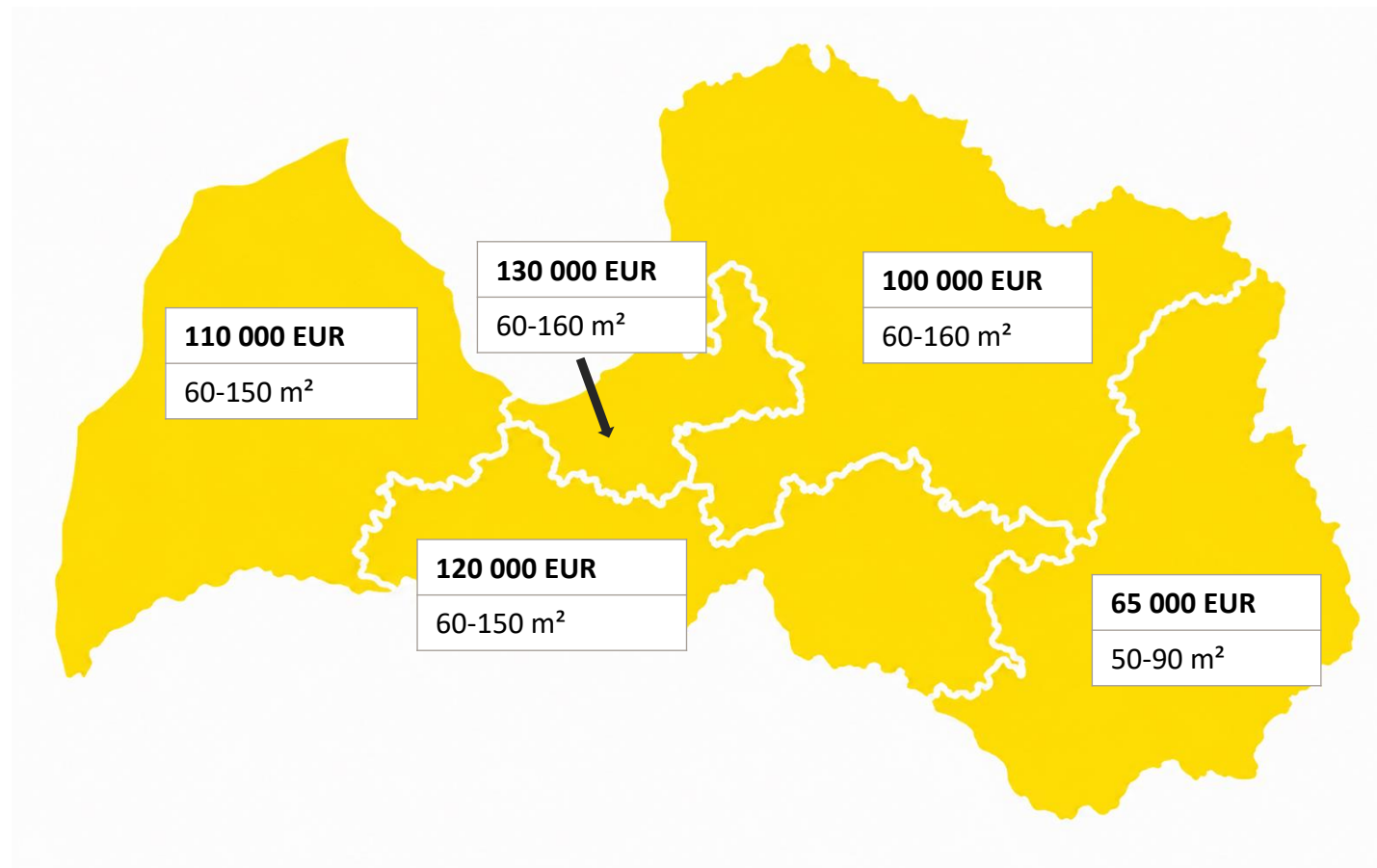
Share of transactions by year of construction



Share of transactions by number of floors



# PRIVATE HOUSE PRICES AND MOST POPULAR FLOOR AREAS

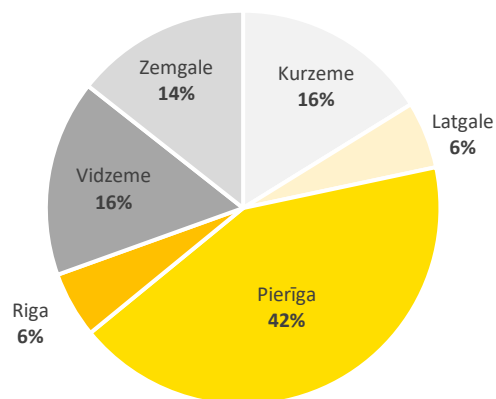


Average transaction values are shown for private houses of 50-150 m² built before 1999.

| Active Pierīga                 |             |
|--------------------------------|-------------|
| Most popular floor areas       | 70 – 220 m² |
| up to 100 m², built after 2000 | 145 000 EUR |
| 100-150 m², built after 2000   | 230 000 EUR |
| 150-200 m², built after 2000   | 260 000 EUR |
| 200-250 m², built after 2000   | 335 000 EUR |

# LAND FOR PRIVATE HOUSING

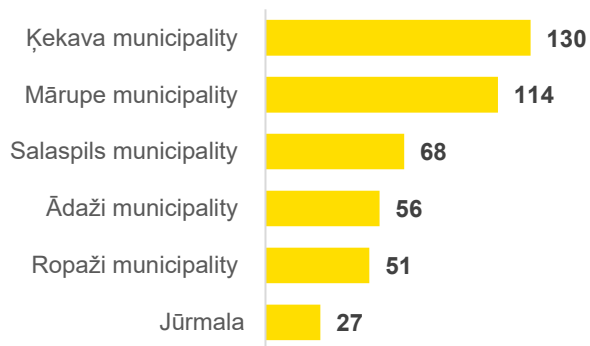
Distribution of transactions  
by region



2026H1/2025H1

|                 |      |
|-----------------|------|
| Kurzeme         | +8%  |
| Latgale         | +25% |
| Rest of Pierīga | +22% |
| Rīga            | -12% |
| Vidzeme         | +17% |
| Zemgale         | +9%  |

Transactions in selected Pierīga  
municipalities



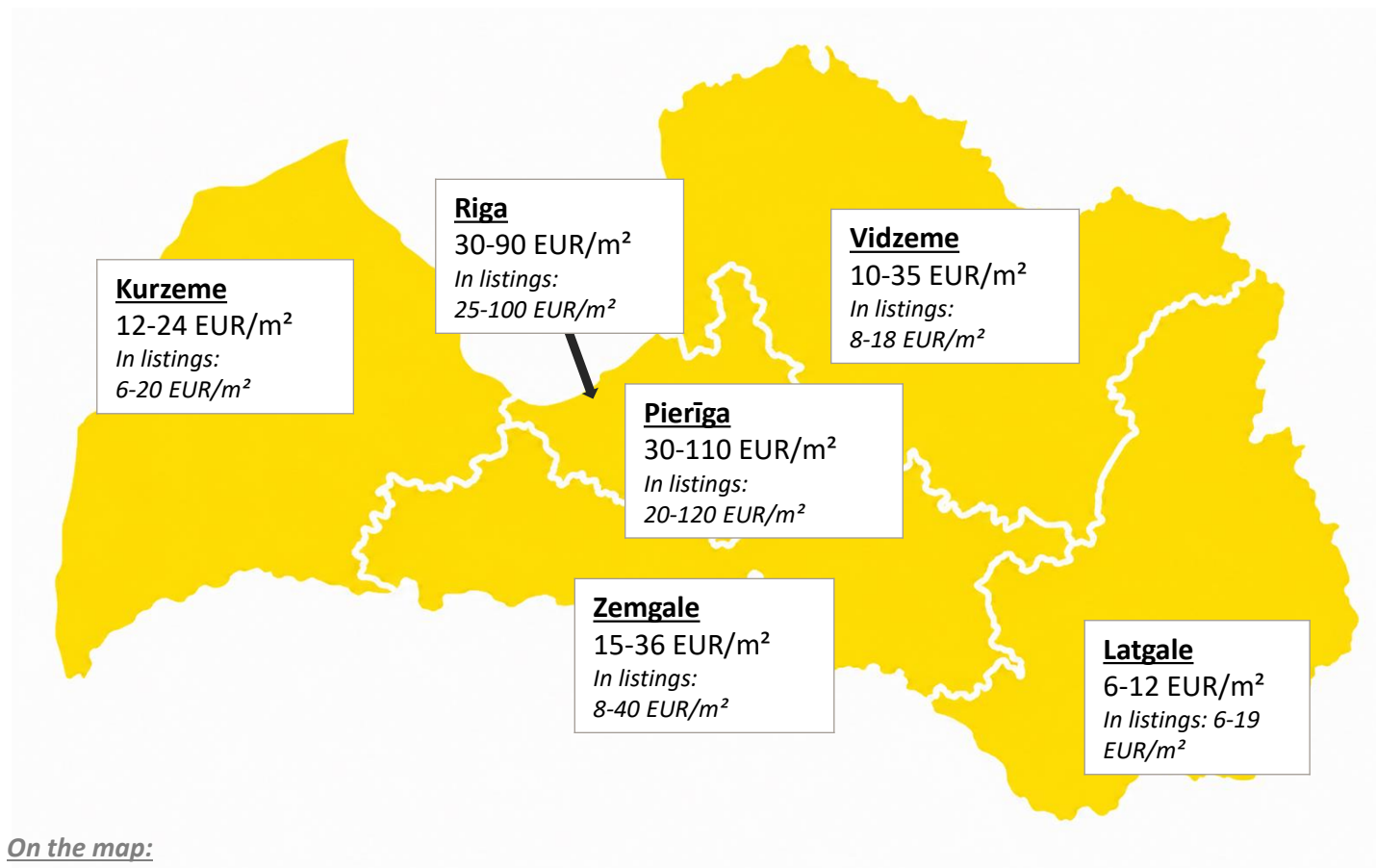
2026H1/2025H1

|                        |      |
|------------------------|------|
| Mārupe municipality    | +19% |
| Ķekava municipality    | +76% |
| Salaspils municipality | +8%  |
| Ādaži municipality     | +2%  |
| Ropaži municipality    | -18% |
| Jūrmala                | +55% |

\* Undeveloped land for private housing. The calculations *used* data on transactions with land plots of 500–5000 m<sup>2</sup> in Rīga and Jūrmala and 500–11000 m<sup>2</sup> in other areas.



## AVERAGE PRICES – LAND FOR PRIVATE HOUSING



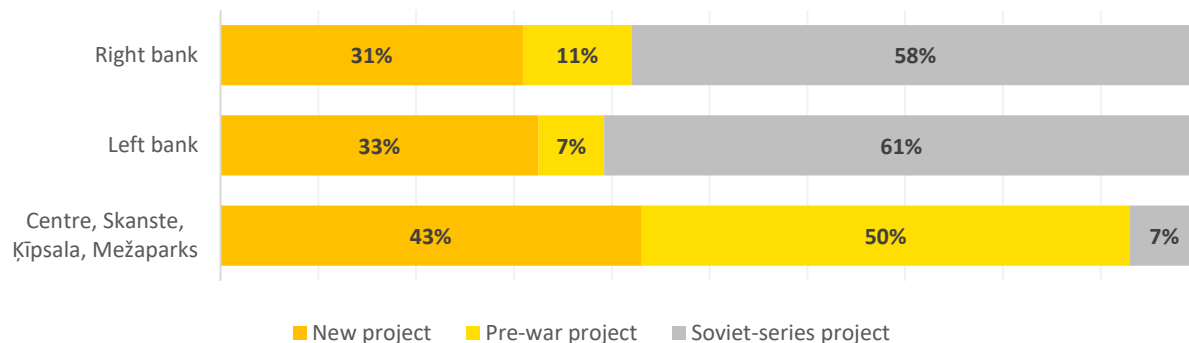
Average prices in Active Pierīga (EUR/m<sup>2</sup>)

|                        | Most frequently registered sale price ranges | Most frequently advertised price ranges |
|------------------------|----------------------------------------------|-----------------------------------------|
| Ādaži municipality     | 20-70                                        | 15-80                                   |
| Ķekava municipality    | 25-60                                        | 15-70                                   |
| Mārupe municipality    | 30-110                                       | 20-90                                   |
| Ropaži municipality    | 15-57                                        | 17-38                                   |
| Salaspils municipality | 12-47                                        | 10-35                                   |
| Jūrmala                | 35-300                                       | 20-400                                  |

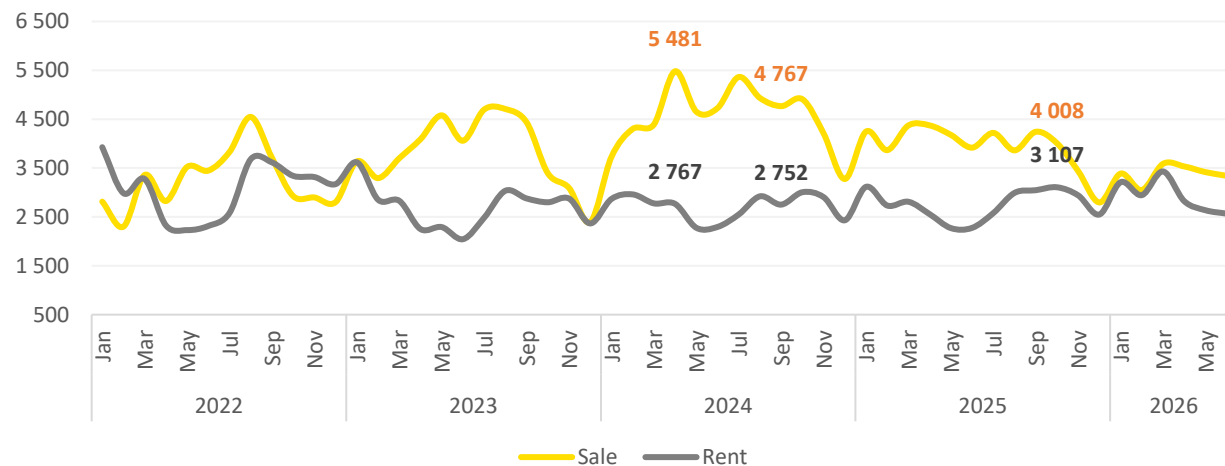
R E N T A L S E G M E N T

# LONG-TERM RENTAL HOUSING

Long-term rental apartment listings by building project and location

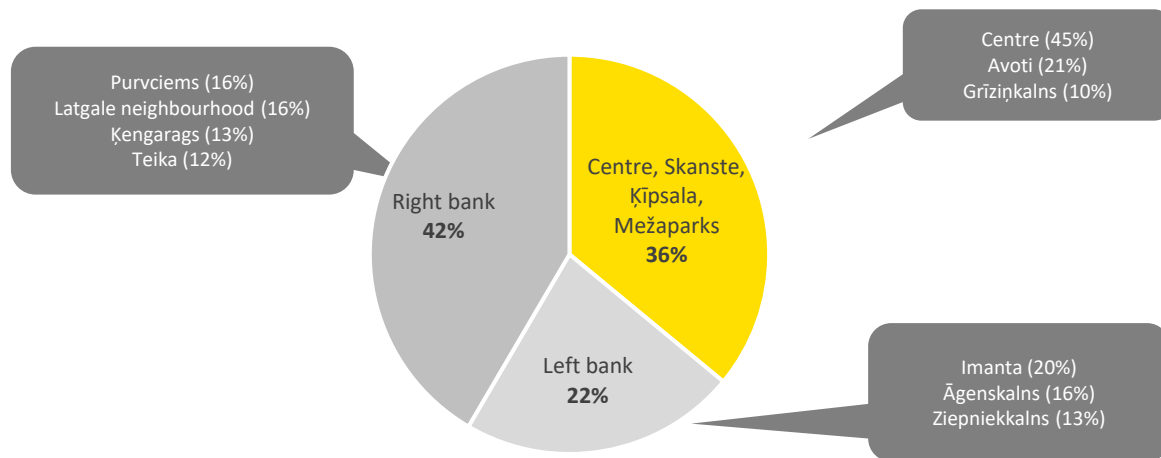


Apartment sale and rental listings, Riga

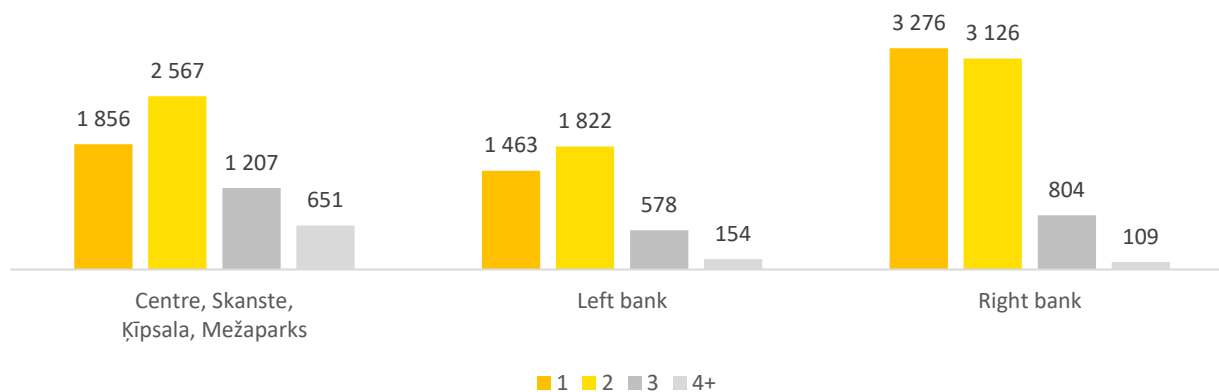


# LONG-TERM RENTAL HOUSING

Number of long-term rental listings



Number of primary long-term rental listings by number of rooms



# LONG-TERM RENTAL SUPPLY IN RIGA'S MOST POPULAR NEIGHBOURHOODS AND PROJECTS

## LEFT BANK

| Neighbourhood<br>(% of left bank listings) | Project<br>(% of neighbourhood listings) | 1-room apartment<br>(EUR/month) | 2-room apartment<br>(EUR/month) |
|--------------------------------------------|------------------------------------------|---------------------------------|---------------------------------|
| Imanta (20%)                               | Soviet-series project (74%)              | 300                             | 360                             |
|                                            | New project (26%)                        | 500                             | 560                             |
| Āgenskalns (16%)                           | Soviet-series project (38%)              | 330                             | 410                             |
|                                            | Unrenovated pre-war project (23%)        | 320                             | 440                             |
|                                            | New project (39%)                        | 460                             | 720                             |
| Ziepniekkalns (13%)                        | Soviet-series project (75%)              | 290                             | 370                             |
|                                            | New project (24%)                        | 400                             | 550                             |

## CENTRE, MEŽAPARKS, ĶĪPSALA

| Neighbourhood<br>(% of Centre, Mežaparks, Ķīpsala listings) | Project<br>(% of neighbourhood listings) | 1-room apartment | 2-room apartment |
|-------------------------------------------------------------|------------------------------------------|------------------|------------------|
| Centre (45%)                                                | Unrenovated pre-war project (51%)        | 390              | 580              |
|                                                             | New project (45%)                        | 530              | 760              |

## RIGHT BANK

| Neighbourhood<br>(% of right bank listings) | Project<br>(% of neighbourhood listings) | 1-room apartment<br>(EUR/month) | 2-room apartment<br>(EUR/month) |
|---------------------------------------------|------------------------------------------|---------------------------------|---------------------------------|
| Purvciems (16%)                             | Soviet-series project (76%)              | 300                             | 370                             |
|                                             | New project (23%)                        | 440                             | 550                             |
| Latgale neighbourhood (16%)                 | Soviet-series project (19%)              | 320                             | 400                             |
|                                             | New project (48%)                        | 340                             | 530                             |
|                                             | Unrenovated pre-war project (33%)        | 320                             | 400                             |
| Kengarags (13%)                             | Soviet-series project (78%)              | 290                             | 340                             |
|                                             | New project (21%)                        | 350                             | 450                             |
| Pļavnieki (11%)                             | Soviet-series project (80%)              | 300                             | 370                             |
|                                             | New project (20%)                        | 490                             | 550                             |
| Teika (12%)                                 | Soviet-series project (38%)              | 310                             | 410                             |
|                                             | New project (41%)                        | 350                             | 610                             |

R E G I O N S

**Total transaction value\***

EUR 40m      Y/Y      ▼      -1 %

**Median transaction value\***

EUR 17 000      Y/Y      ▲      + 6 %

**Number of transactions\***

~ 1 250      Y/Y      ▼      - 10 %

*\*All transactions with apartments and private houses from January to June 2026 compared with the same period of 2025*

In **ZEMGALE**, the housing market remained active in the first half of 2026, with transactions taking place in all major segments. Sellers' expectations were generally met, but only when the property price matched its actual market value. For owners who significantly overvalued their properties, selling was more difficult – in some cases sellers' price expectations differed from the market situation by as much as around 40%. This shows that, despite generally more favourable market activity, buyers remain rational enough and are not prepared to pay a disproportionately high price.

On the buyers' side, the main problem is the lack of quality supply. Demand remains particularly high for new or quality-renovated private houses of up to around 130 m<sup>2</sup>, as well as for three-room and larger apartments in good technical condition. The supply of such properties is limited, while demand is further constrained by the price level. Properties priced in line with the market, on the other hand, find a buyer sooner or later.

The supply of new square metres is becoming increasingly active. Several new multi-apartment projects are being prepared in Jelgava, construction of two projects has begun, and early reservations have started. This is an important signal for the regional housing market, as the shortage of quality new projects has so far been one of the most significant supply constraints.

Interest has also grown in the commercial property segment. Businesses are looking for premises to rent, buying commercial land and investing in new buildings for their own needs. Projects related to retail, medical and office functions are being developed in Jelgava, indicating continued business activity in the region.

In the apartment segment, particularly strong demand is seen for small apartments, including one-room apartments on the ground floor. For example, when a building with 70 one-room apartments was put on the market, the strongest interest was precisely in the first and second floors. Such properties are bought both by seniors for themselves or by their relatives, and by investors who plan to use them for short-term rentals.

Buyer requirements have not changed much overall. In the private house segment, preference is still given to small, well-maintained, functional houses, while the apartment market wants larger homes with at least three rooms. At the same time, selling old, large private houses is becoming increasingly difficult.

**INESE ŠTORHA**Real Estate Transaction Manager  
in Zemgale



Houses built in the 1990s with a floor area of 250 m<sup>2</sup> or more are particularly problematic: their maintenance costs are high, while the interior and layout often do not meet the expectations of today's buyers. Such properties can stay on the market for a long time, and their price per square metre is significantly lower than that of smaller houses in comparable technical condition.

The quality of supply is generally improving – more and more properties with cosmetic or major renovation are coming onto the market, while the supply of Soviet-era properties in need of renovation is not excessively large. This further increases the importance of quality homes that buyers can use straight away.

In the land market, demand remains in locations with good infrastructure, well-kept surroundings and convenient access. Most buyers purchase land for their own needs in order to build a private house, while the activity of private developers in this segment is relatively limited. Construction of new private houses therefore continues, but no significant breakthrough compared with the previous period can be observed.

There are no significant changes in lending. Banks continue to finance transactions, but so far there is no pronounced interest in the region in the new ALTUM lending solutions for regional properties. In the rental market, demand remains for both private and public sector supply, but the availability of low-cost rental housing does not always match residents' actual financial means. The first winter of operation in some low-cost rental projects showed that some potential tenants cannot cover the total housing costs, so tenant selection and income assessment approaches have had to be improved. At the same time, the market lacks larger rental apartments.

Overall, the first half of 2026 in Zemgale confirms that demand for housing remains stable, but the quality of supply and the alignment of price with market value are becoming increasingly important. Buyers are ready to purchase properties, but they place particular value on functional floor area, good technical condition, lower maintenance costs and a convenient location. Meanwhile, large, outdated private houses with high maintenance costs continue to lose competitiveness.

**INESE ŠTORHA**

Real Estate Transaction Manager  
in Zemgale





#### Total transaction value\*

EUR 54.1m      Y/Y      ▲      0 %

#### Median transaction value\*

EUR 22 000      Y/Y      ▲      + 9 %

#### Number of transactions\*

~ 1 400      Y/Y      ▼      - 6 %

*\*All transactions with apartments and private houses from January to June 2026 compared with the same period of 2025*

In **VIDZEME**, market activity remained stable, while buyers' preference for quality and energy-efficient homes became ever more clearly defined. Prices rose by around 5–6% overall, and buyers were prepared to accept this increase, especially in Valmiera and Cēsis, where demand remains high. At the same time, market activity varies significantly depending on location, building and the technical condition of the property. The most sought-after are 3–4-room apartments and homes that have undergone quality renovation in recent years, as well as private houses of around 100–120 m<sup>2</sup> in good technical condition.

An important trend is the concentration of demand in and around the region's largest towns. Buyers increasingly assess the availability of everyday infrastructure, job opportunities and ease of commuting, so new private housing areas are also forming outside town administrative boundaries. Private house construction is also active, especially around Valmiera and Cēsis, as well as in the Smiltene, Limbaži and Madona municipalities. However, the number of land transactions for private housing has decreased, largely due to the limited supply of suitable plots and high total costs – land plus construction does not always match the market value of a finished property.

Buyers have become more cautious and assess more carefully both the property price and future maintenance and investment costs. This is especially evident in the private house segment – smaller, energy-efficient and quality houses are in demand, while large private houses built in the 1990s with a floor area of over 250 m<sup>2</sup> and outdated finishes are considerably harder to sell. Such properties tend to stay on the market longer and are sold at a significantly lower price.

Sellers' price expectations are also increasingly determined by the quality of the property. For energy-efficient, liquid properties in good technical condition the price level has risen, while prices for properties in outdated buildings tend to remain unchanged or are being adjusted. If bank financing is used in a transaction, the market value set by the valuer is also of great importance. Lending opportunities are generally assessed positively, especially in larger towns, but in more remote regions banks assess the property's technical condition, legal order and liquidity more carefully. To build a new house, the buyer often needs to provide 25–30% co-financing, and in some cases the requirements may be even higher.

**DAIGA BLUMBERGA**

Real Estate Transaction Manager  
in Vidzeme





Vidzeme also continues to experience internal migration – residents are moving from smaller settlements and rural areas to Valmiera, Cēsis and other larger towns in the region. At the same time, there is interest from people who, after living in Riga or abroad, choose to return to the region. Properties are also being bought as an investment, especially in towns. The Vidzeme coast, meanwhile, remains attractive for both living and leisure, and transactions take place with houses and land plots of varying quality.

An interesting, albeit isolated, trend can also be seen in smaller towns. For example, Seda, with around 1000 inhabitants, registered about 105 transactions over the year – roughly half the number registered in the town of Valmiera. At the same time, the average apartment price in Seda is only around EUR 2800, so it will be interesting to see whether the town's relatively high transaction activity translates into long-term development.

Further activity is expected in the second half of 2026, as demand for quality housing on the market remains high. There is also potential for owners who have not yet decided whether to sell, rent out or keep their property. Suitable and adequately valued properties find their buyer, while for owners who want to sell it is especially important to prepare the property for the market and set the price in line with its actual quality and location.

**DAIGA BLUMBERGA**

Real Estate Transaction Manager  
in Vidzeme



**Total transaction value\***

EUR 59.4m    Y/Y    ▲    + 11 %

**Median transaction value\***

EUR 20 000    Y/Y    ▲    + 11 %

**Number of transactions\***

~ 1 660    Y/Y    ▼    - 6 %

*\*All transactions with apartments and private houses from January to June 2026 compared with the same period of 2025*

In **KURZEME**, limited supply remained the main challenge. Demand for private houses and apartments remains high, but the choice of suitable properties for buyers is insufficient. This is especially evident in the private house segment – several buyers, having been unable to find suitable offers for a long time, have decided to build a house themselves. As a result, although private house construction in the region has not yet picked up sharply, interest in individual construction is gradually growing.

Buyer requirements have not changed dramatically – spacious homes suitable for families are still sought after. At the same time, increasing attention is being paid to property maintenance costs, the heating system and the related monthly expenses. This means that buyers are evaluating more carefully not only the purchase price, but also the total long-term cost of the home.

The price level has remained stable overall – no significant price changes have been observed in either direction. Sellers' price expectations are mostly reasonable, as property prices are often set based on the bank valuation. Situations where a seller tries to offer a property significantly above the market price are relatively rare. Consequently, the market is currently characterised more by price stability than by a pronounced upward or downward trend.

Access to credit is generally not a major obstacle – buyers apply for loans and banks mostly grant them. However, a more significant problem in the region is buyers' lack of savings for the down payment. Providing the required co-financing is in some cases the very reason why a transaction does not go ahead.

More interesting and higher-quality properties are also gradually appearing on the market. For example, a fully renovated apartment building will soon go on sale. At the same time, there is greater interest in commercial properties around Ventspils. Properties suitable for tourism development or conversion for commercial use are appearing on the market, which may indicate gradually growing investment interest in this segment.

**SANDA AUSTERE**

Real Estate Transaction Manager  
in Kurzeme





Investment potential is particularly linked to the tourism and short-term accommodation segment. Properties that can be adapted for commercial activity are also coming onto the market, and in the future greater interest is expected from investors who see property purchases not only as a place to live but also as an opportunity to earn income from rentals or tourism services.

Demand for land is currently more moderate than demand for finished houses. Buyers often try to find plots at a better price before they reach the public market, including by approaching municipalities. This shows that interest in construction exists, but buyers are sensitive to total costs and try to reduce the initial project costs.

In the second half of 2026, the main hope in the Kurzeme market is for a wider supply of private houses. If the number of suitable properties increases, the current stable demand could turn into a more active transaction market. At the same time, there is also potential in the investment segment – especially for properties that can be used for rentals, tourism services or commercial activities.

**SANDA AUSTERE**

Real Estate Transaction Manager  
in Kurzeme





#### Total transaction value\*

EUR 22.9m    Y/Y    ▲    + 8 %

#### Median transaction value\*

EUR 10 000    Y/Y    ▲    + 15 %

#### Number of transactions\*

~ 1 430    Y/Y    ▲    + 2 %

\*All transactions with apartments and private houses from January to June 2026 compared with the same period of 2025

In **LATGALE**, properties with a correctly determined market value were again successfully sold this half-year, indicating continued buyer activity and a functioning market.

Traditionally, some potential buyers took a wait-and-see position, expecting a wider supply of quality-renovated properties meeting modern requirements to appear on the market. However, such an increase in supply was not actually observed, and as a result part of the potential transaction volume was not realised either. Thus, the decrease in private house market activity in H1 2026 reflects limitations in the structure and quality of supply rather than a decline in buyer interest.

Emigration for permanent residence outside Latvia is no longer as pronounced as before. Nevertheless, offers still appear on the market from time to time when people who have lived abroad for a while make the final decision to sell their property in Latvia because they do not plan to return. There is also natural migration: some residents of Latgale move to the capital to live or study, while some Riga residents choose to move to Latgale. It is not only people of retirement age who come to Latgale (their flow has decreased after the drone incidents), but also young families, mostly those who can afford to work and earn remotely.

Young people generally pay less attention to the drone incursions and feel less fear, yet these events have had a certain impact on the choice to live or holiday in Latgale. This trend is more typical of people whose lives previously had no or only minimal connection with the Latgale region.

Increased buyer interest is observed in three-room and larger apartments. The supply of such apartments is roughly half that of one- or two-room apartments, which drives demand for them. At the same time, transaction activity in the high-price segment increased significantly. The number of apartment transactions priced at 700 EUR/m<sup>2</sup> or more increased by almost 40% in 2026, indicating stable and even growing demand for quality-renovated properties in good technical condition.

Overall, demand trends in the Latgale apartment market are not changing significantly – buyers still prefer well-maintained, quality-renovated apartments, which command a higher and more stable price level.

**NATĀLIJA MAKUŠEVA**

Real Estate Transaction Manager  
in the Latgale region



R E C E N T   R E G U L A T O R Y  
C H A N G E S

# RECENT CHANGES IN LEGISLATION RELATED TO THE REAL ESTATE SECTOR

## ENTERED INTO FORCE: LAW ON BUILDING RIGHTS FOR RESIDENTIAL RENTAL BUILDINGS

Among the amendments adopted in the first half of 2026, we would like to highlight those related to improving the availability of new housing, which will also make it easier for developers to implement new residential projects and will regulate the creation, use and disposal of parking spaces in multi-apartment buildings.

### I Law on Building Rights for Residential Rental Buildings

**On 6 March 2026, the following entered into force:** Law on Building Rights for Residential Rental Buildings (adopted by the Saeima on 06.02.2026)

The main aim of the law is to **create the legal preconditions**, so that multi-apartment residential rental buildings can be built on state- or municipality-owned land using the building right instrument. Until now, the Civil Law allowed building rights to be used only for non-residential buildings, but the new law extends this scope in order to ease the housing crisis and ensure the availability of energy-efficient housing.

#### What are the benefits for developers?

- Access to land for development: Developers can build residential buildings on land owned by public entities.
- Economic viability: The building right model allows developers to offer residential premises for rent at a reasonable rent in locations where building housing at market prices is not economically viable.
- Opportunity to acquire the land: Once the rental building has been built, put into service and at least 10 years have passed, the developer may propose that the land plot be transferred to its ownership, if provided for in the contract.

#### What are the benefits for municipalities?

- Performance of municipal functions: The law will help municipalities perform their autonomous function of helping residents solve housing issues.
- Control over the allocation of apartments: The municipality and the developer may agree on a personal servitude giving the municipality the right to decide on renting apartments to persons in need of assistance.
- Acquisition of property in the future: When the building right term expires (which cannot exceed 70 years), the municipality acquires ownership of the built rental building free of charge.

#### What benefits can residents expect?

- Housing availability: The number of new, quality and energy-efficient rental homes will increase, especially in the regions.
- Support for households: Residents with insufficient income will be able to rent a home at a price lower than the market price.
- Legal certainty: All established tenancy rights will be registered in the Land Register, ensuring the stability of tenants' rights.

# RECENT CHANGES IN LEGISLATION RELATED TO THE REAL ESTATE SECTOR

## ENTERED INTO FORCE: LAW ON BUILDING RIGHTS FOR RESIDENTIAL RENTAL BUILDINGS

### What are the potential risks and limitations?

- Missed deadlines: If the developer fails to put the rental building into service within the set deadline, the public entity may demand termination of the building right or its sale at a compulsory auction.
- Disposal restrictions: While the building right is in force, the building may not be divided into apartment properties or disposed of in parts.
- Loss of municipal influence: If no personal servitude is established when the land is transferred to the developer, the municipality may lose the ability to offer these apartments as assistance to residents once the existing tenancy agreements expire.
- Loss of investment at the end of the term: Developers must bear in mind that when the contract term ends, the building passes to the public entity free of charge.

Although the law does not set a fixed rent or a method for calculating it, its essence is to ensure rents below the market average so that housing is affordable for residents with lower incomes.



# RECENT CHANGES IN LEGISLATION RELATED TO THE REAL ESTATE SECTOR

## AMENDMENTS TO THE APARTMENT OWNERSHIP LAW

### II Amendments to the Apartment Ownership Law

Noteworthy are the amendments to the Apartment Ownership Law that entered into force on 29 May 2026. The amendments contained in Chapter IV “Rights of use of a part in common ownership” will have a positive impact on both new project developers and buyers of apartment properties.

Key changes most likely to affect new project developers:

- 1) Establishing separate rights of use: Developers now have a clear legal framework to give apartment owners the right to acquire, together with the apartment, the right to use a specific parking space or storage unit. Such rights are established on an undivided physical part of the common property (e.g. a courtyard or basement).
- 2) Shared infrastructure between several residential buildings: Shared infrastructure is an undivided physical part of one residential building’s land plot (the servient property) with engineering structures (excluding utility networks) and landscaping elements, intended for shared use exclusively by the apartment owners of another residential building (the dominant property), where the two buildings are located on different land plots. Shared infrastructure will be registered in the Cadastre Information System as an encumbrance on the servient property.
- 3) Registration of rights of use in the Land Register: Both separate rights of use of a parking space or storage unit and rights of use of shared infrastructure will be registered in the Land Register as rights in rem (servitudes). This will also ensure legal stability and clarity for buyers of apartment properties.

These changes are especially important for developers, because introducing such arrangements in buildings that have already been put into service and sold out will be difficult, as it requires a “yes” vote from all (100%) apartment owners.

We would particularly like to highlight the changes in the use and disposal of parking spaces in multi-apartment buildings, which will make transactions involving apartment properties and parking spaces clearer – an area that has so far often caused disputes about how, and whether, one or another type of parking space can be disposed of:

|                                   | Underground parking space<br>(non-residential premises)                                                                     | Above-ground parking space<br>(separate right of use)                                                                  |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Legal status                      | <b>Separate property</b> (non-residential premises forming part of an apartment property)                                   | <b>Part of the common property</b> , encumbered in favour of a specific apartment property                             |
| Form of ownership                 | <b>Co-ownership</b> (undivided shares of the premises), with the co-owners having agreed on how the parking spaces are used | <b>Right in rem</b> to commonly owned land, used by only one specific owner                                            |
| Registration in the Land Register | Registered as a separate apartment property                                                                                 | Registered as a praedial servitude in the apartment property’s Land Register folio                                     |
| Pre-emption rights                | <b>No pre-emption right</b> for the other co-owners of these premises if a procedure for use has been set                   | Not applicable in the classical sense, as the right is attached to the apartment (the dominant property)               |
| Disposal                          | An undivided share can be sold without the consent of the other co-owners                                                   | Can be sold together with the apartment or separately, but <b>only to another apartment owner in the same building</b> |

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

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