



Ministry of Economics
Republic of Latvia

HOUSING SITUATION IN LATVIA

Edmunds Valantis
Deputy State Secretary

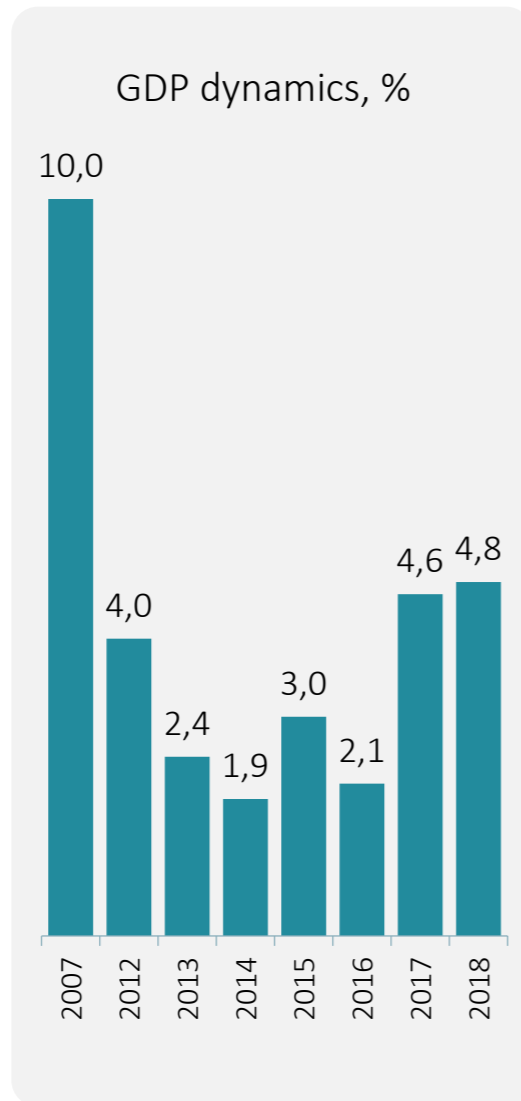
17.04.2019, Tallin



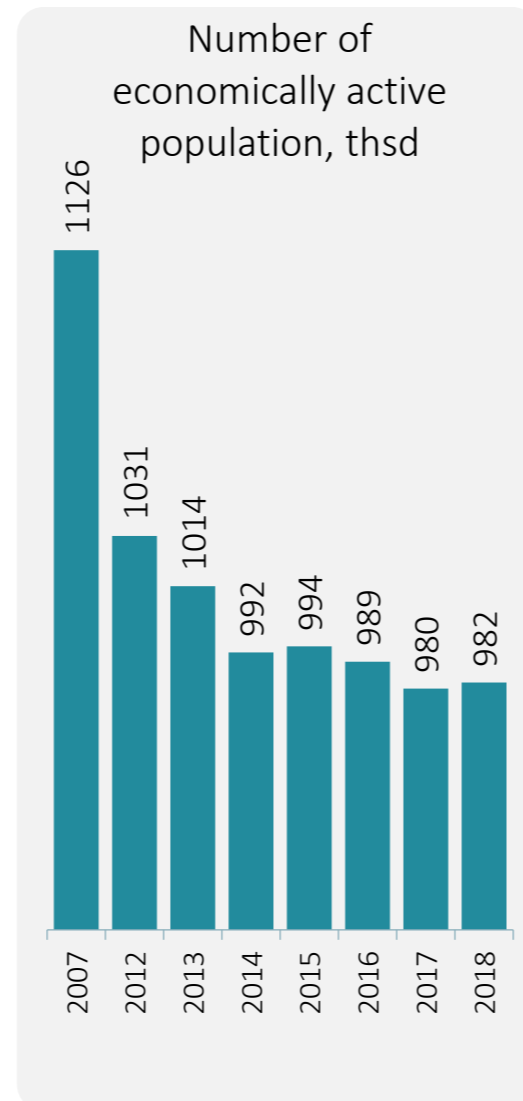
ECONOMIC GROWTH
STIMULATES HOUSING
AFFORDABILITY AND
INVESTMENTS

Strong economic growth facilitate income increase

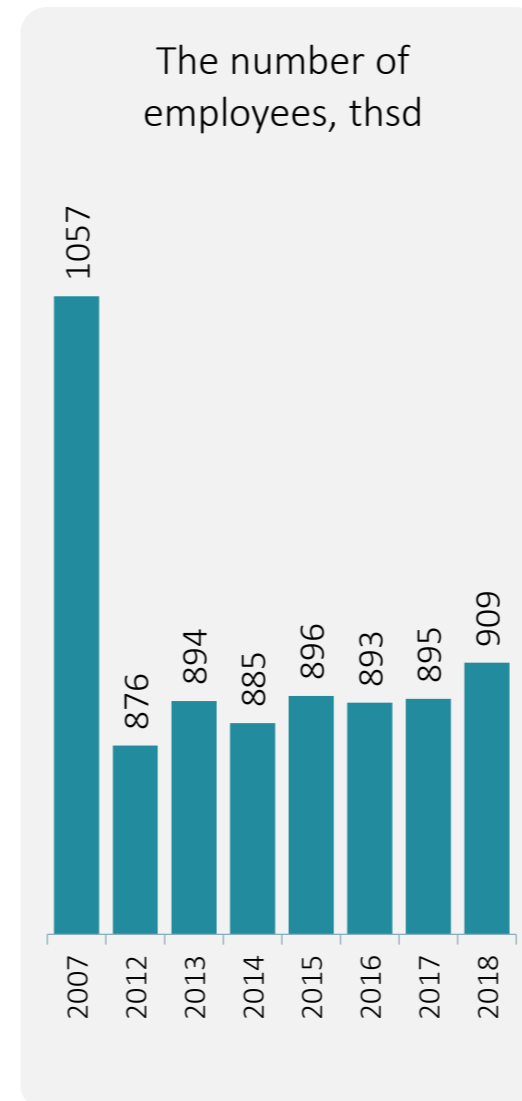
Accelerating economic growth
+4,8%



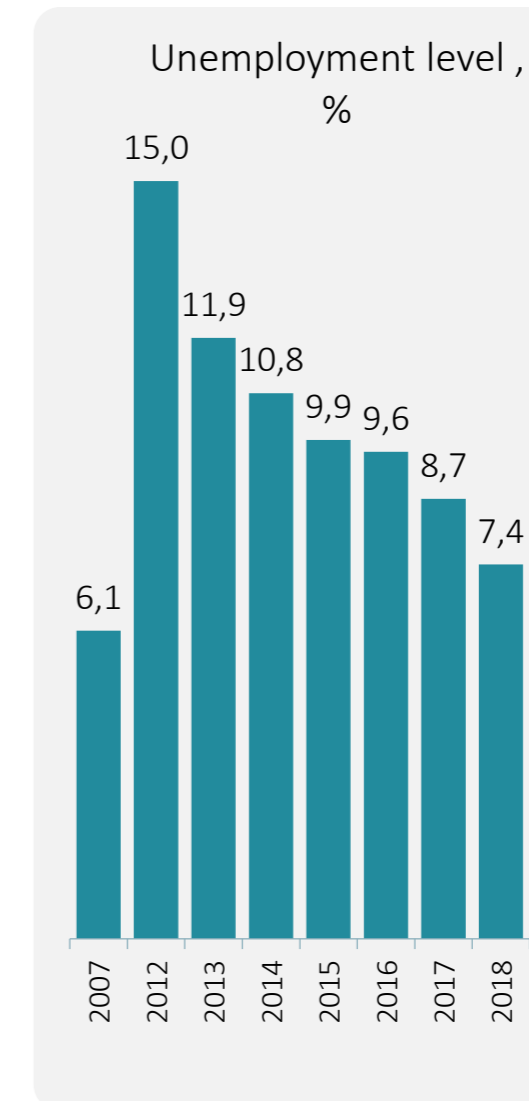
Economically active population
+0,2%



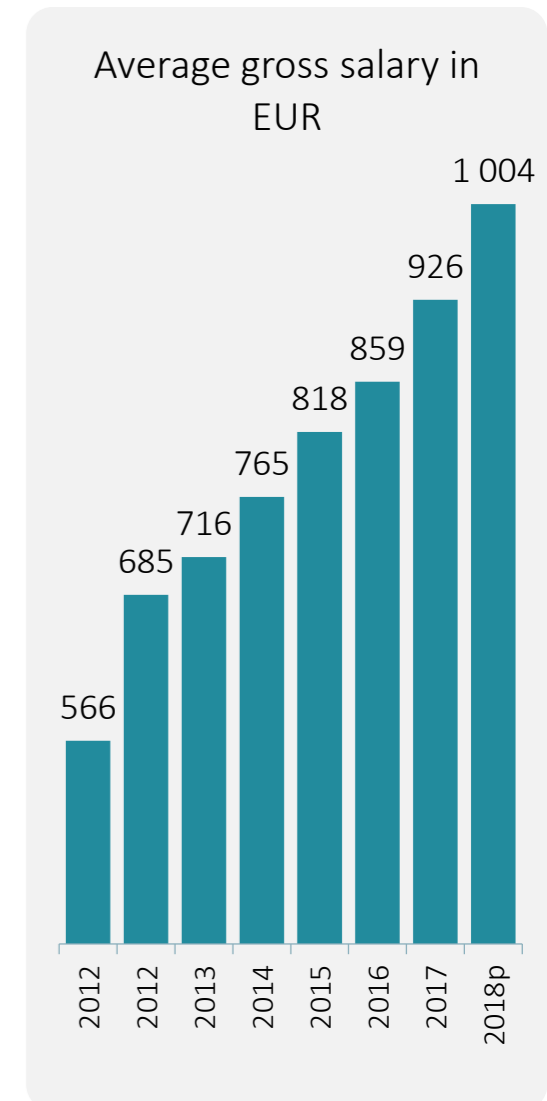
Increasing number of employees
+1,6%



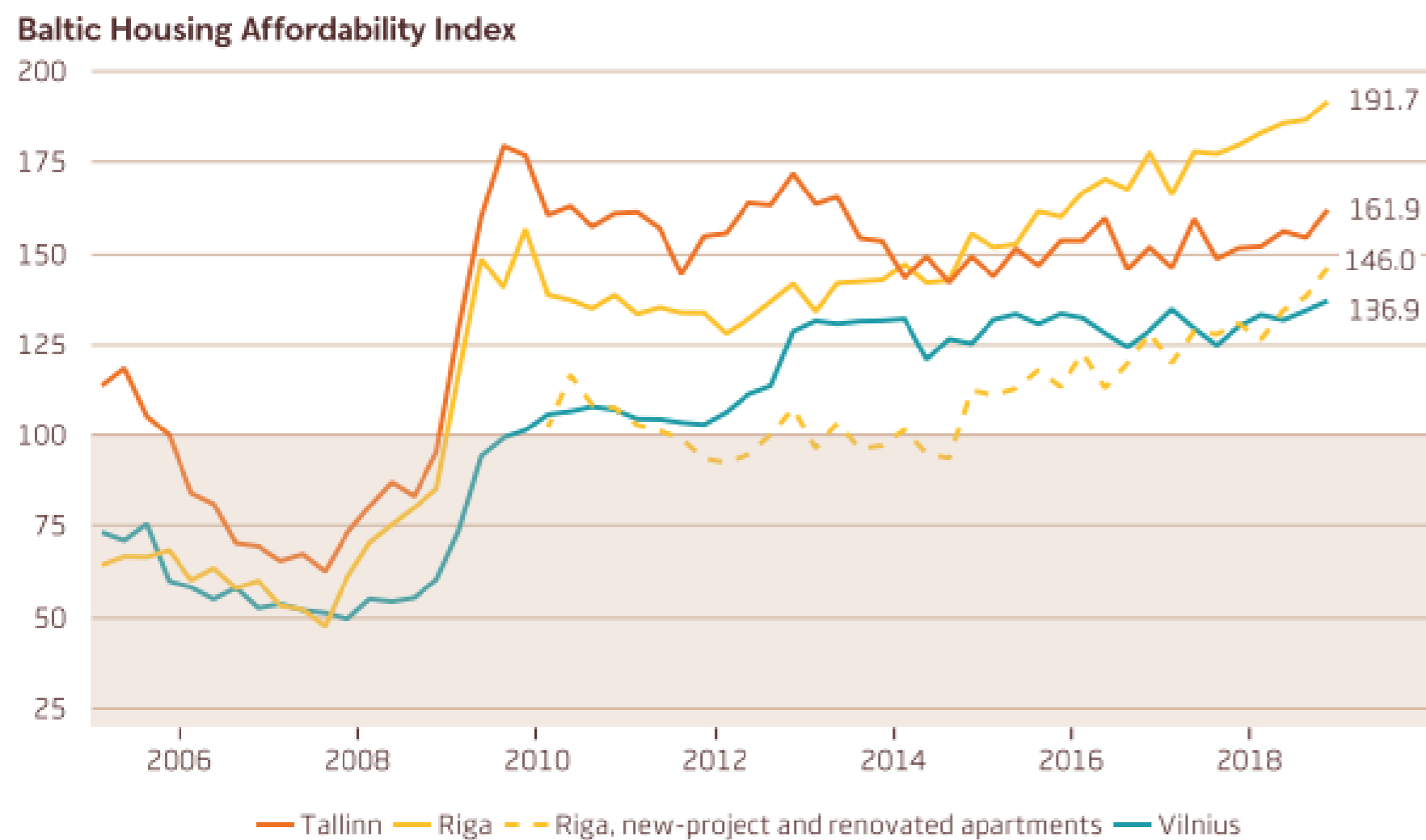
Shrinking unemployment level
7,4%



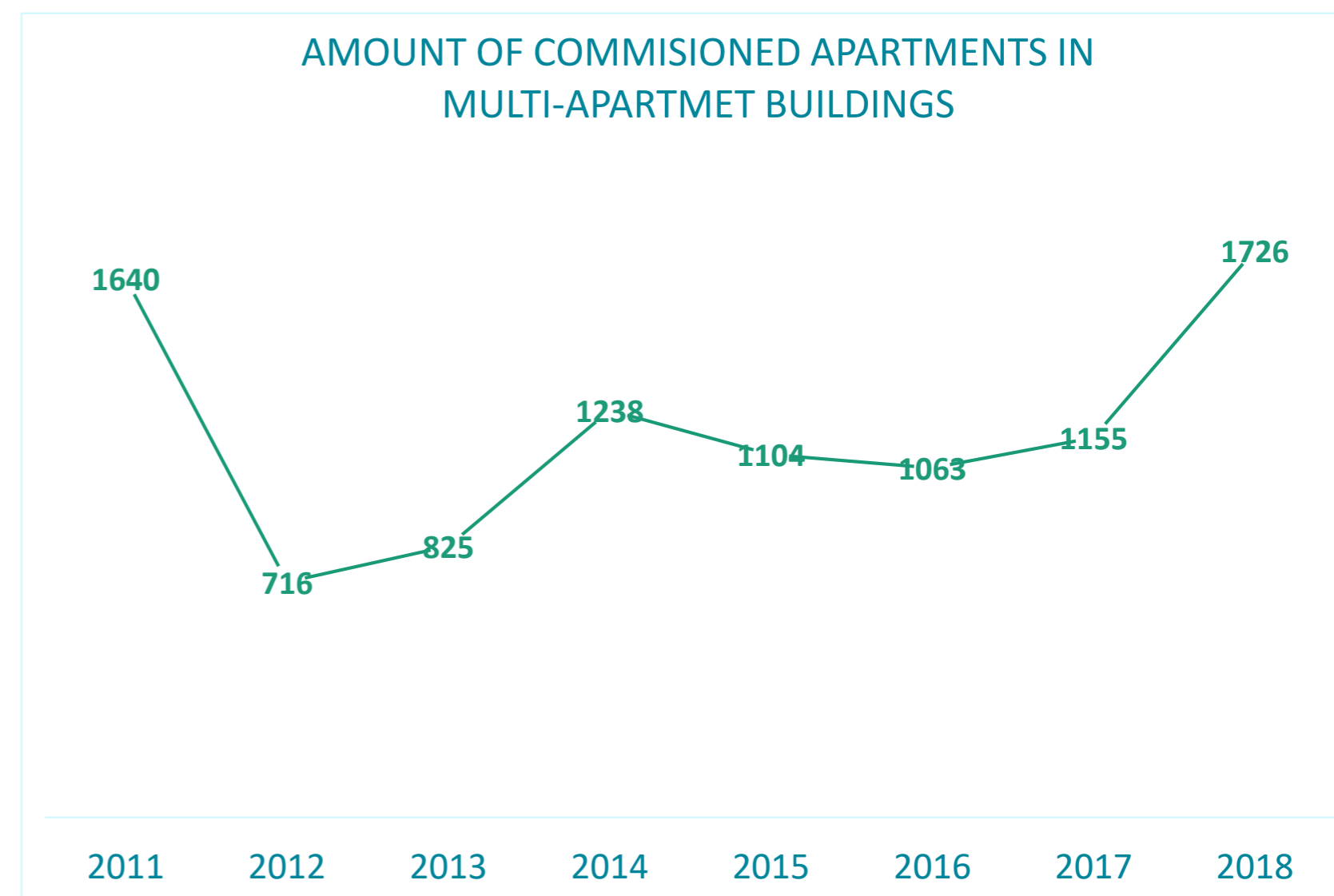
Increasing wages
+8,4%



Increased salaries have positive effects on housing supply and demand



Sources: Swedbank Research & Macrobond.







MEASURES TO STIMULATE HOUSING MARKET

THE HOUSING GUARANTEE PROGRAMME

Guarantee for a bank loan for purchase or construction of the housing for the families with children and the young specialists with regular income but not enough savings to make the first payment

		Education	Guarantee		Land Registry Fee Discount	Loan amount	Price of guarantee
Families with children up to 23 years 	1 child	No requirements	Up to 10%	Up to 10 000€	YES	Up to 200 000€	2,5% a one-off payment of the amount of the guarantee
	2 children		Up to 15%	Up to 15 000€			
	>3 children		Up to 20%	Up to 20 000€			
Young specialists 18-35 years 		Higher or professional education	Up to 20%	Up to 50 000€	NO	Unlimited	4,8% annual payment from the balance of the guarantee

RESULTS:

- Since 2015 programme has helped more than **11thsd. families with 15.9 thsd. children** to get homes of adequate size
- Multiplier effect - 35
- 20 mln EUR public funding triggered 701 mln EUR banking financing
- Quick decision making
- During first year 1140 guarantees for Young specialists in amount of 8 mln. EUR



NEW LAW ON RESIDENTIAL TENANCY (TO BE APPROVED)

Aim of the new law

Promotion of housing affordability and investments in rental housing by ensuring a fair balance between the interests of landlords and tenants

Expected results:

- Faster and better settlement of disputes (from 2 years to 97 days)
- Growth of rental market (up to 30% of households)
- More effective rental market (annual private investments 600 mln EUR)



Undisputed Enforcement of Obligations After the New Law on the Renting of Residential Spaces Comes into Force

The case shall be examined by the judge of the Land Register and not by the court



UNDISPUTED ENFORCEMENT OF OBLIGATIONS WILL BE APPLIED IF THE AGREEMENT

IS



- Tenant has not paid the rent for 2 months
- Rental agreement has expired

IS NOT

REGISTERED IN THE LAND REGISTER

- The owner of the property changes and it is 5 years after the law came into force



DISPUTE RESOLUTION PERIOD HAS DECREASED

FROM 2 YEARS

TO 4 MONTHS



60-day
Rent payment delay



Day 61
A warning is sent



Day 68
Submission of an application to the Land Register



Day 75
Examination of the application



Day 78
Submission of a decision for enforcement



Tenant dispute the claim (stop eviction from apartment)



Day 79
Implementation of an Enforcement Case



A tenant can lodge a complaint about a bailiff



Day 80
Notification of the sworn bailiff



Court ruling on suspension of eviction



Day 97
Vacating the residential space



MEASURES TO IMPROVE
HOUSING TECHNICAL
CONDITION

A photograph of a residential street in winter. The scene is dominated by multi-story apartment buildings. On the left, a grey concrete building with many windows is visible. In the center and right, there are taller, tan-colored apartment buildings with balconies. Some balconies have laundry hanging on them. The ground is covered in snow, and several large, leafless trees stand in the middle ground. A few people are walking on the sidewalk on the left. The sky is a clear, pale blue.

~ 20 000
multi-
apartment
buildings

Programme for Improving Energy Efficiency in Multi-Apartment Residential Buildings



Free consultation on the preparation of the technical documentation of the renovation project



Grant up to 50% of the eligible costs



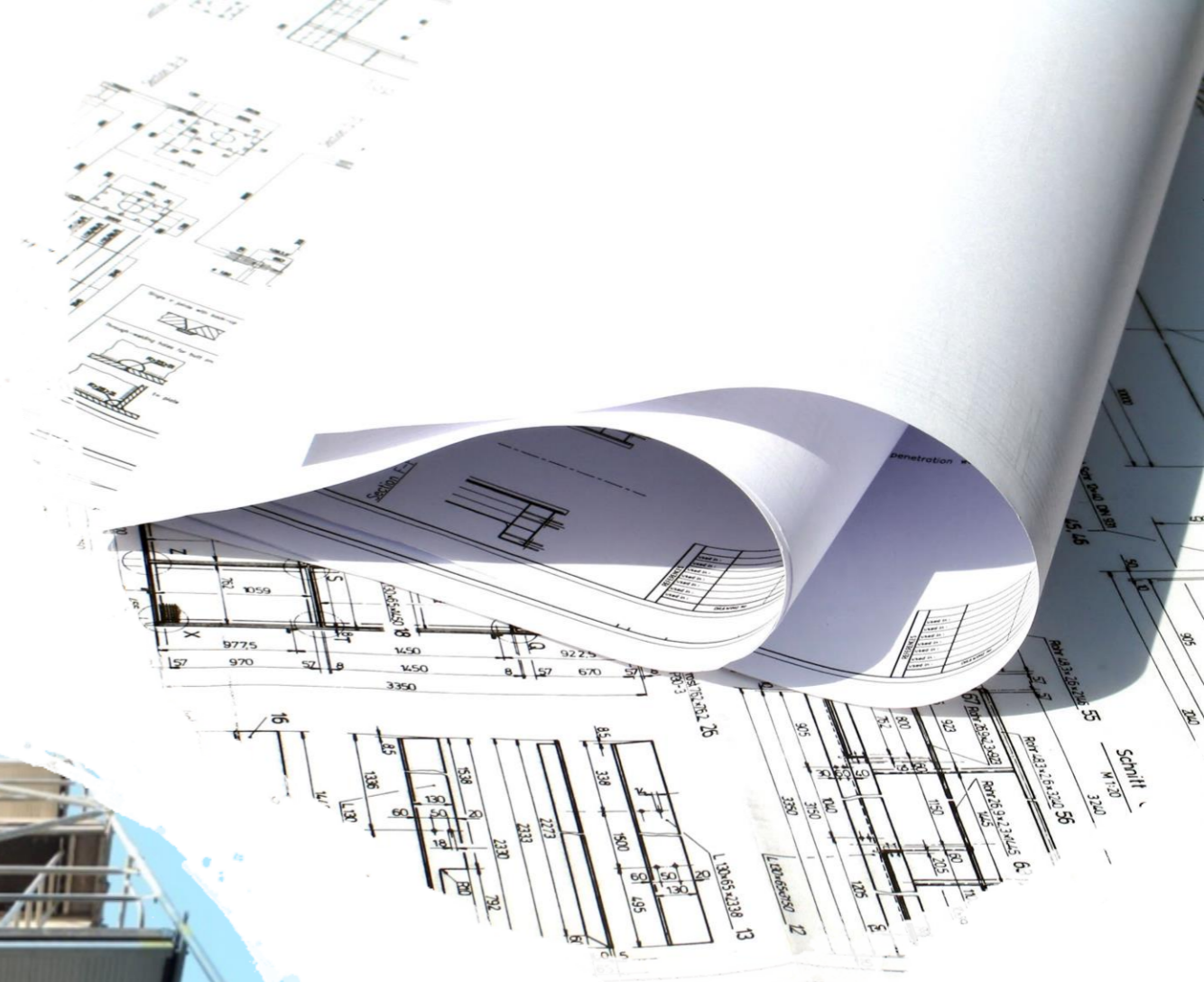
Guarantee for up to 80% of the loan



ALTUM loan if commercial bank refuses financing

PROGRAMME STATISTICS

- Average cost per building - **360 000 EUR**
- Average refurbishment cost per 1 m² - **161 EUR**
- Average energy savings after renovation - **48%**



Average apartment temperature

55m²
apartment



Monthly heating
bill

45,7 €
Before

17,29 €
After

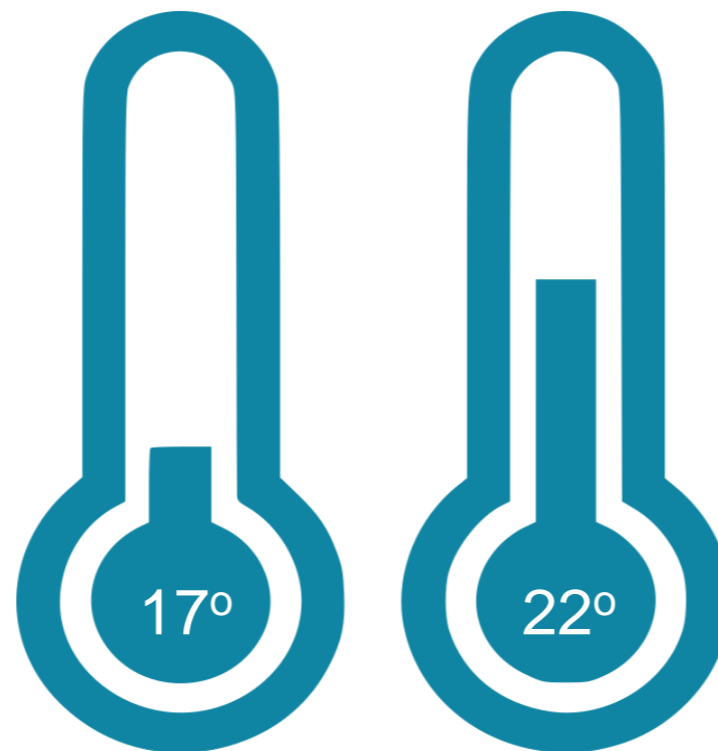
Energy savings

58%

or

79kWh/m²

Average apartment temperature



Spending on heating



Before
0,83 €/m²



After
0,31 €/m²

A year after renovation
Mundciems,
Talsu novads,
45 apartments



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Thank you!