

LATVIA

Organisation: Latvia Tenants Association / Latvijas Irnieku Apvienība (LĪA)

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Distribution of population by tenure status, Eurostat 2015

Owners: 80%

Rent at market rent: 9%

Reduced rent or free: 11%

Initial rent – is it regulated or unregulated?

Rents are unregulated in the private rental housing sector, regulated in municipal housing.

A tenant cannot challenge the initial rent.

Rent increases, for sitting tenants

There are no particular limitations to increases. However, in order to increase rent, a possibility thereof must be explicitly included in the rental contract.

Increases must be presented in writing, 6 months in advance.

Does the landlord need any motive for increases?

Landlords need to provide the “reason and the financial justification of the rental payment increase”. Examples are: repair of the house (no limits on costs) or general inflation.

There is no particular statutory limit on landlord’s profit, although a tenant can argue in a court that it is excessive.

Can a tenant challenge rent increases?

Yes, if there is no motive for the increase presented in the new lease. Or if the landlord deprives the tenant of crucial services, such as cold water, sewage, heating and waste removal.

Tenants can file written objections, and if landlord and tenant do not reach a settlement, both sides can request the court to determine the rent increase.

Costs involved: When applying to court, the fee is 15% of the difference between the old and new rent, (for a term up to 36 months). Also there are fees for the court’s expenses and for legal representation.

Duration of leases

Contracts for any period are possible, but most common are 1-year leases.

But, indefinite leases are also legal. However, in practice landlords do not tend to sign such leases. Therefore, in practice indefinite lease only applies to the tenants of formerly-public (de-nationalised) housing who had rental contracts with public authorities before the property restitution started in 1992.

Notice periods

For 6-12 months’ leases, the notice period is only 1 month.

3 months’ notice, if capital repairs are planned for, or demolition of the building.

6 months’ notice, if the owner needs to live in the dwelling - of a de-nationalised dwelling.

Security deposit

Equal to 2 month's rent.

Other information

Before 1990, virtually all Latvian tenants obtained the rights for residential leases in municipal and state housing under equal conditions.

When the laws on restitution were adopted, all tenants were divided into two groups, even though they had previously had equal contracts for lease of dwelling premises:

First group: Tenants of municipal and state housing, who were granted the opportunity to privatize the state apartments where they lived in exchange for privatization certificates.

Second group: Tenants of denationalized houses, who were deprived of such opportunity. The State did not provide these tenants with any mechanisms of legal or social protection to compensate for this deprivation. Thus, the Resolution "On Coming into Force of the Law on the Denationalization of Building Properties in the Republic of Latvia" and "On the Return of Building Properties to Their Lawful Owners", which stipulates the development and implementation of those mechanisms of legal and social protection of denationalized housing tenants, was ignored.