

By 2.1 % lower – this was the price fall for standard-type apartments observed in January, as it follows from the real estate market overview prepared by the company “Arco Real Estate”.

The price reduction level observed in January has remained high – the standard-type apartment prices have declined by 2.1%. The average standard-type apartment price on February 1 achieved 1375 EUR/m²; thus, the price level is already by 5% lower than that observed in the beginning of 2007 when average price of a non-renovated standard-type apartment was 1450 EUR/m².

Having compared the price levels of February 1 and January 1 in various housing estates, we have found out that the biggest price reduction was observed at Āgenskalns (4%) where the average current price of 1 m² is 1430 EUR; at Bolderāja (3%), where the average current price of 1 m² is 1227 EUR, and at Ķengarags (3%) where the average current price of 1 m² is 1345 EUR, but the smallest price reduction was observed at Pļavnieki and Mežciems where the prices have declined by 1%, so that the price of 1 m² amounted to 1461 EUR and 1484 EUR respectively.

Due to the price decline, the prices of standard-type apartments in Riga housing estates observed in the recent months are already by 5% lower than the prices that existed in the beginning of 2007. Setting the prices of February 1, 2008 against the prices of January 1, 2007 we can see that the biggest price difference is at Purvciems (by 10% lower), Ķengarags (by 8% lower) and Bolderāja (by 8% lower), but the smallest price difference is at Ilģuciems and Vecmīlgrāvis where the prices are by 2% lower than in the beginning of 2007.

The highest price level traditionally remained at Teika where the average price of 1 m² was 1573 EUR, at Mežciems where the average price of 1 m² was 1484 EUR, and at Pļavnieki where the average price of 1 m² was 1461 EUR. But the lowest prices on February 1 were at Bolderāja where the average price of 1 m² was 1227 EUR, at Ķengarags and Vecmīlgrāvis where the average price of 1 m² was 1345 and 1369 EUR respectively.

During the first two weeks of January, some increase of activity of buyers was observed in the apartment market when the number of apartments registered in the Land Register increased slightly; however, in general, the activity in the apartment market is low, and the number of transaction with standard-type apartments is especially low.

Arco Real Estate is carrying out monthly price researches also in towns which are located close to Riga. So, for example, at Kauguri, the average prices of February 1 were even by 4% lower than the prices that existed on January 1, and the average price of 1 m² amounted to 1278 EUR/m². At Salaspils, Jelgava and Ogre the prices of standard-type apartments have declined by 1 – 2% in average. Along with the price decline in the said towns, the supply is increased both in the real estate portals and in the ad portals.