

**As follows from the real estate market overview prepared by the company “Arco Real Estate”, the prices of standard-type apartments continued to decrease also in November and the prices, in comparison with November 1, 2007, were reduced by 1.6%.**

The average standard-type apartment price as per December 1 has reached **1433 EUR/m<sup>2</sup>**, thus, the prices are even lower than in the beginning of the year when the price of an average non-renovated apartment was 1450 EUR/m<sup>2</sup>. In general, the average apartment prices as per December 1 are by 1% lower than in the beginning of the year.

November has been already the second month during which the price decrease of standard-type apartments located in housing areas of Riga has been slower. According to the data summarised by Arco Real Estate, the average monthly price decrease of standard-type apartments from July was 3% but in October the price decrease was 1.84%.

Traditionally, the highest price level on December 1 was observed at Teika, where the average price of 1 m<sup>2</sup> was 1625 EUR, at Pļavnieki, where the average price of 1 m<sup>2</sup> was 1540 EUR, and at Purvciems where the average price of 1 m<sup>2</sup> was 1537 EUR. But the lowest prices on December 1 were traditionally observed at Bolderāja, where the average price of 1 m<sup>2</sup> was 1320 EUR, at Vecmīlgrāvis and Jugla, where the average price of 1 m<sup>2</sup> was 1429 EUR and 1435 EUR, respectively.

As per December 1, the most expensive apartments still were the so-called 119<sup>th</sup> series apartments (price of two-room apartments varied from 78 to 85 thousand EUR depending on the housing area) and the so-called 104<sup>th</sup> series apartments ((price of two-room apartments varied from 83 to 87 thousand EUR depending on the housing area). But the cheapest houses were the so-called Khrushchev-time houses, where the price of two-room apartments varied from 56 to 71 thousand EUR and the so-called Lithuanian design houses, where the price of two-room apartments varied from 57 to 70 thousand EUR depending on the housing area.

Currently, there are two price categories in the real estate market: a price set by a seller and a price at which a buyer agrees to purchase an apartment. Number of cases when the seller is forced to reduce the price by 10-20% in order to close a deal is constantly increasing, therefore, it is possible to draw conclusion that the apartment price reduction could be even bigger.

Having summarised data from the internet portals about apartment supply changes, we have concluded that the number of announcements placed by real estate companies is increased but the average number of private announcements is decreased. This situation may be explained by difficulties of sale of an apartment. If previously anyone could sell an apartment without any difficulties, in the current situation the sale of an apartment is entrusted to professionals hoping that they would be able to sell the apartment more successfully and in a shorter period of time.