

Rapid reduction of apartment prices still continuing also in January

As follows from the real estate market monthly overview prepared by the company “Arco Real Estate”, in January the prices of standard-type apartments decreased by 8.2% in average.

The previous tendencies continued also in January – the rates of standard-type apartment price reduction were growing. Compared with the previous month, the prices of standard-type apartments declined by 8.2% in January. The average price of a standard-type apartment declined to **858 EUR/m²** in January.

Also the number of apartments supplied was reduced. In general, the apartment supply in Riga was reduced by 18% in average in comparison with the previous month. Such a big decrease within one month has not ever been observed. The supply through the real estate portals decreased by 21% in average in comparison with the previous month; the supply through the announcement portals decreased by 14%. We might observe a rapid decrease of activity of all market actors; however, this was more frequently observed in portals where information was placed mostly through intermediaries. Along with the rapid deterioration of the economic situation in the country and the incomprehensible bank future credit policies, the real estate market activity also decreased. In return, foreigners increasingly demonstrate their interest in acquisition of real estates, so that just this factor could make this market more active in the future.

The average price of a 1-room apartment in the housing areas reviewed by „Arco Real Estate” in January amounted to 876 EUR/m², and this price compared with the price level of December had decreased by 7.7%. Average price of a 2-room standard-type apartment amounted to 859 EUR/m² (decreased by 8.9% in comparison with the price of the previous month); average price of a 3-room apartment amounted to 858 EUR/m², (decreased by 8.8%); and the average price of a 4-room apartment amounted to 837 EUR/m² (decreased by 7.1% in comparison with the price of December).

Traditionally, the highest price level in January was observed at Teika, where the average price of 1 m² was 981 EUR, and at Purvciems where the average price of 1 m² was 951 EUR. But the lowest prices in January were observed at Bolderāja where the average price of 1 m² was 739 EUR.

Outside Riga, in largest cities and towns, the biggest price decline was observed in Jelgava, where the standard-type apartment prices were reduced by 10%, and the average price of 1 m² was 654 EUR; in Kauguri - by 9%, and the average price was 739 EUR/m²; and in Ogre – by 9%, and the average price was 812 EUR/m². In Salaspils the prices were reduced by 7%, and the average price was 824 EUR/m².