

More rapid decline of standard-type apartment prices in summer months

As follows from the real estate market monthly overview prepared by the company “Arco Real Estate”, in July the prices of standard-type apartments decreased by 3.7 % in average.

In July the price decline rate has grown in comparison with the previous months – the standard-type apartment prices decreased by 3.7% in July. It should be noted that a certain price reduction has been observed always in summer months. In addition, taking into account also the current market situation, it is natural that the price reduction in summer is bigger than in spring or winter months.

The average standard-type apartment price as per August 1 decreased to 1194 EUR/m²; thus, the prices were in average by 15% lower than in the beginning of 2008 when the average price of a non-renovated standard-type apartment was 1405 EUR/m².

The average price of a 1-room apartment in the housing areas reviewed by „Arco Real Estate” on August 1 amounted to 1257 EUR/m², and this price compared with the price level of July 1 has decreased by 3.6%. Average price of a 2-room standard-type apartment amounted to 1199 EUR/m² (decreased by 4.1% in comparison with the price of July 1); average price of a 3-room apartment amounted to 1165 EUR/m², (decreased by 3.8%); and the average price of a 4-room apartment amounted to 1155 EUR/m² (decreased by 3.3% in comparison with the price of July 1).

Comparing the average prices of August 1 with the average prices that existed in various housing estates on July 1, we can see that the most significant price decrease has been observed at Zolitūde (-5%), Bolderāja (-5%) and Mežciems (-5%), where the current average price of 1 m² is 1237, 1053 and 1268 EUR, respectively; but the least price decrease has been observed at Ķengarags (-3%), Imanta (-3%) and Āgenskalns (-3%), where the current average price of 1 m² is 1130, 1209 and 1249 EUR, respectively.

Due to the price decline observed during the past year, the standard-type apartment prices in housing estates of Riga are already by 17% lower than in the beginning of 2007, and by 15% lower than in the beginning of the current year.

Traditionally, the highest price level on August 1 was observed at Teika, where the average price of 1 m² was 1376 EUR, at Mežciems, where the average price of 1 m² was 1268 EUR, and at Purvciems, where the average price of 1 m² was 1256 EUR. But the lowest prices on August 1 were observed at Bolderāja, where the average price of 1 m² was 1053 EUR, and at Ķengarags, where the average price of 1 m² was 1130 EUR.

Outside Riga, in largest cities and towns, the price decline has been even more rapid than in the capital: in Jūrmala the standard-type apartment prices decreased by 5%, to 1024 EUR/m² in average; in Jelgava and Ogre the prices decreased by 4%, to 939 EUR/m² and 1117 EUR/m² in average, respectively; in Salaspils the standard-type apartment prices decreased by 3 %, to 1102 EUR/m².