

## **End of the year: reduction of apartment prices and supply still continuing**

**As follows from the real estate market monthly overview prepared by the company “Arco Real Estate”, in December the prices of standard-type apartments decreased sharply - by 9.9% in average.**

In December the price reduction rate increased, and, in comparison with the previous months, the prices of standard-type apartments in December decreased already by 9.9%. The average price of a standard-type apartment amounted to 934 EUR/m<sup>2</sup> in December.

The average price of a 1-room apartment in the housing areas reviewed by „Arco Real Estate” in December amounted to 949 EUR/m<sup>2</sup>, and this price compared with the price level of November had decreased by 12.5%. Average price of a 2-room standard-type apartment amounted to 943 EUR/m<sup>2</sup> (decreased by 9.2% in comparison with the price of November); average price of a 3-room apartment amounted to 941 EUR/m<sup>2</sup>, (decreased by 9.3%); and the average price of a 4-room apartment amounted to 901 EUR/m<sup>2</sup> (decreased by 8.7% in comparison with the price of November).

Comprising the price levels of November and December in various housing estates, the biggest price decrease was observed at Teika (-11%), Imanta (-11%), Āgenskalns (-11%) and Ilģuciems (-11%), where the current average price of 1 m<sup>2</sup> is 1070, 943, 943 and 885 EUR, respectively. It should be noted that in December the apartment price reduction was sharp in all housing estates of Riga. Traditionally, the highest price level in December was observed at Teika, where the average price of 1 m<sup>2</sup> was 1070 EUR, and at Purvciems where the average price of 1 m<sup>2</sup> was 1026 EUR. But the lowest prices in December were observed at Bolderāja where the average price of 1 m<sup>2</sup> was 814 EUR. In December, the most expensive apartments still were the apartments of series 119 and 104 but the cheapest apartments were the so-called “Lithuanian-design” and Khrushchev-time apartments.

Summarizing the data obtained from the internet portals, we have established that the apartment supply had decreased drastically in December. In total, the apartment supply in Riga in December decreased by 8.4% in average if compared with November. The supply announced through the real estate portals decreased by 8.3% in comparison with the previous month; decrease of the supply announced through the announcement portals amounted to 8.4%.

Outside Riga, in largest cities and towns, the price decline had been even more rapid as in the capital – in Ogre the standard-type apartment prices were reduced by 13.1%, and the average price of 1 m<sup>2</sup> was 903 EUR; in Kauguri - by 11.2%, and the average price was 809 EUR/m<sup>2</sup>; in Jelgava – by 9.6%, and the average price was 736 EUR/m<sup>2</sup>; in Salaspils -by 8.7%, and the average price was 889 EUR/m<sup>2</sup>.