

In March 2009 the standard-type apartment prices declined rapidly

According to the monthly overview of the real estate market prepared by the real estate company „Arco Real Estate”, the decline of prices of standard-type apartments has been as sharp as about 21.8 % in average.

In March 2009 the previous year trends continued - rates of price reductions were rising, compared with the previous month - the price of standard-type apartments in March dropped by 21.8%.

The standard-type apartment price in March decreased to 606 € / m², so the prices were in average by 63% lower than on July 1, 2007 when the average price of a non-renovated standard-type apartment was 1620 EUR / m². However, compared with January 1, 2008, the average price of a non-renovated standard-type apartment has fallen by 57%.

In the housing estates reviewed by Arco Real Estate in March, the average price of a 1 room apartment was 597 € / m², and this price, compared with the previous month, has fallen by 24.9%; the average price of a 2 room standard-type apartment was 598 € / m², and this price, compared with the previous month, has fallen by 22.1%; the average price of a 3 room standard-type apartment was 616 EUR / m², and this price, compared with the previous month, has fallen by 21.2%; and the average price of a 4 room standard-type apartment was 613 EUR / m², and this price, compared with the previous month, has fallen by 19.4%.

The highest prices in March of 2009 were observed at Zolitūde, where the average price of 1m² was 734 EUR, as well as at Teika, where the average price of 1m² was 691 EUR. In turn, the lowest price in March of 2009 was observed at Bolderāja, where the average cost of 1m² was 507 EUR.

The supply of apartments for sale in March remained almost on the same level as in the previous month. In general, the supply of apartments decreased in March by 5% compared with the previous month. In the real estate websites the supply had decreased by 11% compared with the previous month. In turn, in advertisement websites the level of number of offers was the same as in the previous month, namely, 0%. As a result, we can conclude that the apartment market activity in the web advertisements has been low.

Outside Riga, in the major towns and cities, the price drop was even larger than in the capital. The largest decrease was observed in Jelgava, where the prices of standard-type apartments had decreased by 30%, so that the average price was 408 € / m². In Kauguri and Ogre the prices fell by 25%, so that the average price was 512 € / m² and 541 € / m², respectively; in Salaspils the prices declined by 24%, and the average price was 569 € / m².