

Standard-Type Apartment Priced Reduced by 5.7% in April 2009

According to the monthly overview of the real estate market prepared by the real estate company „Arco Real Estate”, the prices of standard-type apartments declined by 5.7% in average in the previous month.

In April 2009 the trends of the previous months continued and the prices declined; however, the price decline was not so rapid. In comparison with the previous month, the prices of standard-type apartments decreased by 5.7%.

The relatively low price decline may be explained by the very low number of transactions; the medium price category apartments have dominated in the transactions

The average standard-type apartment price in April decreased to 572 EUR / m², so the prices were in average by 64.7% 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, 2009, the average price of a non-renovated standard-type apartment has decreased by 38.8%.

In the housing estates reviewed by Arco Real Estate in April, the average price of a 1 room apartment was 562 EUR / m², and this price, compared with the previous month, has decreased by 5.86%; the average price of a 2 room standard-type apartment was 567 EUR / m², and this price, compared with the previous month, has decreased by 5.25%; the average price of a 3 room standard-type apartment was 579 EUR / m², and this price, compared with the previous month, has decreased by 6.01%; and the average price of a 4 room standard-type apartment was 578 EUR / m², and this price, compared with the previous month, has decreased by 5.76%.

The highest prices in April of 2009 were observed at *Zolitūde*, where the average price of 1m² was 709 EUR, as well as at *Teika*, where the average price of 1m² was 657 EUR. In turn, the lowest prices in April of 2009 were observed at *Jugla and Bolderāja*, where the average cost of 1m² was 502 EUR and 466 EUR, respectively.

In April of 2009, the most expensive apartments still were apartments in the houses of the 119th series, where the prices of 2-room apartments fluctuated from 32 to 36 thousand EUR, and in the houses of the 104th series, where the prices of 2-room apartments fluctuated from 29 to 35 thousand EUR, depending on the housing estate. But the so-called *Lithuanian design houses* have been the cheapest ones, where the prices of 2-room apartments fluctuated from 21 to 29 thousand EUR, and the so-called *Khrushchev-time houses*, where the prices of 2-room apartments fluctuated from 20 to 28 thousand EUR, depending on the housing estate.

The supply of apartments for sale in April has dropped significantly in comparison with the level of the previous month. In general, the supply of apartments in the advertisement portals in April has decreased by 30% in average if compared with the previous month. As a result, we can conclude that the apartment market activity in the web advertisements has been low.

Mr. Māris Laukalējs, a member of the Management Board of SIA „Arco Real Estate” and the head of the Valuation Division, has drawn the following conclusion: „Both the slower pace of the price fall and the sharp decrease in the supply, and the financial circumstances of purchase of apartments (apartments are purchased mostly without attraction of credits) show a significant reduction in volume of the housing market and commencement of stagnation process in the real estate market sector”.

Detailed information is available on the website of „Arco Real Estate” www.arcoreal.lv.

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