

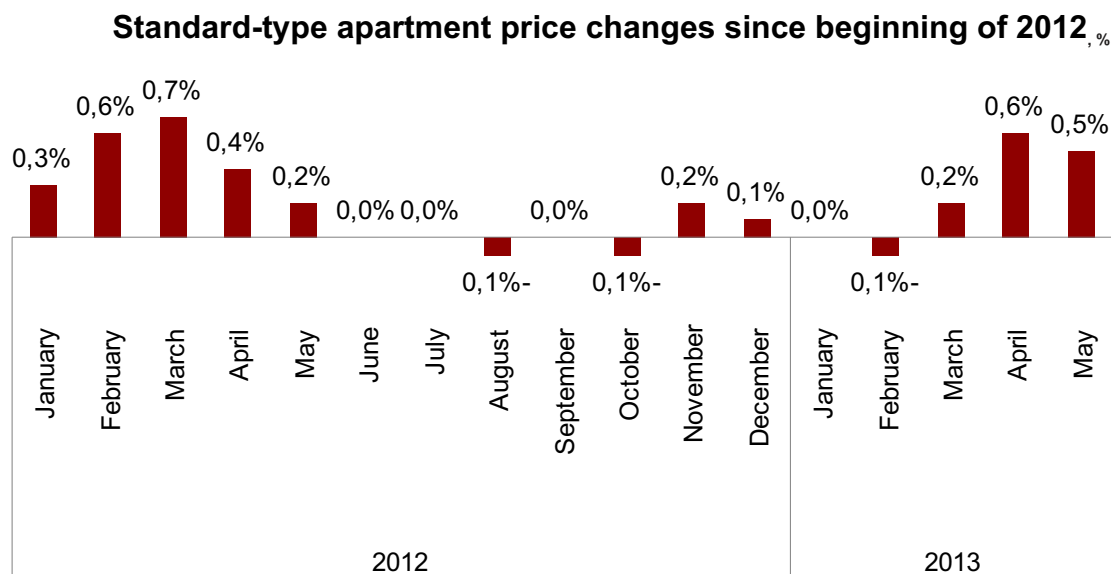


Standart type apartments, market overview  
Riga, Riga district  
May, 2013



ARCO REAL ESTATE

In May 2013, changes have been observed in the standard-type apartment market of Riga housing estates. In many places, the apartment prices have tend to rise. The average standard-type apartment price reached the level of 600 EUR/m<sup>2</sup> and the average price growth amounted to 0.5%.

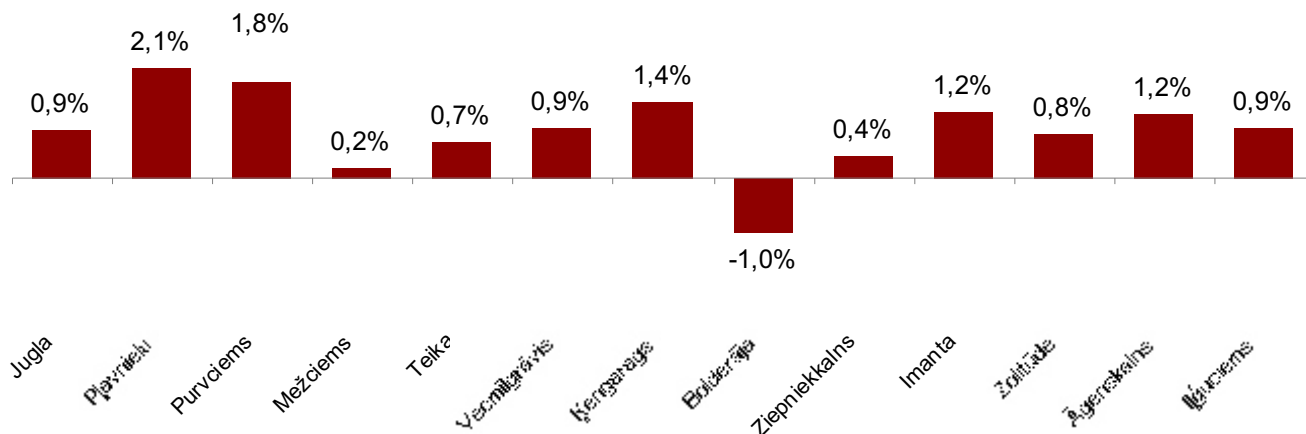


Source: ARCO REAL ESTATE

Clear signs of a price increase have been observed in the standard-type apartment market over two consecutive months. The price increase has been observed mostly in the sector of most demanded apartments 2-3 room apartments in the best standard-type apartment houses in the most popular residential areas. The possible reason of the price growth is its seasonal nature as every year in this period. At the same time, also the improvement of the public purchase power should be mentioned, as it also can lead to an increase of demand for apartments and a price growth.

The largest growth of the average 1m<sup>2</sup> price in the housing estates of Riga City since the beginning of 2013 was observed in Pļavnieki: +2.1%. Solely in Bolderāja the prices decreased by 1%, in other housing estates the prices tend to increase slightly.

## Price changes in housing estates since beginning of 2013

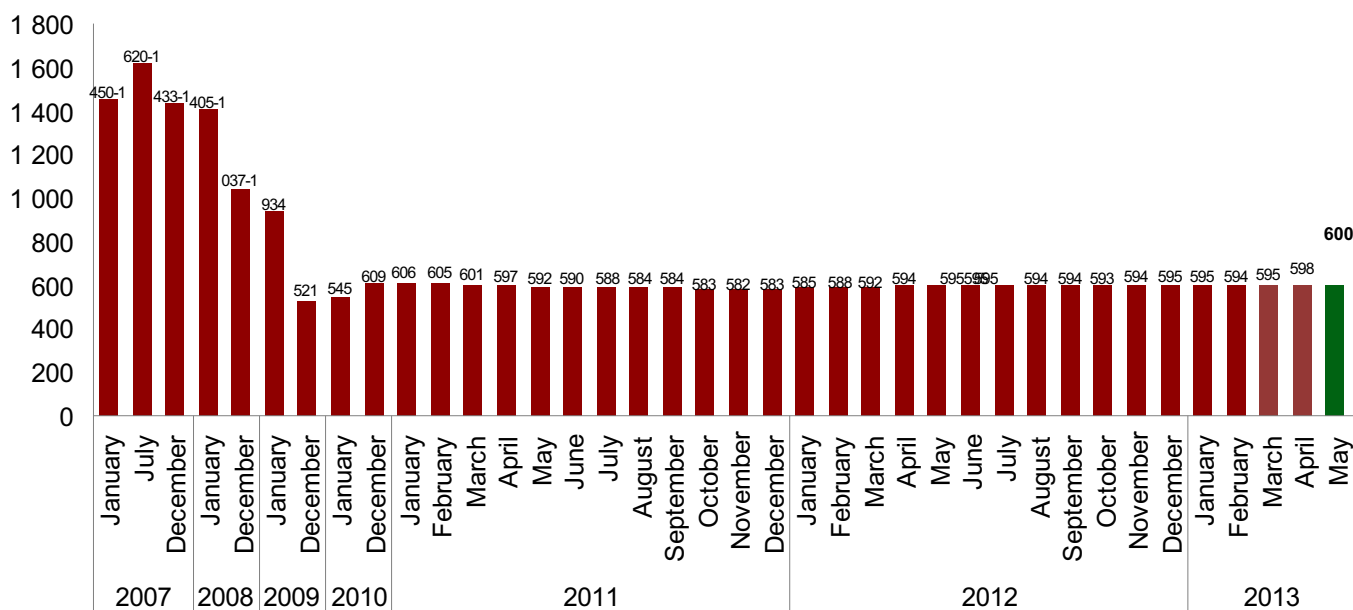


Source: ARCO REAL ESTATE

In May 2013 the average standard-apartment price has reached the level of **600 EUR/m<sup>2</sup>**. The prices on average are by 63% lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value of 1620 EUR/m<sup>2</sup>.

In 2008, the average prices of standard-type apartments in Riga decreased by 33.5% on average. In 2009, the average prices decreased by another 44.2%. But in 2010 the prices grew by 16.9% in total. In 2011, the prices of standard-type apartments decreased by 3.5. In 2012, the apartment prices grew by 2%. Since the beginning of 2013, the apartment prices have increased by 0.8%.

## Movements of average price of standard-type apartments in housing estates of Riga (EUR/m<sup>2</sup>)



Source: ARCO REAL ESTATE

In May 2013, the average price of 1 square metre of apartments if categorized by number of rooms has increased for all apartment types, except one-room apartments. Average price of 1 m<sup>2</sup> of a two-room apartment increased by 0.3%, but the price of 1 m<sup>2</sup> of a three-room or four-room apartment - by 0.2%.

## Average prices of standard-type apartments in Riga housing estates: Breakdown by number of rooms (EUR/m<sup>2</sup>)

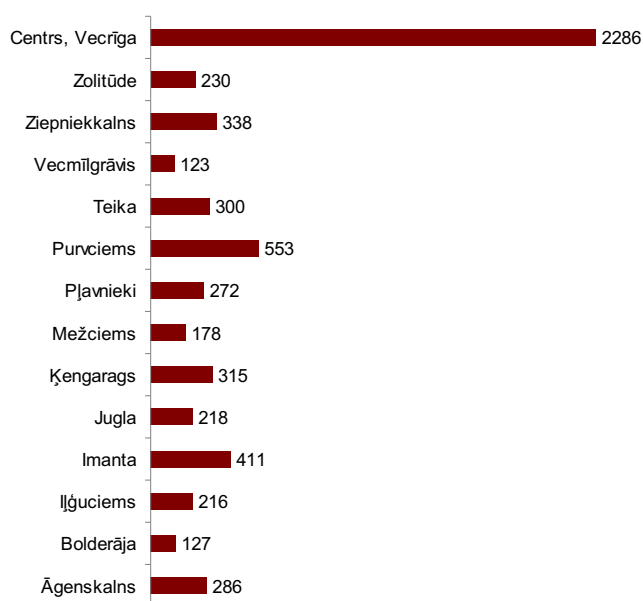
	2011												2012												2013					
	1st January	1st February	1st March	1st April	1st May	1st June	1st July	1st August	1st September	1st October	1st November	1st December	1st January	1st February	1st March	1st April	1st May	1st June	1st July	1st August	1st September	1st October	1st November	1st December	1st January	1st February	1st March	1st April	1st May	1st June
1 room	654	649	644	636	633	628	626	624	623	622	622	621	622	626	632	639	639	640	641	640	638	639	639	642	643	643	643	643	643	648
2 rooms	621	615	613	609	604	599	596	594	590	591	589	589	590	592	594	598	600	602	602	602	602	602	601	601	602	602	602	602	603	610
3 rooms	587	584	584	581	578	573	571	567	564	564	563	563	563	565	568	571	573	574	575	575	575	575	574	574	574	574	574	574	576	
4 rooms	577	575	578	576	572	569	567	566	561	560	558	556	557	557	560	561	565	565	562	562	562	562	560	560	560	560	560	560	561	562

Source: ARCO REAL ESTATE

In May 2013, changes in the number of apartments supplied have been minimal. The number of apartments supplied has remained almost unchanged in the largest housing estates analyzed by ARCO REAL ESTATE. The changes in the overall supply in Riga are small (+2.8%). Only the number of apartments supplied in the central part of Riga (city centre, Old Town) continues to increase (+5.1%).

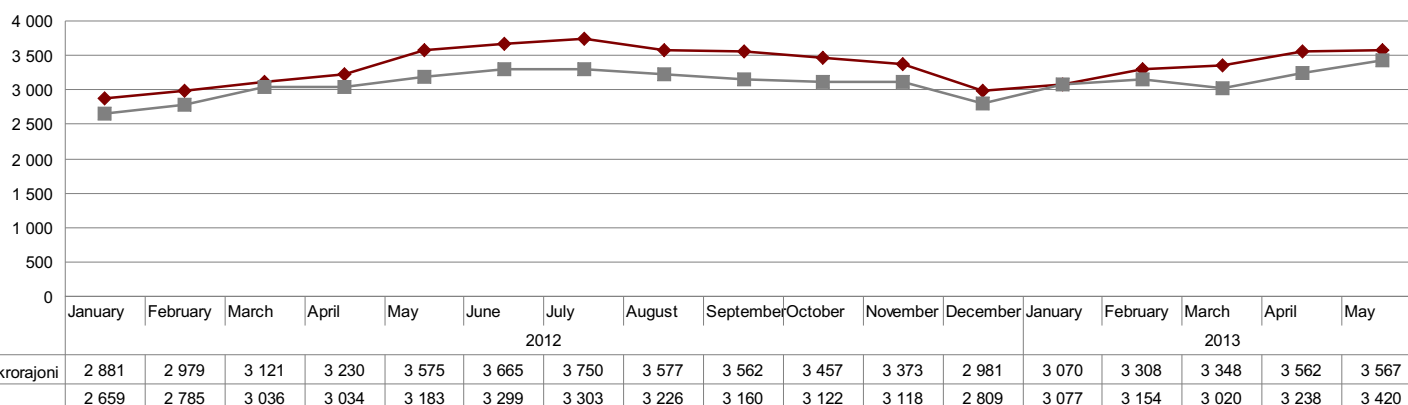
Having summarized the number of apartments supplied, we can conclude that the largest supply of apartments in May was in Purvciems, Pļavnieki, Ķengarags and Imanta. But the housing estates where the number of apartments supplied was the smallest were Bolderāja and Vecmīlgrāvis. In May, the number of apartments supplied in the largest housing estates of Riga both increased and decreased. The largest growth of the supply was observed in Bolderāja, where the supply grew by 30.9%. But the largest decrease was observed in Vecmīlgrāvis - by 14,6%.

## Number of apartments offered in Riga, May 2013



Source: ARCO REAL ESTATE

## Apartment supply dynamics in Riga



Source: ARCO REAL ESTATE

In May 2013, the standard-type apartment market was characterized by positive price changes in all the largest Riga housing estates. The largest growth of the average price of 1 m<sup>2</sup> in May was observed in Ilūgciems (+1%). Solely in Mežciems a slight decrease of the standard-type apartment prices was observed (-0.4%).

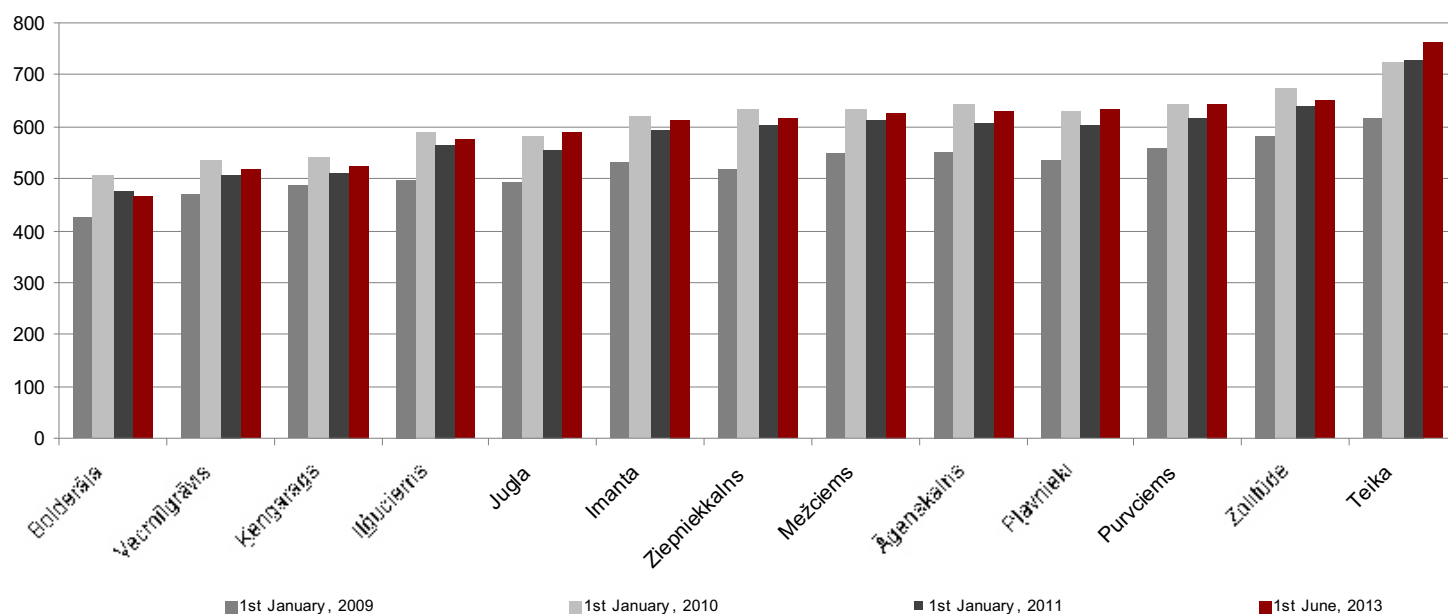
## Change of average standart-type apartment prices in Riga housing estates (%)

	Average 1m <sup>2</sup> price on 1st June, 2013	Average 1m <sup>2</sup> price on 1st February, 2013	Price changes, %
Jugla	588	587	0,3%
Ļaivnieki	635	631	0,6%
Purvciems	644	640	0,6%
Mežciems	625	628	-0,4%
Teika	762	762	0,0%
Vecmīlgrāvis	519	517	0,4%
Kengarags	525	522	0,6%
Bolderāja	468	468	0,0%
Ziepniekkalns	616	616	0,0%
Imanta	613	613	0,0%
Zolitūde	649	649	0,0%
Āgenskalns	630	629	0,2%
Ilūgciems	575	570	1,0%

Source: ARCO REAL ESTATE

Since the beginning of 2012, the standard-type apartment prices have increased by 2.9%. Since the beginning of 2011, the prices have decreased by 1.5%. Compared with the beginning of 2010, in May 2013 the standard-type apartment prices in the housing estates of Riga were by 15.2% higher.

## Average standart-type apartment prices in Riga housing estates (EUR/m<sup>2</sup>)

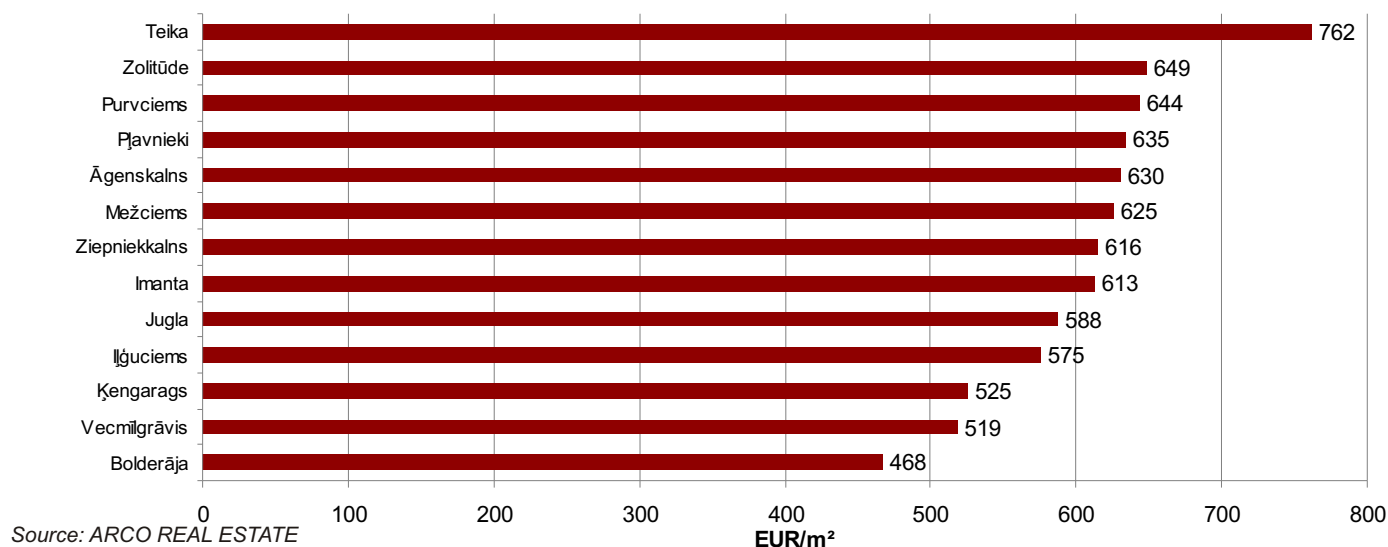


Source: ARCO REAL ESTATE

## Standart type apartment market overview | Rīga | May, 2013

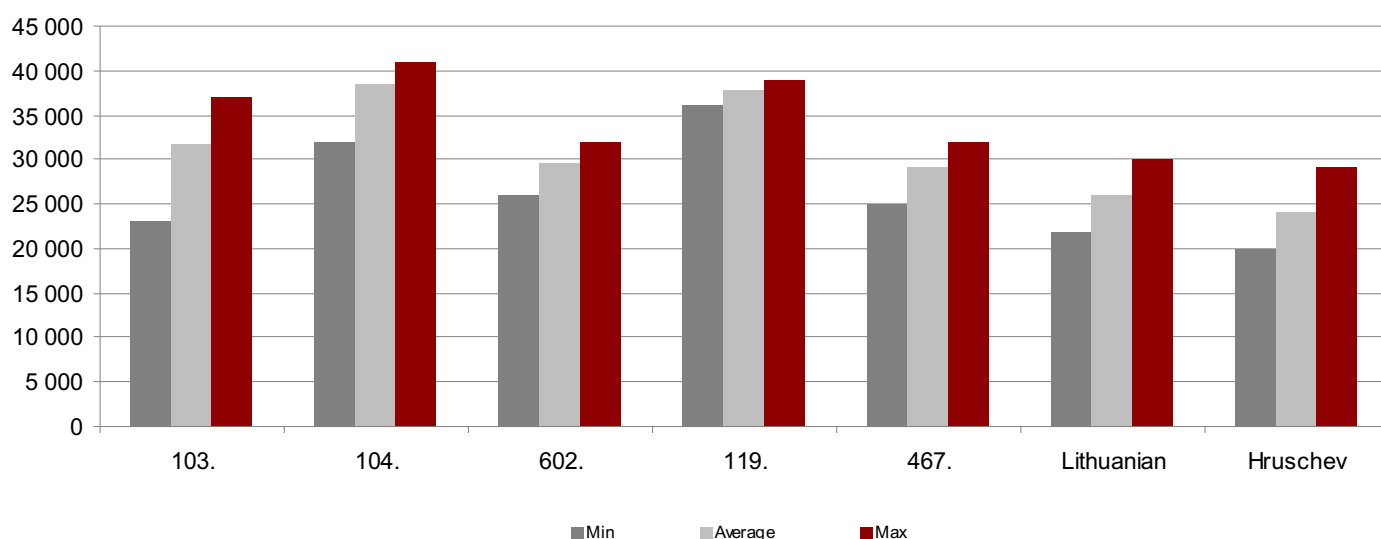
The highest standard-type apartment prices in May 2013 were in Teika, where the average price of 1m<sup>2</sup> remained to be 762 EUR. But the lowest average price of 1 m<sup>2</sup> in May was in Bolderāja where it remained to be 468 EUR.

### Average standard-type apartment prices in Riga housing estates in May 2013 (EUR/m<sup>2</sup>)



In May 2013, the most expensive apartments still were apartments in the houses of the 119<sup>th</sup> series and 104<sup>th</sup> series, where the price of 2-room apartments varied from 32 to 41 thousand EUR, depending on location. But the so-called *Lithuanian design houses* have been the cheapest ones, where the price of 2-room apartments varied from 22 to 30 thousand EUR, and the so-called *Khrushchev-time houses*, where the price of 2-room apartments varied from 20 to 29 thousand EUR, depending on the housing estate.

### Standard-type apartment prices by series in Riga housing estates in May 2013 (prices of 2-room apartments, in EUR)



Source: ARCO REAL ESTATE

### Ogre

The average prices in Ogre in May 2013 **remained unchanged**. The average apartment price has remained to be **426 EUR/m<sup>2</sup>**. In 2012, the prices of standart-type apartments decreased by 1.3% in Ogre. In general, the apartment prices in Ogre were stable in Q1 of 2013 and are remaining to be stable.

### Jūrmala, Kauguri

In May 2013 the apartment prices in Kauguri **decreased by 0.3%**. The average price of an apartment has dropped to **403 EUR/m<sup>2</sup>**. In 2012, the prices of standart-type apartments decreased by 3.5% in Kauguri. Apartment prices at Kauguri still remain at low level and often transactions are made at even lower prices than requested in the offer. The price decline observed in 2012 indicates a diminished interest in apartments located in this region, and the prices observed in Q1 of 2013 show the trend to decrease. A slight apartment price decrease continued also in May.

### Salaspils

In May 2013, the apartment prices in Salaspils **decreased by 0.4%**. The average price remained has dropped to **469 EUR/m<sup>2</sup>**. In 2012, the prices of standart-type apartments decreased by 3.1% in Salaspils. Apartment price changes in Salaspils usually are connected with changes in Riga housing estates where the prices are stable today. No apartment price fluctuations have been observed in Salaspils in Q1 of 2013.

### Jelgava

In May 2013, the apartment prices in Jelgava **slightly increased by 0.9%**. The average price of an apartment increased to **291 EUR/m<sup>2</sup>**. In 2012, the prices of standart-type apartments decreased by **2.6%** in Jelgava. The apartment prices observed in Q1 of 2013 in Jelgava should be considered stable, and the price fluctuations are low. In May there was observed a decrease of number of cheap apartments offered for sale.

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