

Standart type apartment market overview

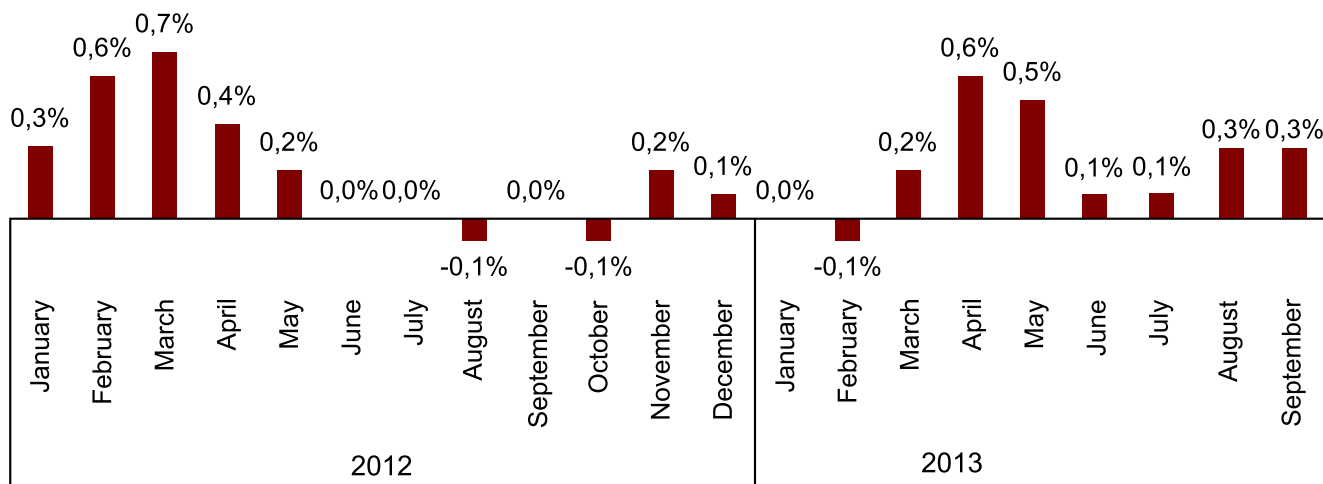
S E P T E M B E R

Rīga
2013

Standard-type apartments, October 1, 2013

In September 2013, the prices of standard-type apartments located in Riga housing estates had the trend of a slight growth. A slight price increase was observed in almost all the largest Riga housing estates. The average standard-type apartment price has reached the level of 606 EUR/m² in September, and the average price growth was 0.3%.

Standard-type apartment price changes since beginning of 2012 (%)

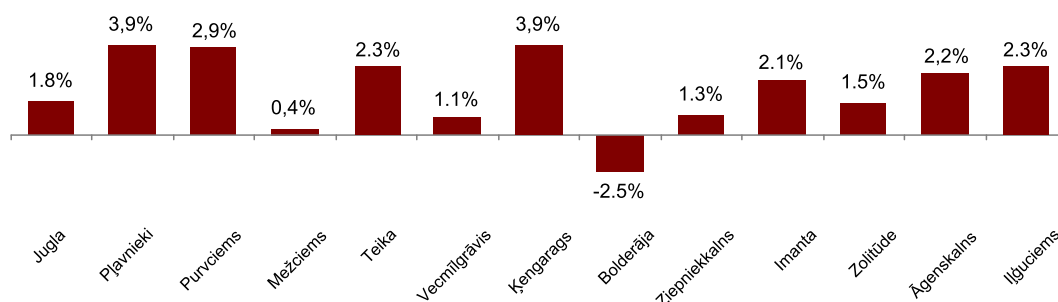


Source: ARCO REAL ESTATE

The total standard-type apartment price growth is approaching the limit of 2% this year. An exception is the standard-type apartment price in Bolderāja, where there were observed totally contrary market trends – the price fall this year has already exceeded 2%. In September, minimal negative price fluctuations were observed also in Vecmilgrāvis. It only shows once again that high quality real properties are dominating not only the standard-type apartment segment, but also the whole housing segment in 2013, and the main factor is the location of property. Price differences between the cheapest and the most expensive housing estates are growing.

The largest growth of the average 1m² price in the housing estates of Riga City since the beginning of 2013 was observed in Pļavnieki and Ķengarags - +3.9%. But, in turn, solely in Bolderāja the prices have decreased this year - by 2.5% on average. In other housing estates the prices tend to increase slightly.

Price changes in housing estates since beginning of 2013

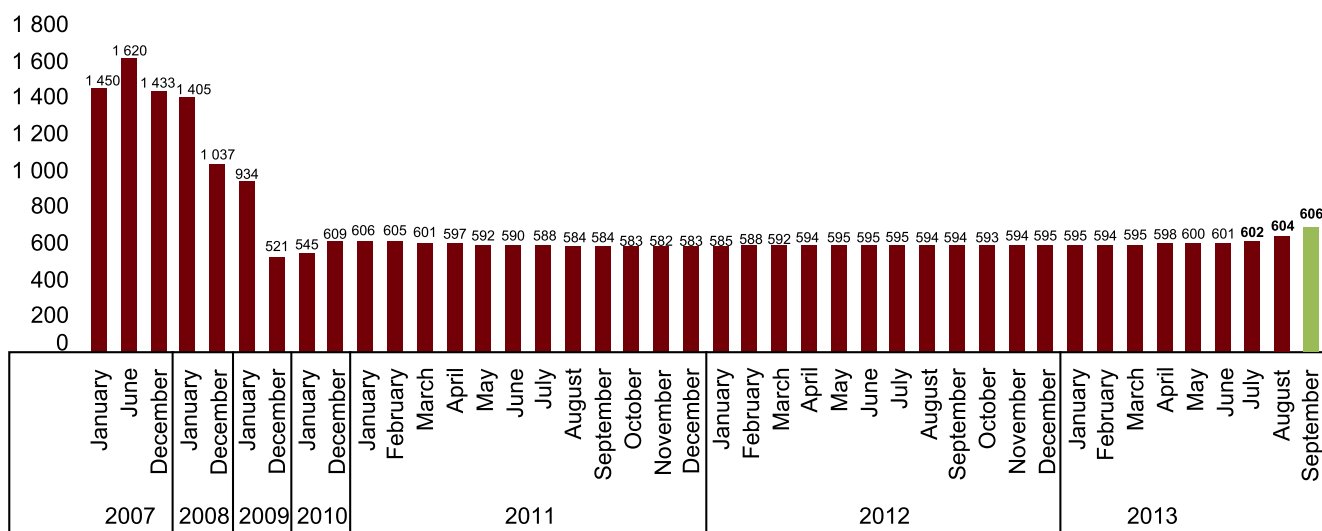


Source: ARCO REAL ESTATE

In September 2013 the average standard-apartment price has reached the level of 606 EUR/m². The prices on average are by 62.6% 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/m².

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 1.8%.

Movements of average price of standard-type apartments in housing estates of Riga (EUR/m²)



Source: ARCO REAL ESTATE

In September 2013, the average price of 1m² of apartments if categorized by number of rooms has increased for one-room apartments (+0.5%), two-room apartments (+0.8%), three-room apartments (+0.7%) and four-room apartments (+0.7%).

Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms (EUR/m²)

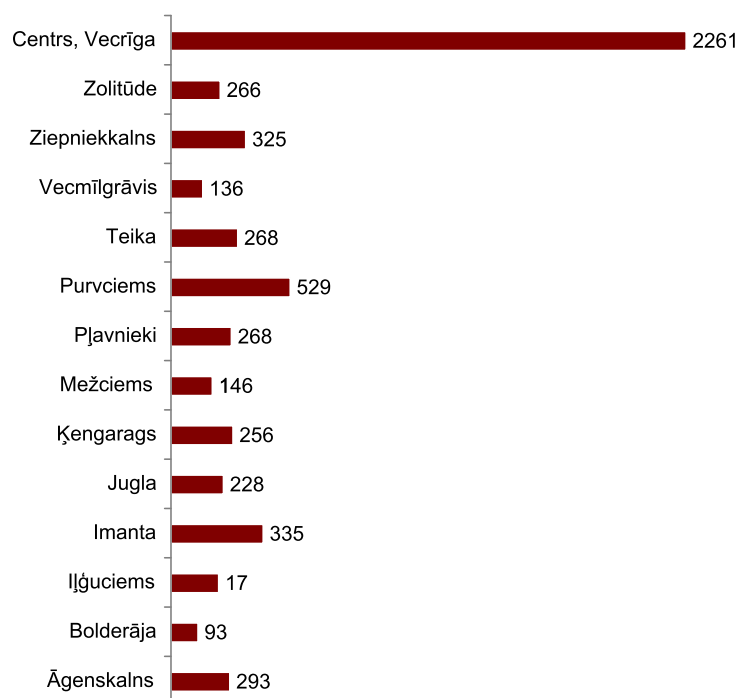
	2011												2012												2013											
	1st January	1st February	1st March	1st April	1st May	1st June	1st July	1st August	1st September	1st October	1st November	1st December	1st January	1st February	1st March	1st April	1st May	1st June	1st July	1st August	1st September	1st October	1st November	1st December	1st January	1st February	1st March	1st April	1st May	1st June	1st July	1st August	1st September	1st October		
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	648	648	650	651	652	654		
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	603	610	612	612	614	616	619		
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	576	577	578	579	582	583			
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	562	563	564	567		

Avots: ARCO REAL ESTATE

In September 2013, the supply of apartments has in total slightly decreased. The number of apartments supplied has decreased by 4.1% in the largest housing estates analyzed by ARCO REAL ESTATE. Also the overall supply in Riga has slightly decreased (-2.2%). The supply of apartments in the central part of Riga (city centre, Old Town) has decreased in September (-0.4%).

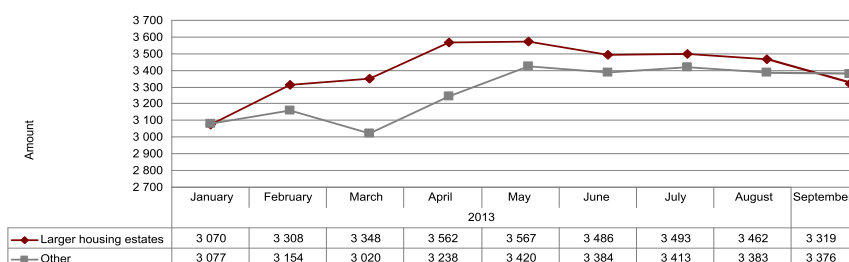
Having summarized the number of apartments supplied, it can be concluded that the largest supply of apartments in September was in Purvciems, Āgenskalns, Imanta and Ziepniekkalns. But the housing estates where the number of apartments supplied was the smallest were Bolderāja and Vecmīlgrāvis. In September, the number of apartments supplied in the largest housing estates of Riga mainly decreased. The largest reduction of the supply was observed in Mežciems, where the supply decreased by 14.6%. But the largest increase was observed in Zolitūde - by 3.1%.

Number of apartments offered in Riga, September 2013



Source: ARCO REAL ESTATE

Apartment supply dynamics in Riga



Source: ARCO REAL ESTATE

In September 2013, the standard-type apartment market was characterized mainly by a minimum price growth in the largest Riga housing estates. The largest growth of the average price of 1 m² in September already for the second month was observed in Ķengarags (+1.1%). In turn, in Vecmīlgrāvis and Bolderāja the apartment prices have decreased: the average price of 1 sq.m has respectively dropped by 0.1% and 0.8%.

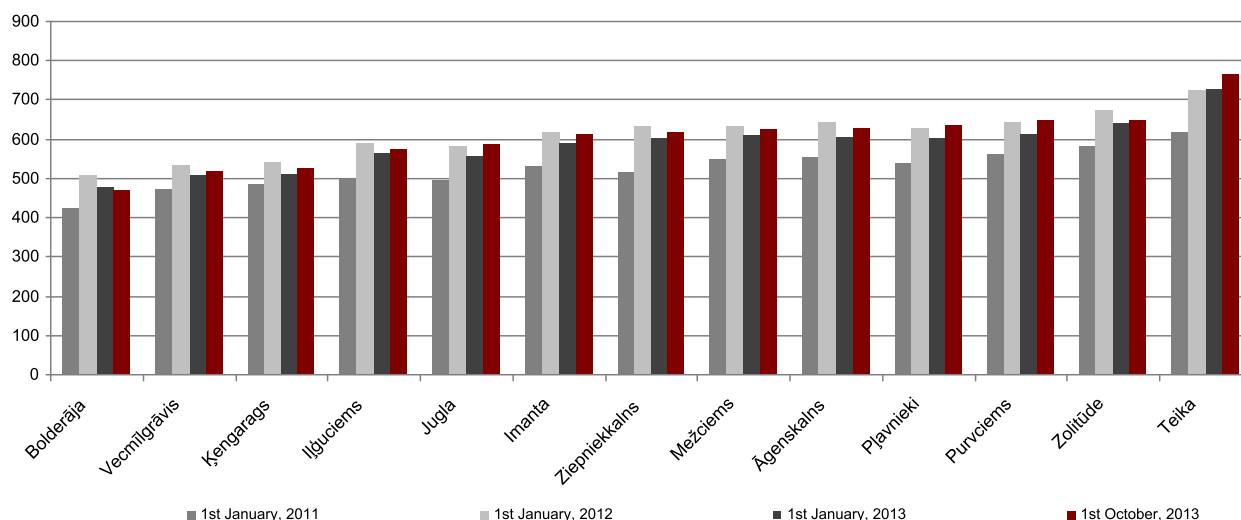
Change of average standart-type apartment prices in Riga housing estates (%)

	Average 1m ² price on 1st of October, 2013	Average 1m ² price on 1st of September, 2013	Price changes, %
Jugla	594	589	0,7%
Pļavnieki	646	643	0,5%
Purvciems	651	648	0,5%
Mežciems	627	627	0,0%
Teika	774	772	0,6%
Vecmīlgrāvis	520	520	-0,1%
Ķengarags	538	533	1,1%
Bolderāja	461	464	-0,8%
Ziepniekkalns	621	621	0,0%
Imanta	618	615	0,6%
Zolitūde	654	649	0,7%
Āgenskalns	636	636	0,0%
Iļģuciems	583	581	0,4%

Source: ARCO REAL ESTATE

Since the beginning of 2011, the prices have decreased by 0.6%. Since the beginning of 2012, the standard-type apartment prices have increased by 3.9%. Compared with the beginning of 2013, in September 2013 the standard-type apartment prices in the housing estates of Riga were by 1.8% higher.

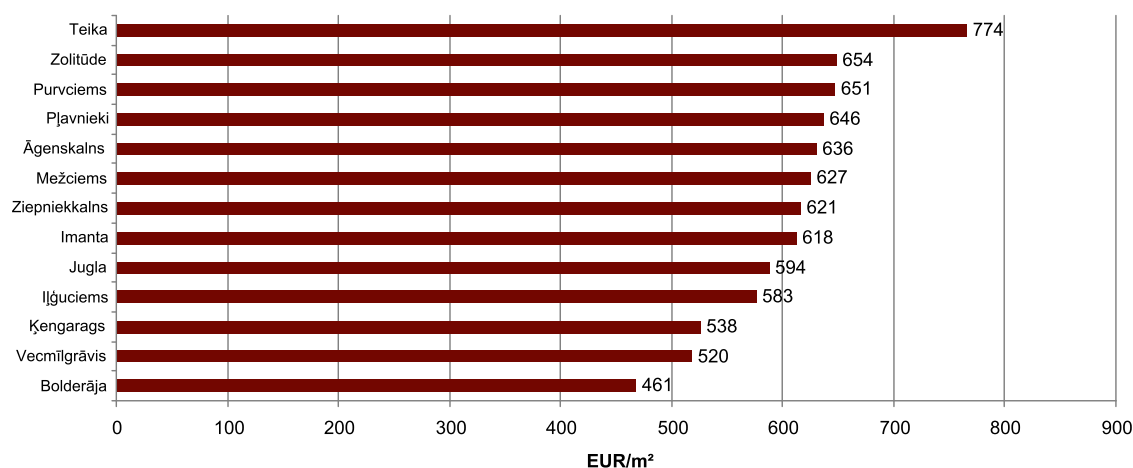
Average standard-type apartment prices in Riga housing estates (EUR/m²)



Source: ARCO REAL ESTATE

The highest standard-type apartment prices in September 2013 were in Teika, where the prices continue to grow and average price of 1m² has increased to 774 EUR. But the lowest average price of 1 m² in September was in Bolderāja where it has dropped to 461 EUR.

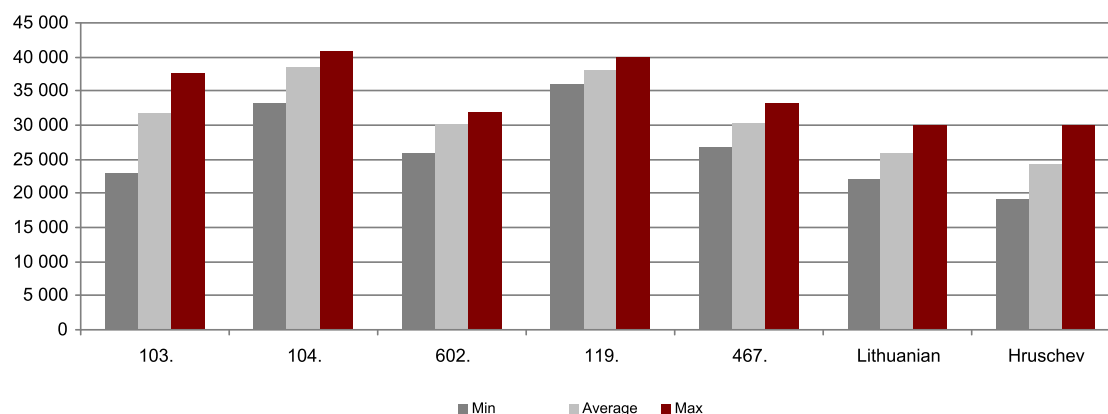
Average standard-type apartment prices in Riga housing estates in September 2013 (EUR/m²)



Source: ARCO REAL ESTATE

In September 2013, the most expensive apartments still were apartments in the houses of the 119th series and 104th series, where the price of 2-room apartments varied from 33 to 41 thousand EUR, depending on the location. In turn, 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 19 to 30 thousand EUR, depending on the housing estate.

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



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

Ogre

The average prices in Ogre in September 2013 remained unchanged. The average apartment price has remained to be 426 EUR/m². In 2012, the prices of standard-type apartments decreased by 1.3% in Ogre. In the first six months of 2013, the apartment prices in Ogre decreased by 1.3%. The prices observed in recent months in Ogre are to be considered stable, without any significant changes.

Kauguri, Jūrmala

In September 2013 the apartment prices in Kauguri decreased by 1.2%. The average price of an apartment has dropped to 395 EUR/m². In 2012, the prices of standard-type apartments decreased by 3.5% in Kauguri. Since the beginning of 2013, the apartment prices in Kauguri have decreased by 5.7%.

Salaspils

In September 2013, the apartment prices in Salaspils have decreased by 0.6%. The average price has dropped to 465 EUR/m². In 2012, the prices of standard-type apartments decreased by 3.1% in Salaspils. Since the beginning of 2013, the apartment prices in Salaspils have decreased by 2.8%. Price decrease in Salaspils has been observed already for several months.

Jelgava

In September 2013, the apartment prices in Jelgava remained unchanged. The average price remained to be 291 EUR/m². In 2012, the prices of standard-type apartments decreased by 2.6% in Jelgava. In the first six months of 2013, the apartment prices have been stable and the price fluctuations have been insignificant. In general, the prices have remained unchanged since the beginning of the year.

ARCO REAL ESTATE

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