

**STANDART TYPE APARTMENT MARKET OVERVIEW**  
**FEBRUARY**

## Standard-type apartments, March 1, 2014

**In February 2014, the prices of standard-type apartments located in Riga housing estates increased by 0.9%. The average standard-type apartment price in February has increased till 622 EUR/m<sup>2</sup>. In whole, since the beginning of year 2013, the prices have grown by 4.6%. Prices are in the highest position during the last four years.**

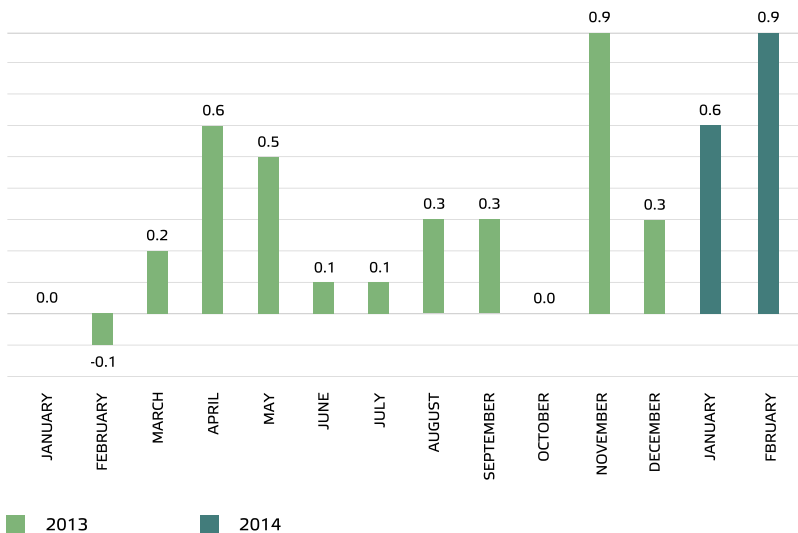
The prices of all standard type apartments has a tendency to increase and in the first two months of the year the average price of standard type apartments has increased by 1.5%. Therefore, it is a reason to expect that the price growth this year could be faster than it was the last year. In a number of residential areas in February prices grow even by about 1.5 - 2%, which can be considered as a relatively large price increase that has not been observed in recent years. Demand for apartments in the best residential areas is still growing. Average prices in Teika have exceeded 800 EUR/m<sup>2</sup>, mainly due to the high prices of apartments in the so-called Stalin's time houses.

The largest growth of the average one square meter price in the housing estates of Riga City since the beginning of 2014 was observed in Ilģuciemis: +2.6%. But, in turn, solely in Bolderāja the prices have decreased – by 0.2 % on average. In other housing estates the prices tend to increase slightly.

In February 2014 the average price has climbed to position of 622 EUR/m<sup>2</sup>. The prices on average are by 61,6% 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/m<sup>2</sup>.

In 2008, the average prices of standard-type apartments in Riga in total decreased by 33.5%. 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%. In 2013, the apartment prices have increased by 3%. At the beginning of 2014, prices continue to rise – this year the prices have increased by 1.5%

### Standard-type apartment price changes since beginning of 2013, %



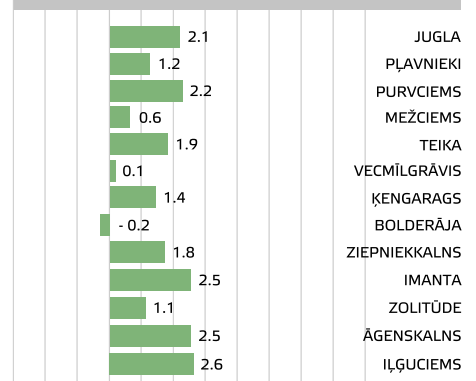
Source: ARCO REAL ESTATE

In February 2014, the average price of one square metre of apartments if categorized by number of rooms has increased for one-room apartments (+1.5%), two-room (+0.5%), three-room (+0.7%) and four-room apartments (+0.7%).

Movements of average price of standard-type apartments in the largest housing estates of Riga, EUR			
1450	January	2007	
1620	July		
1433	December	2008	
1405	January		
1037	December	2009	
934	January		
521	December	2010	
545	January		
609	December	2011	
606	January		
605	February		
601	March		
597	April		
592	May		
590	June		
588	July		
584	August		
584	September		
583	October		
582	November		
583	December		
585	January	2012	
588	February		
592	March		
594	April		
595	May		
595	June		
595	July		
594	August		
594	September		
593	October		
594	November		
595	December		
595	January	2013	
594	February		
595	March		
598	April		
600	May		
601	June		
602	July		
604	August		
606	September		
606	October		
611	November		
613	December		
617	January	2014	
622	February		

Source: ARCO REAL ESTATE

### Price changes in housing estates since beginning of 2014, %



Source: ARCO REAL ESTATE



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Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m<sup>2</sup>

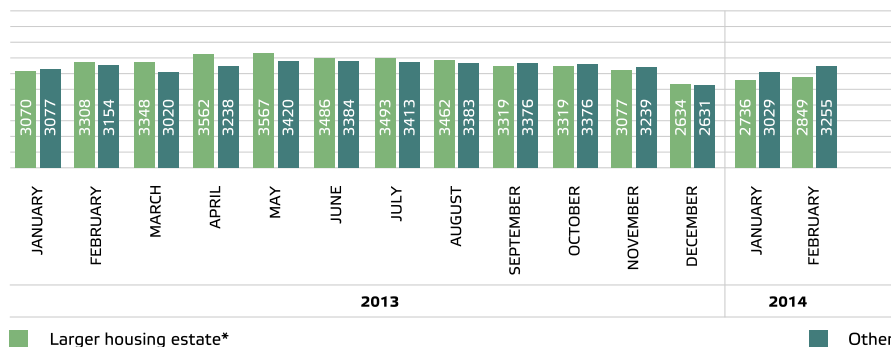
1 room	654	649	644	636	633	628	626	624	623	622	622	621	622	626	632	639	639	640	641	640	638	639	639	642	643	643	643	643	648	648	650	651	652	654	655	664	666	671	681
2 rooms	621	615	613	609	604	599	596	594	590	591	589	589	590	592	594	598	600	602	602	602	602	602	601	601	602	602	602	603	610	612	612	614	616	619	618	623	625	628	631
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	577	578	579	582	583	583	587	588	592	596
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	568	571	573	577	581
	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	1st November	uz 1. decembrī	1st January	1st February	1st March
	2011												2012												2013												2014		

Source: ARCO REAL ESTATE

In February 2014, the supply of apartments has in total increased. The number of apartments supplied in the largest housing estates analyzed by ARCO REAL ESTATE has grown by 4.1%. Also the overall supply in Riga has increased (+5.8%). Also in the central part of Riga (city centre, Old Town) the supply of apartments in February has increased (+8.4%).

Having summarized the number of apartments supplied, it can be concluded that the largest supply of apartments in February was in Purvciems, Ziepniekkalns and Imanta. But the housing estates where the number of apartments supplied was the smallest were Bolderāja and Vecmilgrāvis. In February, the number of apartments supplied in the largest housing estates of Riga has grown. The largest increase of the supply was observed in Purvciems, where supply increased by 13.5%. The largest decrease of the supply was observed in Ķengarags, where the supply decreased by 14.2%.

## Apartment supply dynamics in Riga



\* Jugla, Pļavnieki, Purvciems, Mežciems, Teika, Vecmilgrāvis, Ķengarags, Bolderāja, Ziepniekkalns, Imanta, Zolitūde, Āgenskalns, Ilģuciems

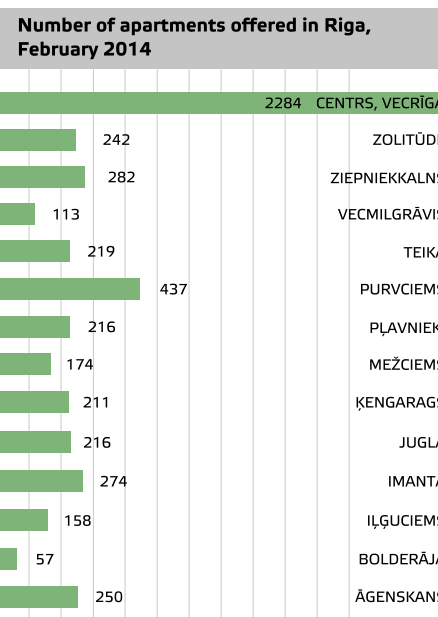
Source: ARCO REAL ESTATE

In February 2014, the standard-type apartment market showed a price growth in most of the largest Riga housing estates. The largest growth of the average price of one square meter in February was observed in Ilģuciems (+2%) and Imanta (+1,9%). In turn, in Mežciems the average price of one square meter has dropped by 0.1%.

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

	Average 1m <sup>2</sup> price on 1st of March, 2014	Average 1m <sup>2</sup> price on 1st of February, 2014	Price changes, %
Jugla	623	613	1.6 ↑
Pļavnieki	659	654	0.7 ↑
Purvciems	676	670	0.8 ↑
Mežciems	641	642	-0.1 ↓
Teika	802	795	1.0 ↑
Vecmilgrāvis	525	525	0.0 →
Ķengarags	550	545	1.0 ↑
Bolderāja	449	449	0.0 →
Ziepniekkalns	637	631	1.0 ↑
Imanta	649	637	1.9 ↑
Zolitūde	671	668	0.4 ↑
Āgenskalns	661	652	1.4 ↑
Ilģuciems	600	588	2.0 ↑

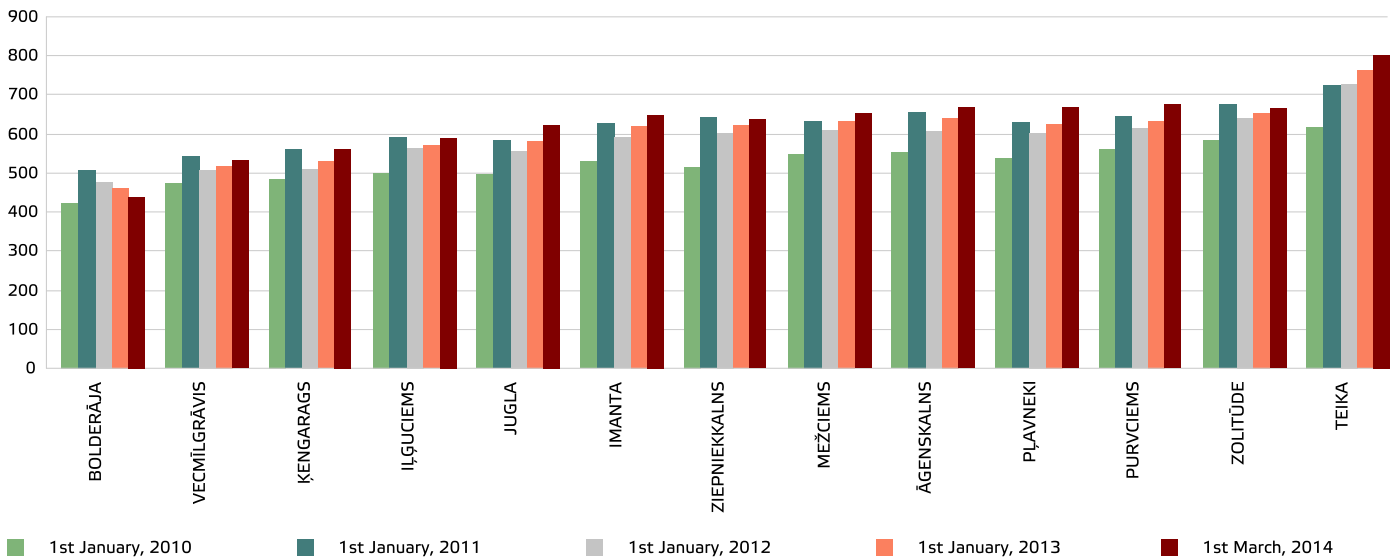
Source: ARCO REAL ESTATE



Source: ARCO REAL ESTATE

Since the beginning of 2010, prices have increased by 19.4%. Since the beginning of 2011, the prices are higher by 2.2%. Since the beginning of 2012, prices of the standard-type apartments have increased by 6.7%. Compared with the beginning of 2013, in February 2014, the standard-type apartment prices in the housing estates of Riga were by 4.6% higher.

**Average standard-type apartment prices in Riga housing estates, EUR/m<sup>2</sup>**

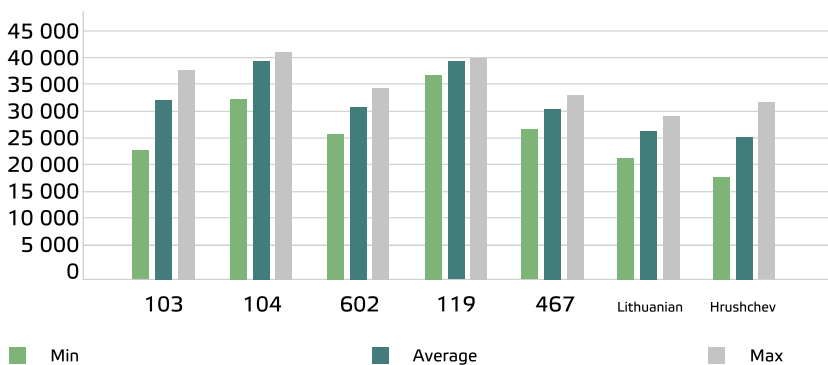


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in February 2014 were in Teika, where average price of one square meter is keeping growing and has reached 802 EUR. But the lowest average price of square meter in February was in Bolderāja – it is still 449 EUR.

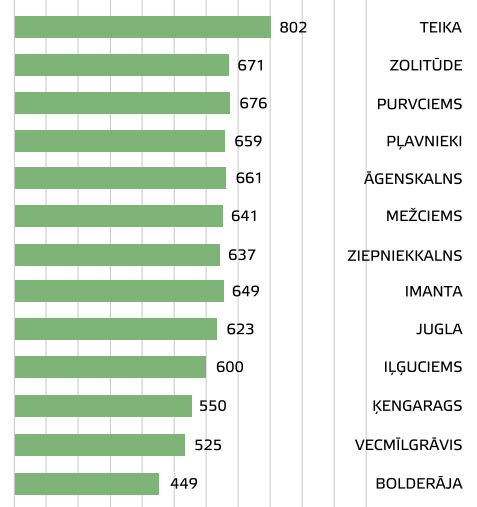
In February 2014, the most expensive still were apartments in the houses of the 119th series and 104th series, where the price of 2-room apartments varied from 33 to 42 thousand EUR, depending on the location. In turn, the so-called Lithuanian design houses have been the cheapest ones, where the price of 2-room apartments varied from 21 to 29 thousand EUR, and the so-called Hrushchev-time houses, where the price of 2-room apartments varied from 18 to 32 thousand EUR, depending on the housing estate.

**Standard-type apartment prices by series in Riga housing estates in February 2014, EUR (2-room apartments)**



Source: ARCO REAL ESTATE

**Average standard-type apartment prices in Riga housing estates in February 2014, EUR/m<sup>2</sup>**



Source: ARCO REAL ESTATE

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## Apartment market in the vicinity of Riga

### OGRE

The average prices of standard type apartments in Ogre in February 2014 have increased by 1.1%. The average price has raised to 432 EUR/m<sup>2</sup>. In 2013, the prices of standard-type apartments increased by 0.9% in Ogre. Apartment prices in Ogre can be valued as stable and without relevant changes. During the end of the year was observed increase of activities in the apartment market, and prices slightly have grown since the beginning of 2014.

### KAUGURI, JŪRMALA

In February 2014 the apartment prices in Kauguri have remained unchanged. The average price of an apartment is 395 EUR/m<sup>2</sup>. In 2013, the prices of apartments have decreased by 5.7% in Kauguri. The price was influenced by the numerous cases of forced sale of apartments, when prices were reduced below the average in order to sell the apartment. At the beginning of 2014 there were not observed any increase in activities or any positive price changes.

### SALASPILS

In February 2014 the apartment prices in Salaspils have remained unchanged. The average price of an apartment still is 462 EUR/m<sup>2</sup>. In 2013, the prices of apartments have decreased by 3.4% in Salaspils. The decrease of the prices in Salaspils stopped at the end of the previous year. At the beginning of 2014 there were not observed any increase in activities or any positive price changes.

### JELGAVA

In February 2014, the apartment prices in Jelgava have increased by 3.8%. The average price of an apartment is 328 EUR/m<sup>2</sup>. In 2013, the prices of apartments have increased by 6.3%. Apartment prices in Jelgava continue to grow, and in the first two months of the year, prices have grown in average by 4.7%. Such a sharp increase in prices is based on the "recovery" from the low price levels of housing that existed in the economic crisis period.

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