

**STANDART TYPE APARTMENT MARKET OVERVIEW**  
**MARCH**

## Standard-type apartments, April 1, 2014

**In March 2014, the prices of standard-type apartments located in Riga housing estates increased by 1%. The average standard-type apartment price in March has increased to 628 EUR/m<sup>2</sup>. In whole, since the beginning of 2014, the prices have grown by 2.5%.**

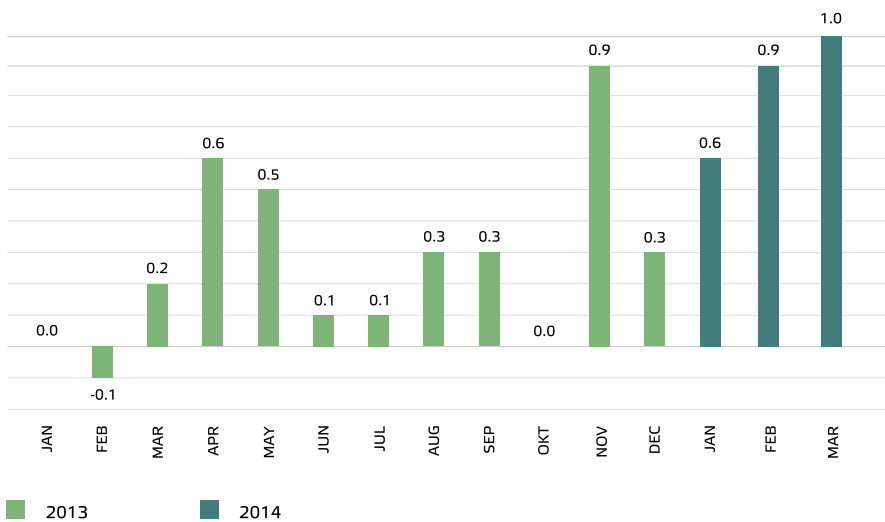
Standard-type apartment prices continue to rise, and the increase is greater than previously expected. Such a great price increase does not have any really visible basis. In a number of housing estates the price increase this year has already exceeded 3% (in 2013, the overall standard-type apartment price increase was about 3%). Cheap offers rapidly disappear in such housing estates as Imanta and Ķengarags where the greatest price increase was seen this year. The price increase concerned mainly the most popular 1-room and 2-room apartments in the apartment houses of the best series. In March, the first positive price changes were seen in Bolderāja, where a strong price decline was observed during the last year and a half.

The largest growth of the average one square metre price in the housing estates of Riga City since the beginning of 2014 was observed in Imanta: +4.2%. Also in Bolderāja we have finally seen positive price changes – the prices have increased by 0.2% in average this year. Also in other housing estates the prices tend to rise.

In March 2014 the average price has climbed to position of 628 EUR/m<sup>2</sup>. The prices on average are by 61.2% 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 increased by 3%. At the beginning of 2014, prices continue to rise – this year the prices have increased by 2.5%.

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



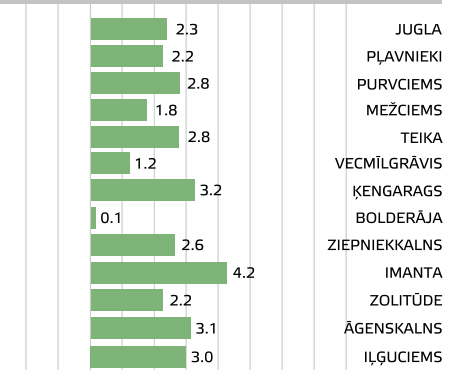
Source: ARCO REAL ESTATE

In March 2014, the average price of one square metre of apartments if categorized by number of rooms has increased for one-room apartments (+1.2%), two-room (+1.1%), three-room (+0.7%) and four-room apartments (+0.9%).

| Movements of average price of standard-type apartments in the largest housing estates of Riga, EUR |           |  |      |
|--|-----------|--|------|
| 1450   | January   |  |      |
| 1620   | July      |  | 2007 |
| 1433   | December  |  |      |
| 1405   | January   |  | 2008 |
| 1037   | December  |  |      |
| 934  | January   |  | 2009 |
| 521  | December  |  |      |
| 545  | January   |  | 2010 |
| 609  | December  |  |      |
| 606  | January   |  |      |
| 605  | February  |  |      |
| 601  | March     |  |      |
| 597  | April     |  |      |
| 592  | May       |  |      |
| 590  | June      |  | 2011 |
| 588  | July      |  |      |
| 584  | August    |  |      |
| 584  | September |  |      |
| 583  | October   |  |      |
| 582  | November  |  |      |
| 583  | December  |  |      |
| 585  | January   |  |      |
| 588  | February  |  |      |
| 592  | March     |  |      |
| 594  | April     |  |      |
| 595  | May       |  |      |
| 595  | June      |  | 2012 |
| 595  | July      |  |      |
| 594  | August    |  |      |
| 594  | September |  |      |
| 593  | October   |  |      |
| 594  | November  |  |      |
| 595  | December  |  |      |
| 595  | January   |  |      |
| 594  | February  |  |      |
| 595  | March     |  |      |
| 598  | April     |  |      |
| 600  | May       |  | 2013 |
| 601  | June      |  |      |
| 602  | July      |  |      |
| 604  | August    |  |      |
| 606  | September |  |      |
| 606  | October   |  |      |
| 611  | November  |  |      |
| 613  | December  |  |      |
| 617  | January   |  |      |
| 622  | February  |  | 2014 |
| 628  | March     |  |      |

Source: ARCO REAL ESTATE

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



Source: ARCO REAL ESTATE

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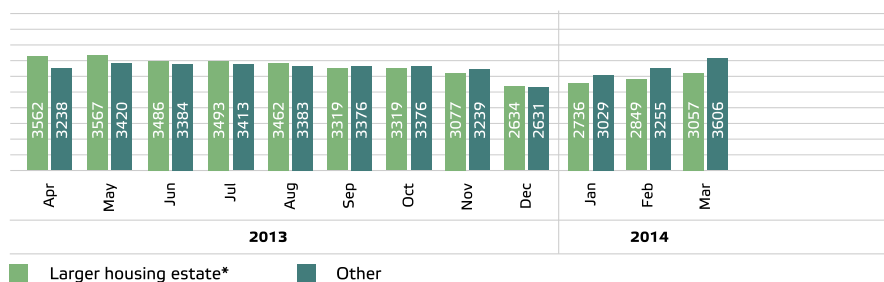
**Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m<sup>2</sup>**

| 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     | 689   |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| 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     | 638   |
| 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     | 576     | 577     | 578     | 579     | 582     | 583     | 583     | 587     | 588     | 592     | 596     | 600     |         |       |
| 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     | 586   |
|         | 1st Jan | 1st Feb | 1st Mar | 1st Apr | 1st May | 1st Jun | 1st Jul | 1st Aug | 1st Sep | 1st Oct | 1st Nov | 1st Dec | 1st Jan | 1st Feb | 1st Mar | 1st Apr | 1st May | 1st Jun | 1st Jul | 1st Aug | 1st Sep | 1st Oct | 1st Nov | 1st Dec | 1st Jan | 1st Feb | 1st Mar | 1st Apr | 1st May | 1st Jun | 1st Jul | 1st Aug | 1st Sep | 1st Oct | 1st Nov | 1st Dec | 1st Jan | 1st Feb | 1st Mar | 1 Apr |
|         | 2011    |         |         |         |         |         |         |         |         |         |         |         | 2012    |         |         |         |         |         |         |         |         |         |         |         | 2013    |         |         |         |         |         |         |         |         |         |         |         | 2014    |         |         |       |

Source: ARCO REAL ESTATE

In March 2014, the supply of apartments has in overall increased. The number of apartments supplied in the largest housing estates analyzed by ARCO REAL ESTATE has grown by 7.3%. Also the overall supply in Riga has increased (+9.2%). Also in the central part of Riga (city centre, Old Town) the supply of apartments in March has continued to increase (+12.5%).

Having summarized the number of apartments supplied, it can be concluded that the largest supply of apartments in March was in Purvciems, Ziepniekkalns and Imanta. But the housing estates where the number of apartments supplied was the smallest were Bolderāja and Vecmīlgrāvis. In March, the number of apartments supplied has grown in almost all largest housing estates of Riga. The largest increase of the supply was observed in Purvciems, where supply increased by 14.9%. But in Ķengarags the supply has decreased for the second month in a row; the decrease in March was 8.5%.

**Apartment supply dynamics in Riga**


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

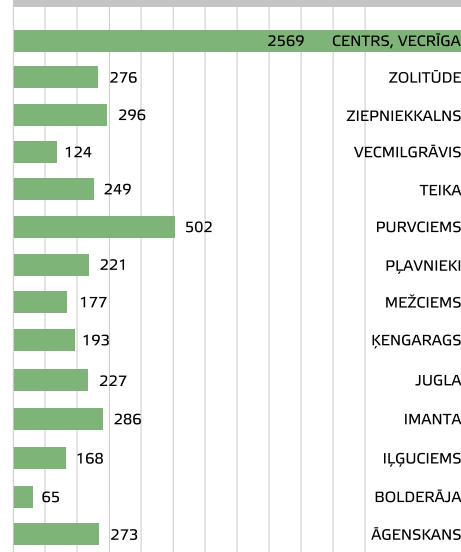
Source: ARCO REAL ESTATE

In March 2014, the standard-type apartment market showed a price growth in all of the largest Riga housing estates. The largest growth of the average price of one square metre in March was observed in Ķengarags (+1.8%) and Imanta (+1.6%). But in Jugla there was observed the smallest price change: the price has grown only by 0.2%.

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

|               | Average 1m <sup>2</sup> price on 1st of April, 2014 | Average 1m <sup>2</sup> price on 1st of March, 2014 | Izmaiņas, % |
|---------------|---|---|-------------|
| Jugla         | 624   | 623   | 0.2 ↑       |
| Pļavnieki     | 666   | 659   | 1.0 ↑       |
| Purvciems     | 681   | 676   | 0.7 ↑       |
| Mežciems      | 649   | 641   | 1.1 ↑       |
| Teika         | 810   | 802   | 1.0 ↑       |
| Vecmīlgrāvis  | 530   | 525   | 1.1 ↑       |
| Ķengarags     | 560   | 550   | 1.8 ↑       |
| Bolderāja     | 451   | 449   | 0.4 ↑       |
| Ziepniekkalns | 643   | 637   | 0.8 ↑       |
| Imanta        | 659   | 649   | 1.6 ↑       |
| Zolitūde      | 678   | 671   | 1.1 ↑       |
| Āgenskalns    | 664   | 661   | 0.5 ↑       |
| Ilģuciems     | 603   | 600   | 0.4 ↑       |

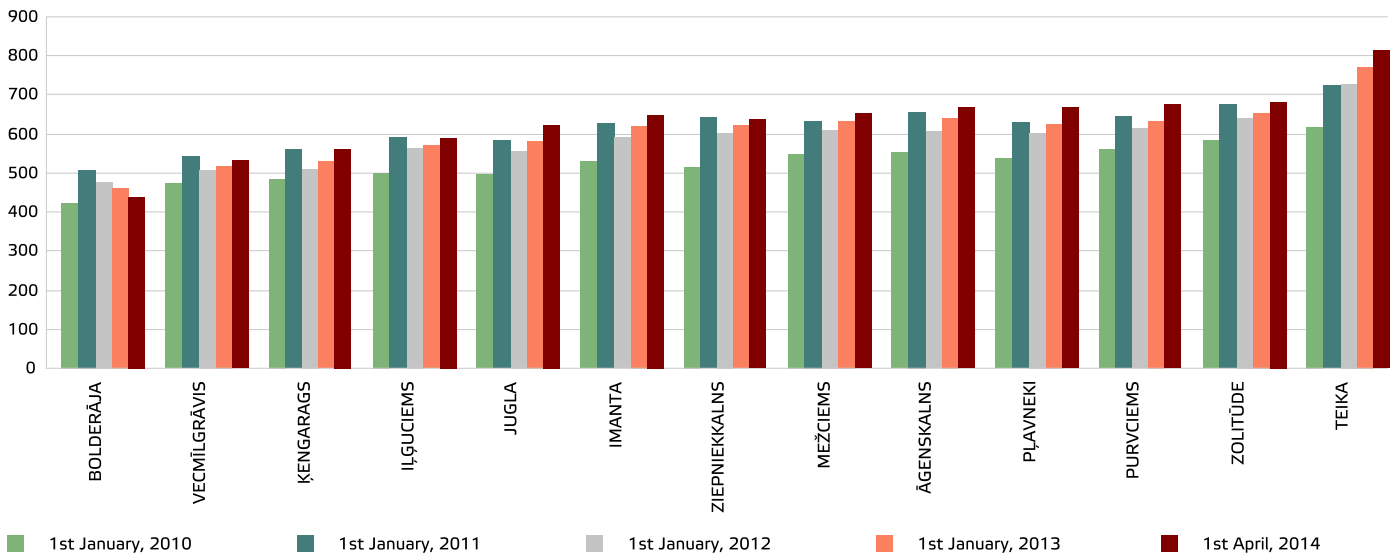
Source: ARCO REAL ESTATE

**Number of apartments offered in Riga, March 2014**


Source: ARCO REAL ESTATE

Since the beginning of 2010, prices have increased by 20.6%. 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 7.8%. Compared with the beginning of 2013, in March 2014, the standard-type apartment prices in the housing estates of Riga were by 5.6% higher.

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

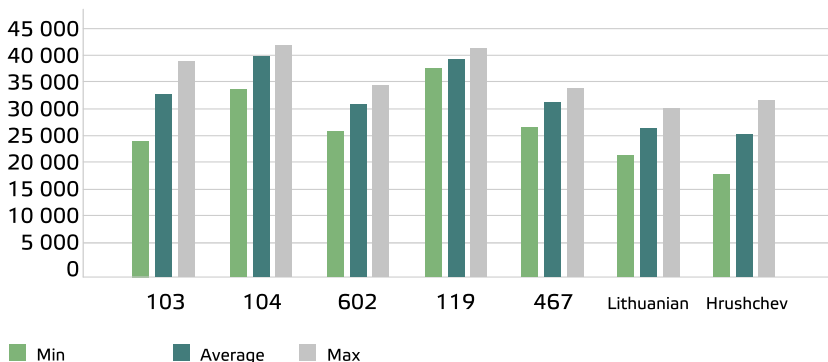


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in March 2014 were in Teika, where the average price of one square metre is keeping growing and has reached 810 EUR. But the lowest average price of one square metre in February was in Bolderāja – in March it grew slightly and now this price is 451 EUR.

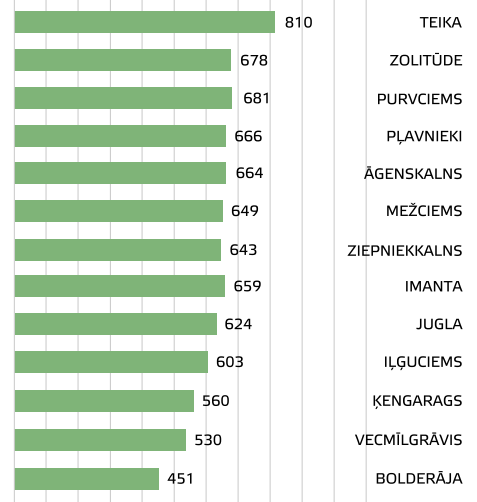
In March 2014, the most expensive apartments still were apartments in the houses of the 119th series and 104th series, where the price of 2-room apartments varied from 34 to 42 thousand EUR, depending on the location. In turn, the so-called Lithuanian design houses have been the cheapest ones, where the price of 2-room apartments varied from 21 to 30 thousand EUR, and the so-called Khrushchev-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 March 2014, EUR (2-room apartments)**



Source: ARCO REAL ESTATE

**Average standard-type apartment prices in Riga housing estates in March 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 March 2014 remained unchanged. The average price remained to be 432 EUR/m<sup>2</sup>. In 2013, the prices of standard-type apartments increased by 0.9% in Ogre. Until now, the apartment prices in Ogre could be valued as stable and without any significant changes. In the first quarter of 2014, the apartment prices grew by 1.1%.

### KAUGURI, JŪRMALA

In March 2014 the apartment prices in Kauguri increased by 0.8%. The average price of an apartment has grown to 398 EUR/m<sup>2</sup>. In 2013, the prices of apartments have decreased by 5.7% in Kauguri. From the beginning of 2014 until now there were not observed any price changes. No price increase was observed in Kauguri during the last eighteen months.

### SALASPILS

In March 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 decreased by 3.4% in Salaspils. The decrease of the prices in Salaspils stopped at the end of the previous year. In the first quarter of 2014 there were not observed any price changes.

### JELGAVA

The apartment prices in Jelgava continue to grow – in March 2014 the prices increased by 3.5%. The average price of an apartment is 339 EUR/m<sup>2</sup>. In 2013, the prices of apartments increased by 6.3%. Apartment prices in Jelgava continue to grow, and in the first quarter of 2014, the prices have grown in average by 8.3%. This price increase is to be considered as large in comparison with Riga or its neighbourhood.

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