

# STANDART TYPE APARTMENT MARKET OVERVIEW

## MAY

**Standard-type apartments, June 1, 2014**

**In May 2014, the prices of standard-type apartments located in Riga housing estates increased by 0.5%. The average standard-type apartment price in May has increased to 634 EUR/m<sup>2</sup>. In whole, since the beginning of 2014, the prices have grown by 3.4%.**

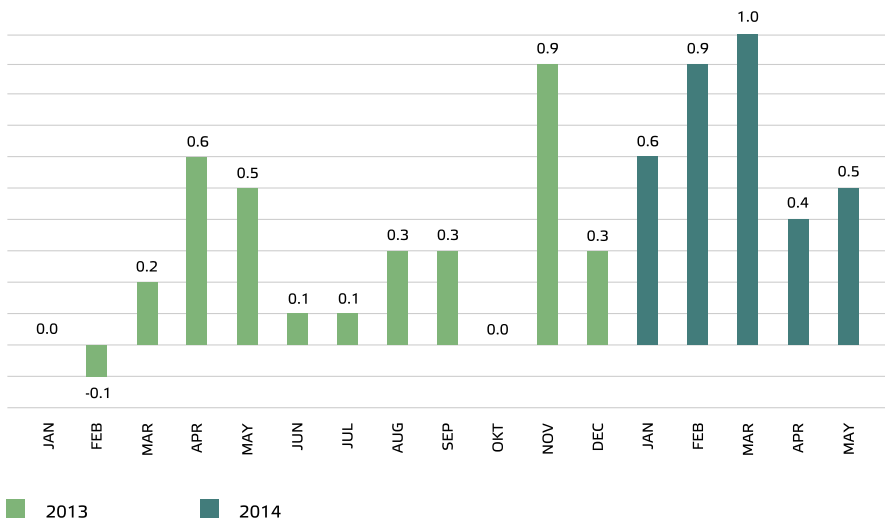
Though apartment prices continue to rise, the price increase is not as pronounced as in the first quarter. In some of the largest housing estates of Riga there were no evidences of price fluctuations in May. In contrast, in some housing estates, such as Imanta and Ķengarags, the prices continue to rise, and the increase since the beginning of the year has exceeded 5%. For example, in Imanta the price increase since the beginning of 2014 has already exceeded 6%, and the average price of a square metre is bigger than in such housing estates as Mežciems and Ziepniekkalns where higher prices have been observed in a longer period of time. Also in Bolderāja, after a prolonged price decline and stagnation period, the situation is seemingly improving – in May there was registered the highest increase in the supply of apartments, as well as one of the largest apartment price growth rates. At the same time, in Teika, where price increase was observed every month over the last year and a half, the price has reached the maximum limit – the price growth stopped in May.

The largest growth of the average 1m<sup>2</sup> price in the housing estates of Riga City since the beginning of 2014 was observed in Imanta: +6.1%. Also in other housing estates of Riga City in this year the prices tend to increase slightly.

In May 2014, the average price of a standard-type apartment has climbed to position of 634 EUR/m<sup>2</sup>. The prices on average are by 60.9% 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 2013, the apartment prices grew by 3%. At the beginning of 2014, prices continue to rise – this year there was an increase of 3.4%

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



Source: ARCO REAL ESTATE

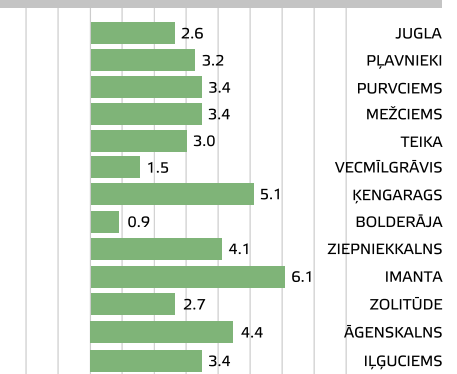
In May 2014, the average price of one square metre of apartments if categorized by number of rooms has increased for one-room apartments (+0.7%), two-room (+0.6%), three-room (+0.3%) and four-room apartments (+0.3%).

**Movements of average price of standard-type apartments in the largest housing estates of Riga, EUR**

1450	January	2007
1620	July	
1433	December	
1405	January	2008
1037	December	
934	January	2009
521	December	
545	January	2010
609	December	
606	January	2011
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	
628	March	
631	April	
634	May	

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>**

	622	626	632	639	639	640	641	640	638	639	639	642	643	643	643	643	648	650	651	652	654	655	664	666	671	681	689	692	697	
<b>1 room</b>	622	626	632	639	639	640	641	640	638	639	639	642	643	643	643	648	650	651	652	654	655	664	666	671	681	689	692	697		
<b>2 rooms</b>	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	641	645
<b>3 rooms</b>	563	565	568	571	573	574	575	575	575	575	574	574	574	574	574	576	577	578	579	582	583	583	587	588	592	596	600	602	604	
<b>4 rooms</b>	557	557	560	561	565	565	562	562	562	562	560	560	560	560	560	561	562	562	563	564	567	568	571	573	577	581	586	588	590	
	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
	2012												2013												2014					

Source: ARCO REAL ESTATE

In May 2014, the supply of apartments in Riga has increased minimally – by 1.7%. The number of apartments supplied in the largest housing estates analyzed by ARCO REAL ESTATE has grown by 2%. Also in the central part of Riga (city centre, Old Town) the supply of apartments in May continues to increase (+2.8%).

Having summarized the number of apartments supplied, it can be concluded that the largest supply of apartments in May was in Purvciems, Āgenskalns 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 has slightly decreased. The total increase of the supply is based on the growth in individual housing estates. The most observable increase of the supply in May was observed in Bolderāja, where supply increased by 21.3%. In turn, the largest decrease of the supply was observed in Ķengarags, where the supply decreased by 8.4%.

**Apartment supply dynamics in Riga**

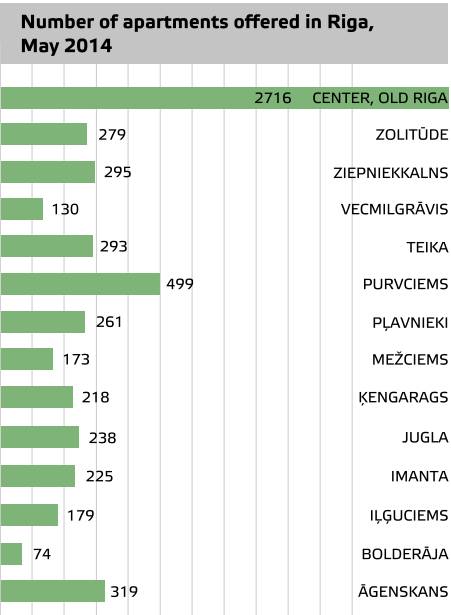

Source: ARCO REAL ESTATE

In May 2014, the prices have grown in the most part of Riga housing estates. The largest growth of the average price of 1m<sup>2</sup> in May was observed in Ķengarags (+1.6%). In turn, no changes in the price level were observed in Jugla, Mežciems, Teika and Ilģūciems where the prices have remained at the level of the previous month.

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

	Average 1m <sup>2</sup> price on 1st of June, 2014	Average 1m <sup>2</sup> price on 1st of May, 2014	Changes, %
Jugla	626	626	0.0
Pļavnieki	672	667	0.8
Purvciems	684	683	0.2
Mežciems	659	659	0.0
Teika	811	811	0.0
Vecmīlgrāvis	532	531	0.3
Ķengarags	570	562	1.6
Bolderāja	454	451	0.8
Ziepniekkalns	652	644	1.5
Imanta	671	662	1.3
Zolitūde	682	680	0.3
Āgenskalns	673	669	0.5
Ilģūciems	605	605	0.0

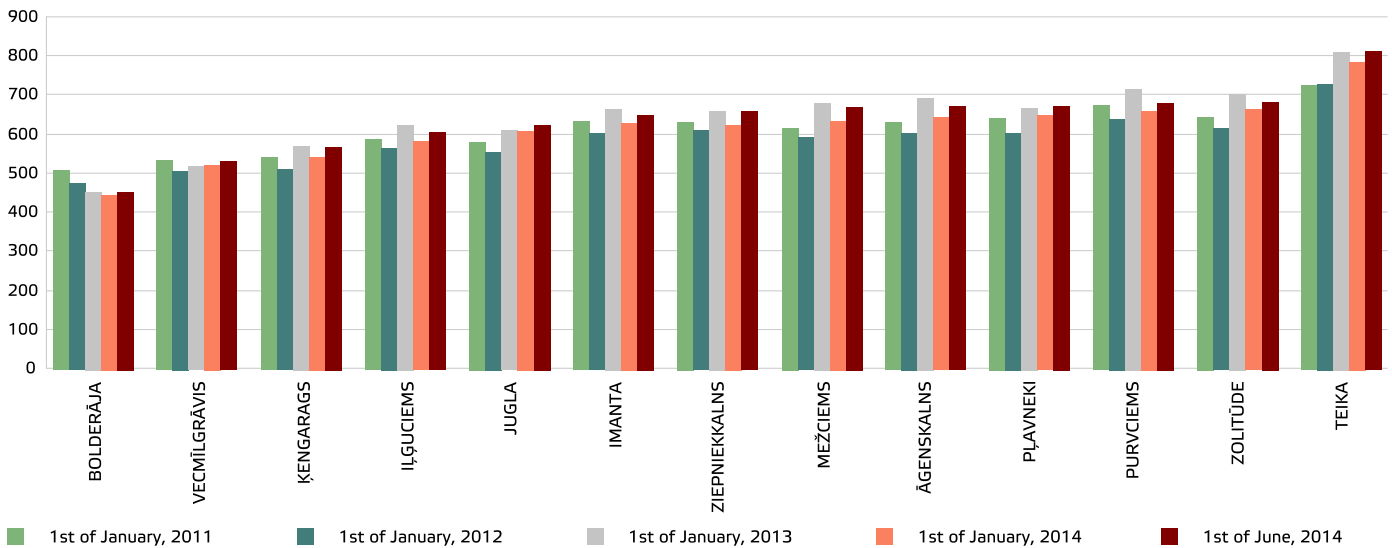
Source: ARCO REAL ESTATE



Source: ARCO REAL ESTATE

Since the beginning of 2011, prices have increased by 4.1%. Compared with the beginning of 2012, the prices are higher by 8.7%. Since the beginning of 2013, prices of the standard-type apartments have increased by 6.5%. Compared with the beginning of 2014, in May 2014, the standard-type apartment prices in the housing estates of Riga were by 3.4% higher.

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

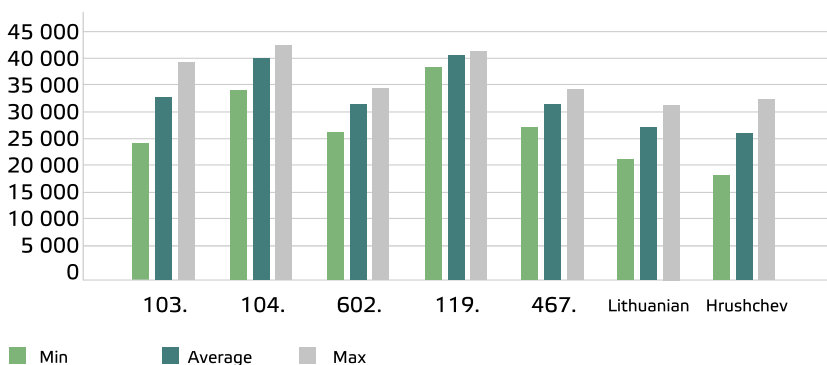


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in May 2014 were in Teika, where average price of 1m<sup>2</sup> is has reached and stopped at the level of 811 EUR. But the lowest average price of 1 m<sup>2</sup> has remained in Bolderāja – in May it has increased up to 454 EUR.

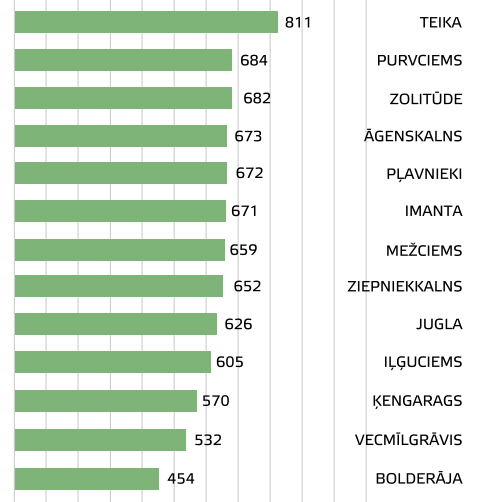
In May 2014, the most expensive apartments still were apartments in the houses of the 119th series and 104th series, where the price of 2-room apartments varied from 34 to 42 thousand EUR, depending on the location. In turn, the so-called Lithuanian design houses have been the cheapest ones, where the price of 2-room apartments varied from 21 to 31 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 May 2014, EUR (2-room apartments)**



Source: ARCO REAL ESTATE

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



Source: ARCO REAL ESTATE

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## Apartment market in the vicinity of Riga

### OGRE

Any change in the prices of standard type apartments in Ogre in May 2014 were not observed. The average price has remained to be 432 EUR/m<sup>2</sup>. Since the beginning of 2014, the prices have increased by 1.1% in Ogre. Apartment prices in Ogre grew only at the beginning of the year. During the last months price level has remained unchanged- no price fluctuations have been observed.

### KAUGURI, JŪRMALA

In May 2014, the apartment prices in Kauguri have grown by 0,9%. The average price of an apartment has grown to 402 EUR/m<sup>2</sup>. Since the beginning of 2014, the prices of apartments have grown by 1.7% in Kauguri, Jūrmala. After a prolonged housing price downturn in 2013, the price increase observed in this month is a positive sign for housing market in Kauguri.

### SALASPILS

In May 2014, the apartment prices in Salaspils have grown by 0.4%. The average price of an apartment has grown to 465 EUR/m<sup>2</sup>. Since 2014, the prices of apartments have grown by 0.7% in Salaspils. In general, housing prices and their changes in Salaspils to a great extent depend on the prices of housing estates in Riga, which this year have increased. Minor positive price changes have been observed in Salaspils only in the last two months.

### JELGAVA

In May 2014, the apartment prices in Jelgava have increased by 0.3%. In the first quarter of the year price growth was very high, but in the last two months a price stabilization was observed. Average price of an apartment has grown to 340 EUR/m<sup>2</sup>. Since the beginning of 2014, the prices of apartments in Jelgava have increased by 8.7%.

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