

MARKET OVERVIEW

**Apartments**  
**in new housing projects**  
1st quarter of 2022

# Apartments in new housing projects

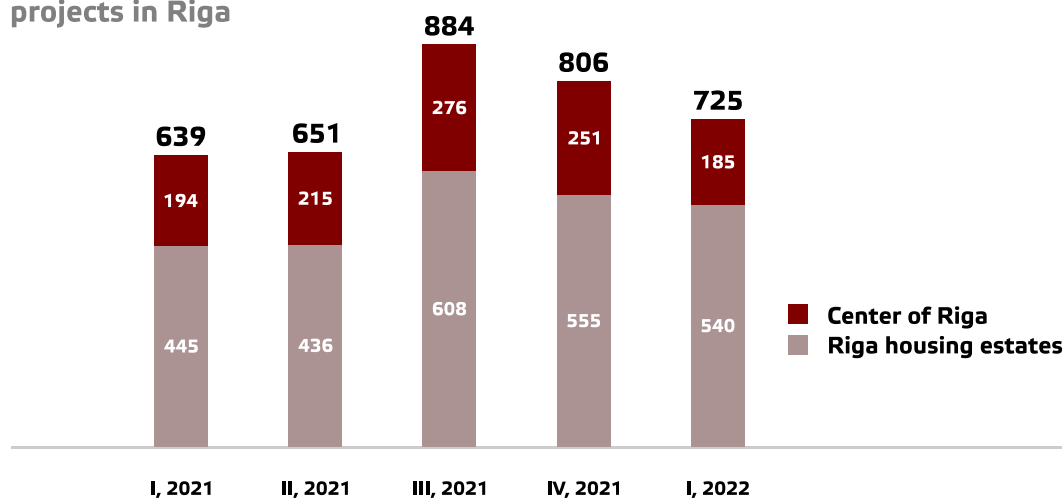
1st quarter of 2022

## Analysis of apartment transactions in the new housing projects in Riga

In the new housing projects market, activity decreased slightly in the 1st quarter of 2022 - compared to the 4th quarter of 2021, the number of transactions decreased by 10 %. A decrease in the number of transactions was observed both in the housing estates of Riga (-3 %) and in the centre of Riga (-26 %). Compared to the 1st quarter of 2021, in the 1st quarter of this year the number of transactions was significantly higher in housing estates (+21 %). In turn, the number of transactions in the centre of Riga this year was 5 % lower than in the same period last year. In the 1st quarter of 2022, most transactions took place in the housing estates of Riga (74 %).

-10 %

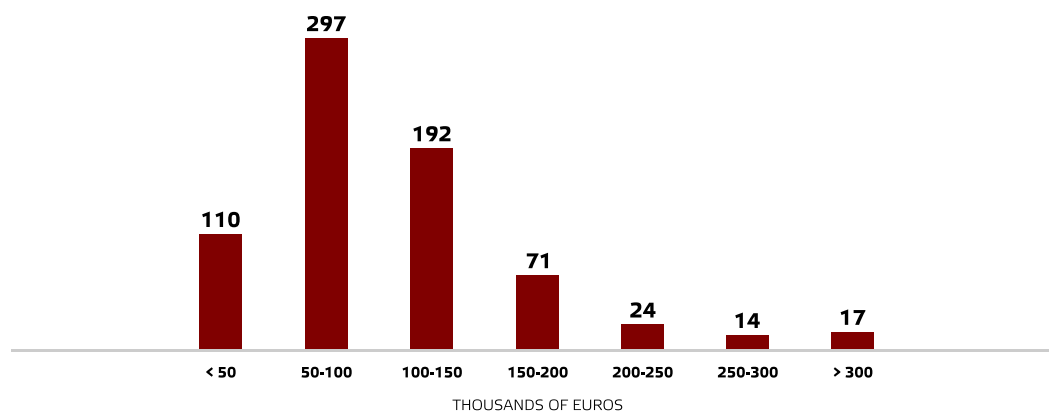
### Breakdown of number of apartment transactions in the new housing projects in Riga



Source: STATE LAND SERVICE, ARCO REAL ESTATE

Looking at the number of transactions with apartments in new projects in Riga in the 1st quarter of 2022, it can be concluded that the majority of transactions (41 %) took place in the price range from 50,000 to 100,000 euro. These were mainly two-room apartments with an average area of 51 m<sup>2</sup> in Riga's housing estates.

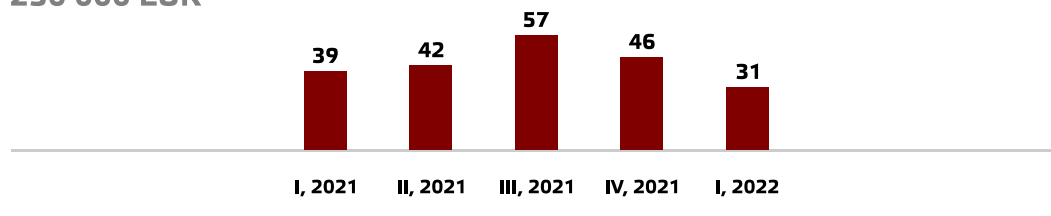
### Breakdown of number of apartment transactions in the new housing projects in Riga in the 1st quarter of 2022 by price ranges



Source: STATE LAND SERVICE

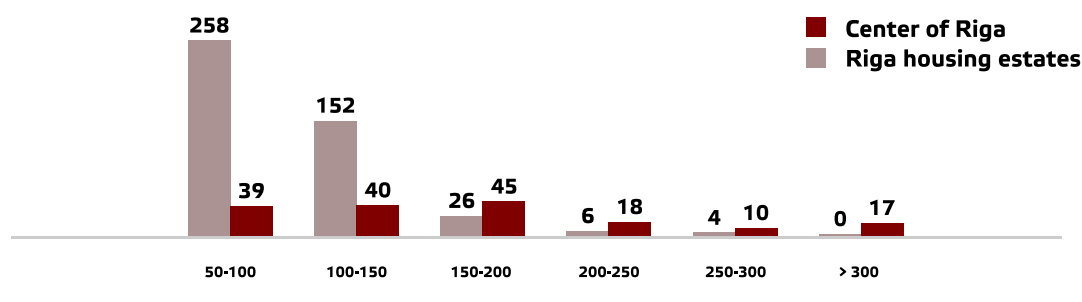
In the 1st quarter, a total of 31 transactions with apartments were registered in new projects in Riga, the price of which exceeded the minimum threshold for receiving a temporary residence permit (250,000 euro). This was 21 % less than in the same period of 2021, when 39 transactions were registered.

### Number of apartment transactions in the new housing projects at a price exceeding 250 000 EUR



Source: STATE LAND SERVICE

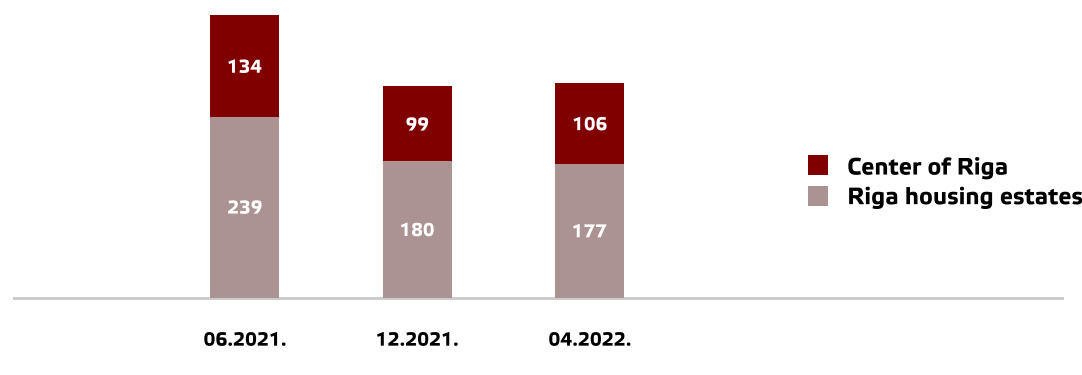
### Breakdown of number of apartment transactions in the new housing projects in Riga in the 1st quarter of 2022 by price ranges



Source: STATE LAND SERVICE

Compared to the beginning of 2022, in April the supply of new project apartments in the largest housing estates and the centre of Riga remained almost unchanged - the number of offers increased by 1 %. In the centre of Riga, on the other hand, supply increased by 7 %. On the other hand, the number of apartments offered for sale in Riga's housing estates in April was 2 % lower than at the beginning of the year. Compared to the middle of 2021, the total number of apartments offered for sale in April this year was 24 % lower.

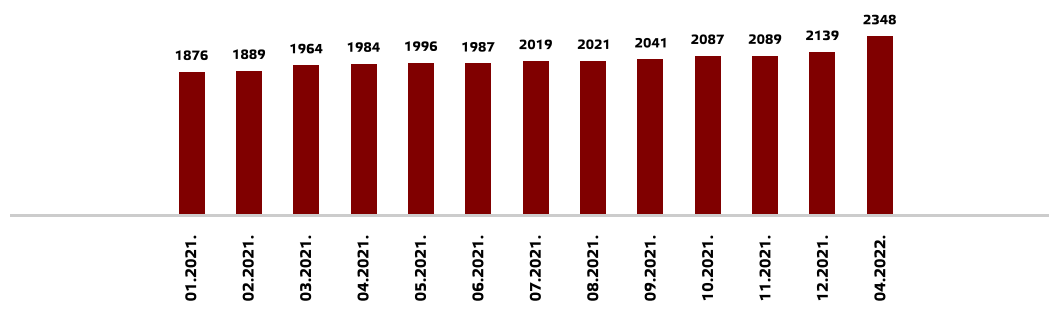
### Breakdown of the number of new project apartments offered for sale in Riga



Source: ARCO REAL ESTATE

At the end of April, there were about 280 apartments offered for sale in new housing projects in Riga. The average price of an apartment offer was 2,348 EUR/m<sup>2</sup>, which was 10 % higher than at the beginning of the year. At the end of last year, the average price of an apartment offer in Riga's housing estates was 2,053 EUR/m<sup>2</sup>, while in the central part of the city the average price reached 2,840 EUR/m<sup>2</sup>.

## The average offer price of new project apartments, EUR/m<sup>2</sup>



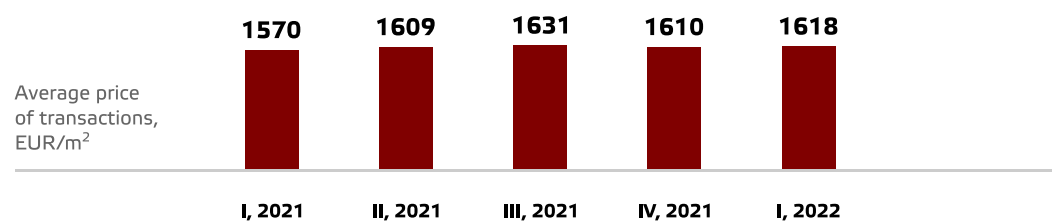
Source: ARCO REAL ESTATE

## New housing project apartment market in Riga housing estates

In the 1st quarter of 2022, the average price of apartment transactions in new projects in Riga's housing estates was 1,618 EUR/m<sup>2</sup>. Thus, at the beginning of 2022, apartment prices were 1 % higher than at the end of 2021. Compared to the 1st quarter of 2021, in the 1st quarter of 2022 the average price of apartment transactions was by 3 % higher. In the segment of new projects, the changes were smaller than in the Soviet-era standard-type apartment market, where a larger increase in prices was observed in the 1st quarter of 2022. In the 1st quarter of 2022, the prices of a standard-type apartment increased by 6 %. The relatively low price increase of apartments in new projects in housing estates can be explained by the share of purchase agreements (preliminary agreements) concluded previously but not registered in the Land Register, in the total number of transactions. Since the beginning of 2015, apartment prices in new projects have increased by 39 %.

1 618  
EUR/m<sup>2</sup>

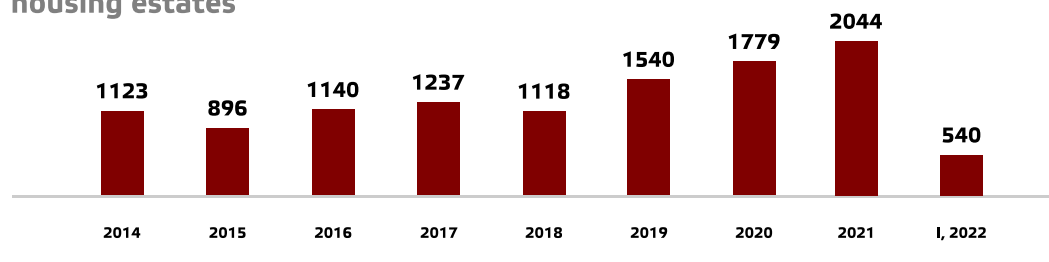
## Price dynamics of new housing project apartments, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

At the beginning of 2022, a slight decrease in activity was observed in the market of new project apartments in Riga's housing estates - the number of transactions in the 1st quarter was 3 % lower than in the 4th quarter of the previous year. However, the average number of quarterly transactions increased.

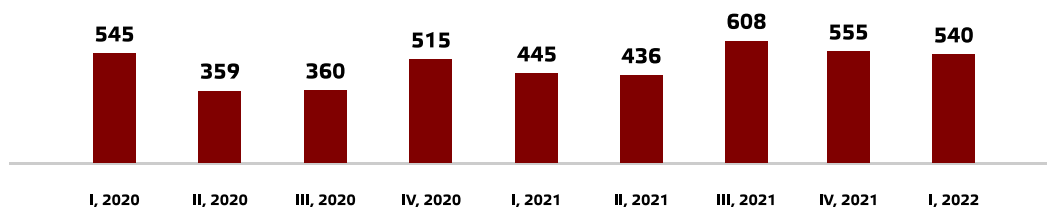
## Dynamics of number of apartment transactions in the new housing projects in Riga's housing estates



Source: STATE LAND SERVICE

Compared to the 1st quarter of 2021, the number of apartment transactions in the 1st quarter of this year was 21 % higher. The number of transactions this year was similar to the first quarter of 2020.

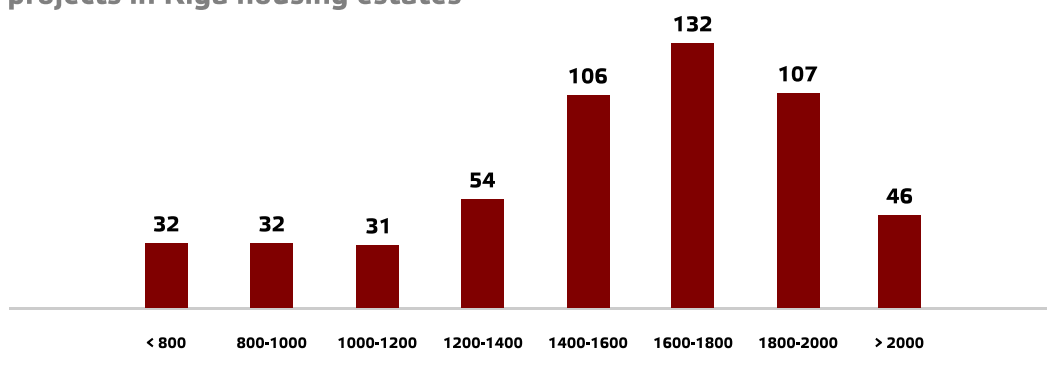
## Dynamics of the number of new project apartment transactions in Riga's housing estates



Source: STATE LAND SERVICE

In the 1st quarter, the typical price range of new project transactions in Riga's housing estates was 1,400 - 2,000 EUR/m<sup>2</sup>. According to the State Land Service, in the first quarter, 64 % of apartment transactions in this segment were in this range. By comparison, in 2021, 57 % of transactions were in this range. In 2022, the number of transactions at a price exceeding 2,000 EUR/m<sup>2</sup> continued to grow.

## Breakdown of number of transactions by square metre price ranges in the new housing projects in Riga housing estates



Source: STATE LAND SERVICE

In the 1st quarter of 2022, most transactions with new project apartments in Riga's housing estates took place in the price range from 1,600 to 1,800 EUR/m<sup>2</sup>. There were no significant changes in this price category in 2022. It should be noted that a similar number of transactions was observed in the previous two years. The share of such transactions accounted for 24 % of the total number of new project apartment transactions.

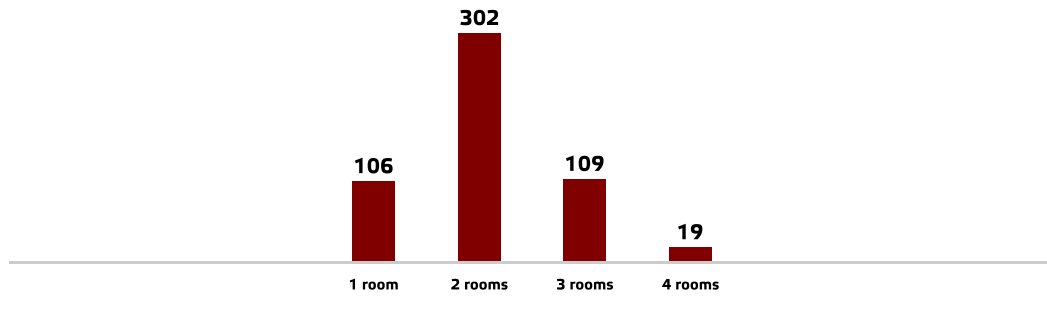
In this price category, most transactions took place in the housing project *Green City 3*, Stirnu Street 38A. Transactions took place mainly with two-room apartments (average apartment area – 60 m<sup>2</sup>).

At the beginning of 2022, the prices of new project apartment transactions in Riga's housing estates exceeded 2,000 EUR/m<sup>2</sup>, and an increase in the number of transactions was observed in this price category. One of the highest apartment prices was in the new apartment project *Divi krasti*, Ķengaraga Street 8a and 8c, where transaction prices exceeded 2,000 EUR/m<sup>2</sup>. This was the most popular of the new projects in this price range. In total, 46 transactions with a price above EUR 2,000/m<sup>2</sup> were registered in the first quarter, and their number continued to grow. The most expensive transaction in a new project in a housing estate in 2022 took place in Pļavnieki, Dzeņņu Street 7 k-1 for more than 2,900 EUR/m<sup>2</sup>.

Transactions in the price range of up to 800 EUR/m<sup>2</sup> took place with apartments, where the prices fixed in the transactions most likely did not fully reflect the total amount of the transaction. In 2022, the share of such transactions accounted for 6 % of the total number of new project apartment transactions in Riga's housing estates. Apartments in new or completely renovated buildings at a price below 800 EUR/m<sup>2</sup> have not been on offer for several years.

Analysing the proportion of the number of transactions by the number of rooms in an apartment, it can be concluded that in the 1st quarter of Riga, most transactions took place with two-room apartments (56 %). Compared to 2021, the demand for two-room apartments has increased. Significantly fewer transactions took place with three-room (20 %) and one-room apartments (20 %). In turn, very few transactions were registered with four-room apartments (4 %). The share of two-room apartments increased for the second year in a row.

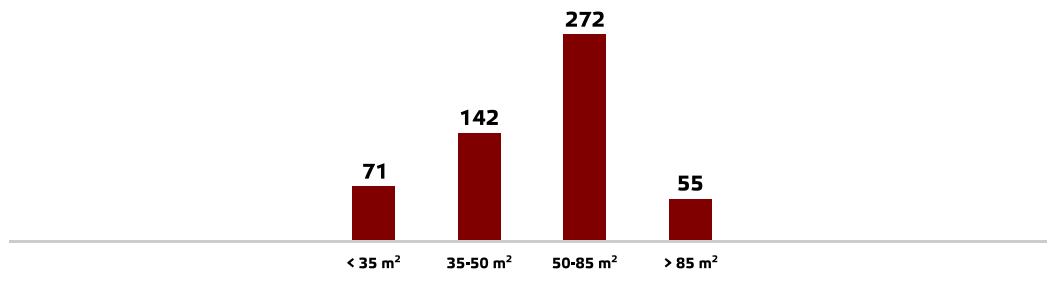
## Number of transactions with apartments in new housing projects in Riga housing estates in the first quarter of 2022 (breakdown by number of rooms in apartment)



Source: STATE LAND SERVICE

Analysing the transactions of new project apartments in Riga's housing estates by total area, it can be concluded that, as in previous years, most transactions took place with medium-sized apartments. In the 1st quarter, the most sold apartments were with an area from 50 to 85 m<sup>2</sup> (272 transactions or 50 % of the new project apartment transactions in Riga's housing estates). The number of transactions was significantly lower with small apartments with an area from 35 m<sup>2</sup> to 50 m<sup>2</sup> and very small apartments with an area of up to 35 m<sup>2</sup>. In turn, the least sold apartments were large apartments with an area exceeding 85 m<sup>2</sup> (55 transactions).

## Number of transactions with apartments in new housing projects in Riga housing estates in the first quarter of 2022 (breakdown by total area)

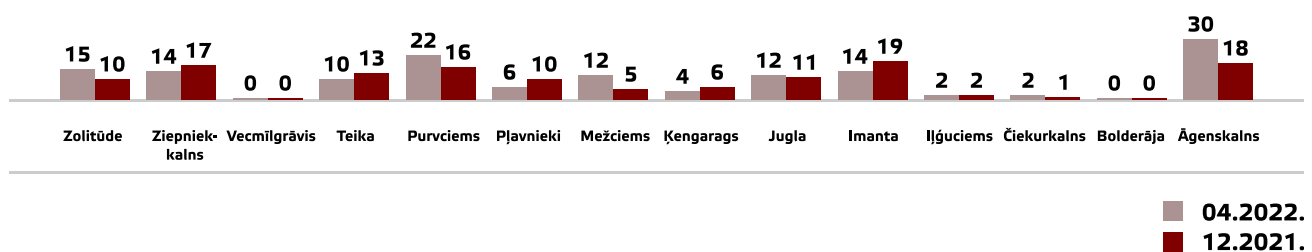


Source: STATE LAND SERVICE

## Supply of new housing projects in housing estates of Riga

Summarizing the number of apartments offered for sale, it was found that the highest supply in the new project apartment segment was in Āgenskalns (at the beginning of 2022 - in Imanta). There were also a relatively large number of apartments offered for sale in Purvciems. In Vecmīlgrāvis and Bolderāja, on the other hand, no apartments offered for sale in new projects were identified. Compared to the beginning of 2022, the number of apartments offered for sale in housing estates in April was slightly lower - by 2 %.

## Supply of apartments in new housing projects in Riga housing estates



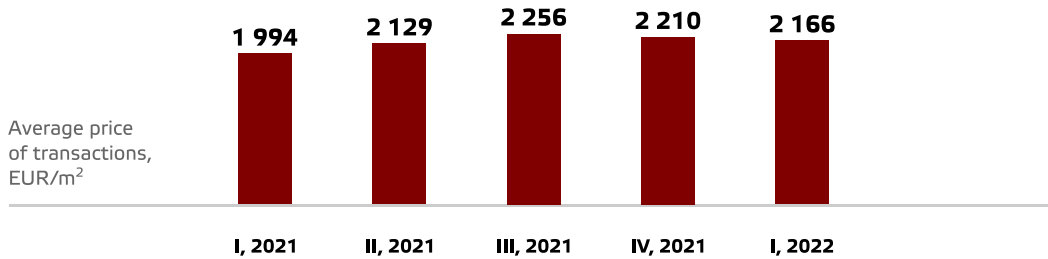
Source: ARCO REAL ESTATE

# New housing project apartment market in the centre of Riga

In the 1st quarter of 2022, the average transaction price in new housing projects in the centre of Riga, as well as in such areas close to the city centre, such as Ķīpsala and Klīversala, was 2,166 EUR/m<sup>2</sup>. The average price was 2 % lower than in the 4th quarter of 2021. In turn, compared to the 1st quarter of 2021, the average price of apartments in new projects in the centre of Riga was 9 % higher.

2 166  
EUR/m<sup>2</sup>

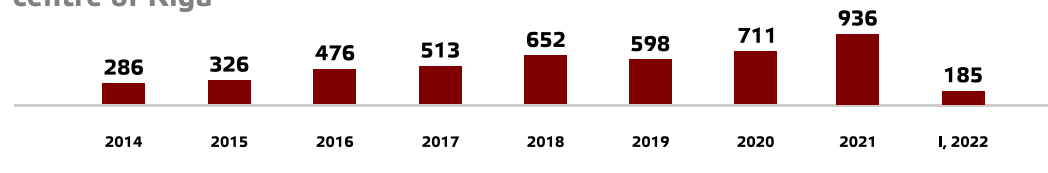
## Dynamics of new housing project apartment prices, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

In the 1st quarter of 2022, a decrease in activity was observed in the segment of new housing projects in the centre of Riga and in areas close to the city centre, such as Ķīpsala and Klīversala.

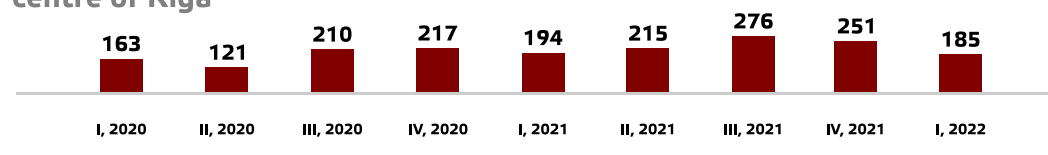
## Dynamics of the number of transactions with apartments in new housing projects in the centre of Riga



Source: STATE LAND SERVICE

In the 1st quarter of 2022, 185 transactions took place in new housing projects in the centre of Riga. Compared to the 4th quarter of 2021, the number of transactions was 26 % lower. Compared to the 1st quarter of the previous year, the number of transactions was 5 % lower.

## Dynamics of the number of transactions with apartments in new housing projects in the centre of Riga



Source: STATE LAND SERVICE

Also in 2022, several transactions were registered at a price below 1,000 EUR/m<sup>2</sup> (8 % of the total number), which is not a typical price for the centre of Riga. Most likely, these transactions did not reflect the total amount of the transaction. However, the share of these transactions tended to decrease (from 14 % in 2020 to 11 % in 2021).

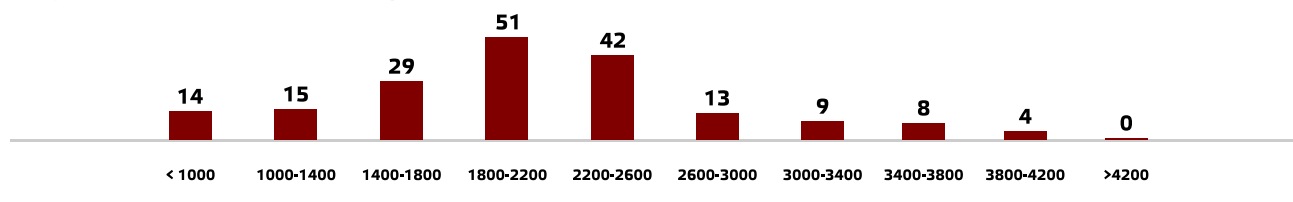
The typical range of prices for new housing projects in the centre of Riga in the 1st quarter of 2022 was from 1,400 to 2,600 EUR/m<sup>2</sup>. Most or 66 % of transactions took place in this most characteristic price range of the centre of Riga. The most popular project in this price range was the new project *Fjordi*, Ganību Dambis 11 and 11A, where the largest number of transactions was registered (33). The average transaction price in this project is 2,003 EUR/m<sup>2</sup>. Transactions took place mainly with three-room apartments, and the average area of an apartment was 69 m<sup>2</sup>.

In the 1st quarter of 2022, most transactions were registered in the price range from 1,800 to 2,200 EUR/m<sup>2</sup>. A relatively large number of transactions was in the price range from 2,200 to 2,600 EUR/m<sup>2</sup>, this price range has been the second most popular price category in 2022. In this price category, most transactions took place at 35 Pulkveža Brieža Street, in the *Park Alley* project, as well as in the *Fjordi* project, at Ganību Dambis 11 and 11A.

There was also a relatively large number of transactions in the price range from 1,400 to 1,800 EUR/m<sup>2</sup>. In this price category, transactions took place with apartments both in the projects of well-known developers (*Merks*, *Bonava* and others) and in lesser-known new or completely renovated buildings in the centre of Riga and its periphery. This price range accounted for 16 % of all apartment transactions in the city centre.

In turn, the number of transactions in the price category above 2,600 EUR/m<sup>2</sup> has decreased significantly. In the 1st quarter of 2022, no transactions were registered for prices above 4,000 EUR / m<sup>2</sup>. For comparison: in 2021, 18 such transactions were registered, but in previous years - around six transactions per year. The most expensive deal was registered at Brīvības Street 46, in a fully renovated apartment building, for almost 4,000 EUR/m<sup>2</sup>.

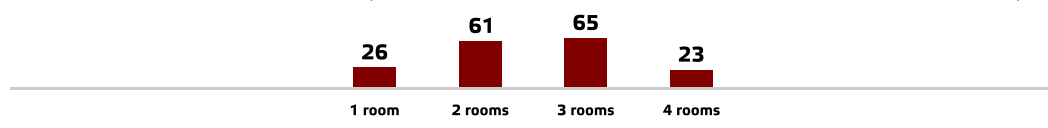
### Breakdown of number of transactions by square metre price ranges in the new housing projects in the centre of Riga



Source: STATE LAND SERVICE

Analysing the proportion of the number of transactions by the number of rooms, it can be seen that in the 1st quarter of 2022, three-room apartments (35 %) dominated in the centre of Riga. There were also rather many transactions with two-room apartments (33 %). In turn, four-room apartments were sold the least – they accounted only for 12 % of the total number of apartments sold in the city centre. In the period from 2018 to 2021, most transactions registered were transactions with two-room apartments.

### Number of transactions with apartments in new housing projects in the centre of Riga in the first quarter of 2022 (breakdown by number of rooms in apartment)



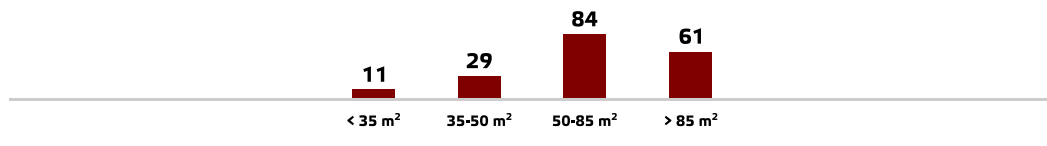
Source: STATE LAND SERVICE

Analysing the transactions with new project apartments in the centre of Riga by total area, it can be concluded that in the 1st quarter of 2022, most transactions that took place were with apartments of medium and large area. Also in 2020 and 2021, the most sold apartments were apartments with an area from 50 to 85 m<sup>2</sup>. In the 1st quarter of this year, 84 transactions or 45% of new project apartment transactions in the centre of Riga were registered with apartments of this area. Slightly fewer transactions also took place with apartments with an area of over 85 m<sup>2</sup> (61 transactions, or 33 %).

During the year, significantly fewer transactions took place with small-area apartments with an area from 35 to 50 m<sup>2</sup> (29 transactions, or 16 %). The lowest number of transactions was with apartments with an area of up to 35 m<sup>2</sup> - only 6 % of the number of apartments sold in new buildings. But the number of transactions with exclusive large-area apartments with an area exceeding 200 m<sup>2</sup> decreased in 2022. In the first quarter, only three transactions with such apartments took place. For comparison: in the 1st quarter of 2021, nine transactions of this kind took place.



## Number of transactions with apartments in new housing projects in the centre of Riga in the first quarter of 2022 (breakdown by total area)

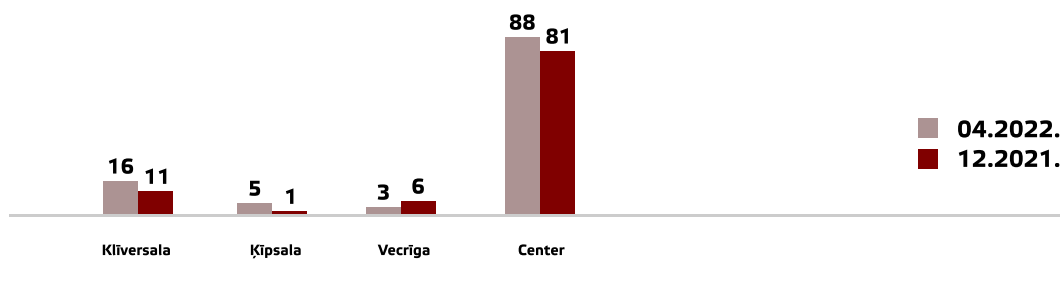


Source: STATE LAND SERVICE

## Supply of apartments in new housing projects in the centre of Riga

In April 2022, there were about 110 new project apartments offered for sale in the centre of Riga and in areas close to the city centre, such as Ķīpsala and Klīversala. Compared to the beginning of 2022, the volume of supply has increased by 13 %. In April, the lowest number of apartments offered for sale was in Old Riga. The level of supply in Ķīpsala was also low, but it has been increasing since the beginning of the year.

### Supply of apartments in new housing projects in the centre of Riga



Source: ARCO REAL ESTATE

ARCO REAL ESTATE is an international company with more than 25 years of experience in the Latvian real estate market. Since the establishment of the company in 1997, ARCO REAL ESTATE has been constantly developing and promoting the professional growth of its employees, thus increasing the quality of the services provided and becoming the leading service provider in the industry. Currently, the company, which employs more than 50 qualified specialists, provides services in Riga, Jūrmala, Saulkrasti, Daugavpils, Jelgava, as well as in Limbaži and elsewhere in Latvia, offering real estate brokerage, appraisal and consulting services to clients.

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