

MARKET OVERVIEW

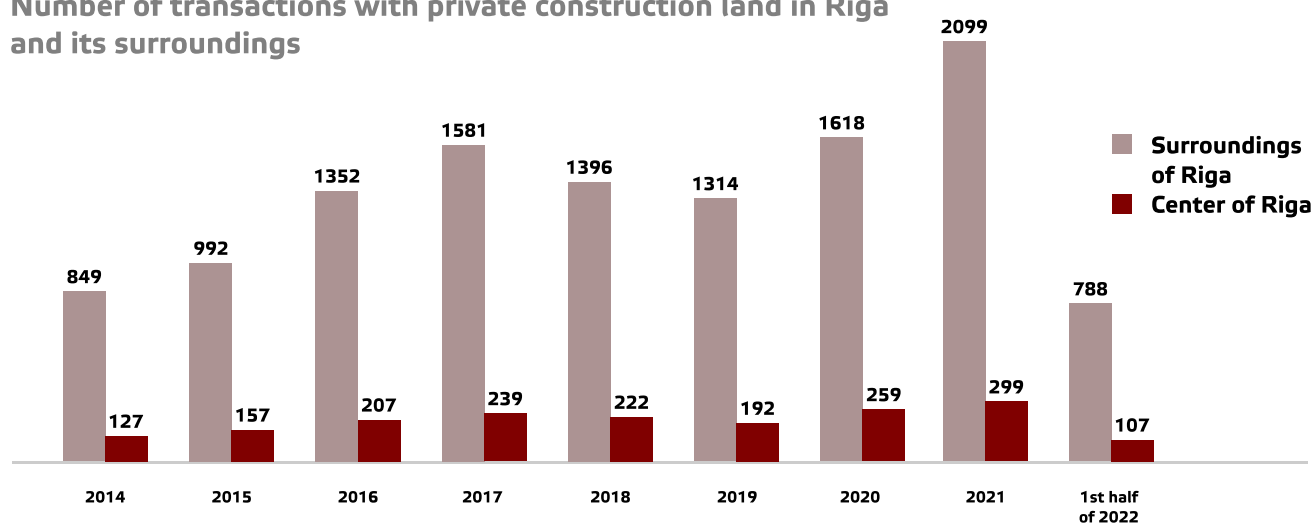
**Land for construction
of private houses**
1st half of 2022

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In the first half of 2022, the activity in the land market for the construction of private houses decreased. A significant increase in the number of transactions was observed in the previous two years (in 2021, the number of transactions increased by 28 %). In the first half of 2022, the number of transactions with land for the construction of private houses, the area of which was more than 600 m², in Riga and the surroundings of Riga did not exceed half of the indicators of 2021. Compared to the 2nd half of 2021, the number of transactions was 3 % less, while compared to the 1st half – 39 % less. Meanwhile, a price increase has been observed for the prices of land for the construction of private houses in Riga and the surroundings of Riga - the average price of transactions in Riga increased by 1 %, and in the surroundings of Riga by 8 %. The prices of land plots increased in all the largest private housing districts around Riga - Ādaži, Mārupe, Ropaži, and in the municipality of Ķekava. In 2022, the prices for plots of land for the construction of private houses increased most significantly in the municipalities of Ropaži and Mārupe.

Number of transactions with private construction land in Riga and its surroundings



Source: STATE LAND SERVICE

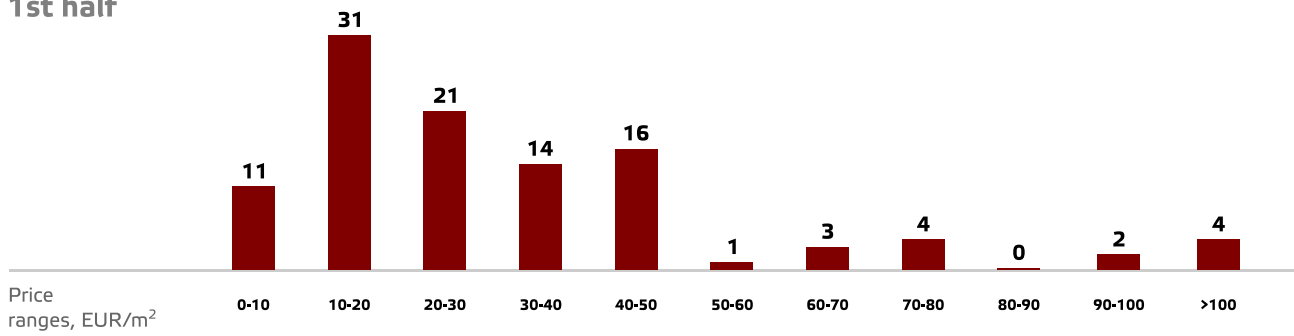
The main price-influencing factors for the purchase of land for the construction of single-family houses in 2022 were:

- availability of engineering systems;
- possibilities of using the plot of land;
- existence of access roads, road surface and quality;
- distance of the land plot to the centre of the city or the municipality;
- availability of and distance to infrastructure facilities (schools, kindergartens, shopping centers, hospitals, etc.);
- distance to and availability of public transport.

Land for construction of private houses in Riga

In the first half of 2022, the price level for construction land for private houses in Riga remained almost unchanged. The average transaction price was 1 % higher than in 2021. On the other hand, the number of transactions decreased in 2022. Compared to the second half of 2021, the number of transactions in the first half of this year was 17 % lower, while compared to the first half of last year, it was 37 % lower. In the first half of this year, most transactions took place in the range of 10 - 20 EUR/m². The number of transactions with exclusive plots of land for the construction of private houses at a price above 100 EUR/m² also decreased. An increase in the number of transactions was found for the cheapest and medium-priced building plots. In 2022, land for the construction of private houses in Riga was mainly purchased at a price of up to 50 EUR/m².

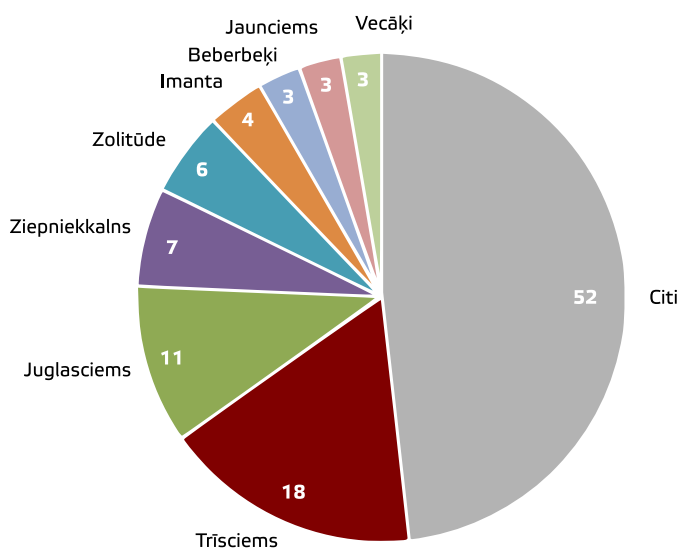
Number of transactions with private house construction land in Riga by price ranges, 1st half



Source: STATE LAND SERVICE

The most popular districts of private houses in Riga in terms of the number of transactions were Trīsciems (18 transactions) and Juglasciems (11). The number of transactions registered in the other districts of private houses in Riga was less than ten. These two most popular districts of private houses together accounted for 27 % of the total number of private construction land transactions in Riga.

Number of transactions in Riga housing districts in the first half of 2022



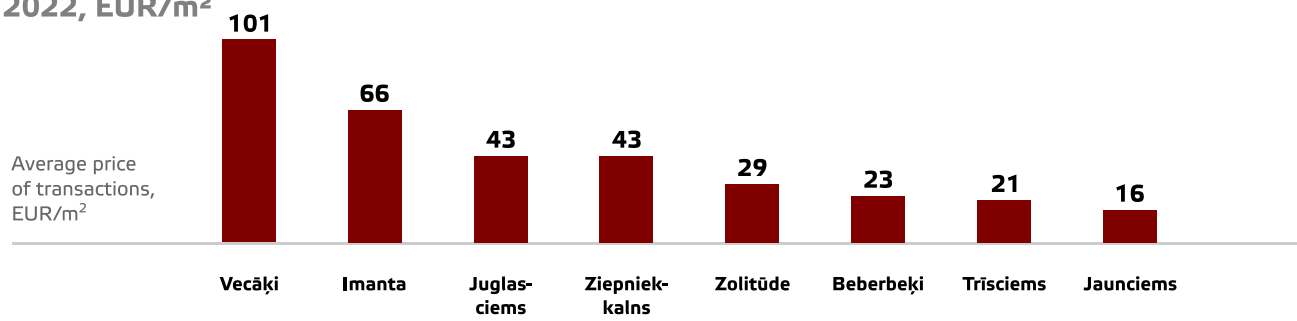
Source: STATE LAND SERVICE

According to the transactions that took place in the private house construction districts of Riga, the most expensive private house construction land according to the average transaction price in the first half of 2022 was in Vecāķi. High prices for land plots were also on offer in such neighbourhoods as Mežaparks, Teika and Bergī. However, in 2022, no market-level transactions were identified in these neighbourhoods.

In 2022, the largest transaction of land for the construction of private houses took place in Imanta for 197 EUR/m² (in 2021, the largest transaction also took place in Mežaparks for 223 EUR/m², and in 2020 - for 168 EUR/m²). In the most expensive district of private houses in Riga - Mežaparks - no transactions were registered in the first half of 2022. At the same time, in the middle of 2022, plots of land in Mežaparks were on offer for a price of up to 230 EUR/m².

The cheapest plots of land, both in terms of offer and transaction prices, were in Trīsciems. The average price of transactions there was 21 EUR/m², but several transactions took place in the range of 10-15 EUR/m². Relatively low prices were recorded in transactions in Jaunciems as well. This is explained by the fact that these districts had less developed infrastructure and are located further from the city centre.

Average price of plots of private houses in the surroundings of Riga in the first half of 2022, EUR/m²

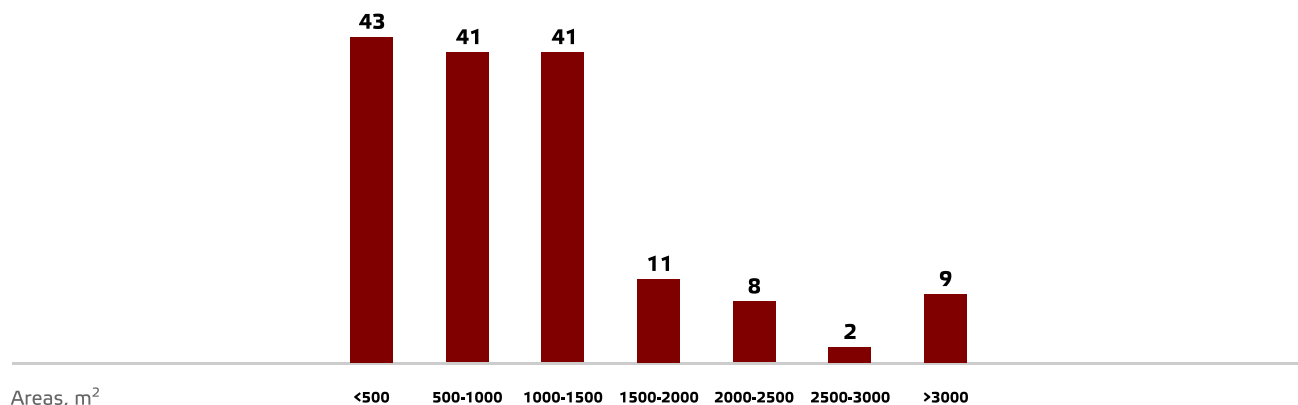


Source: STATE LAND SERVICE

The average area of plots for the construction of private houses in Riga in the first half of 2022 was 1,122 m². Analyzing the transaction structure of plots of land for the construction of private houses by their area in the first half of 2022, almost a third (28 %) of all transactions were small plots with an area of up to 500 m². Land plots between 500 and 1,500 m² were the most in demand on the market, and the number of transactions with such plots together accounted for more than half (53 %) of the number of transactions. Plots of such areas were mostly sold in Imanta, Trīsciems, Beberbeķi and other places in the vicinity of Riga.

On the other hand, land plots with an area of 1,500 to 3,000 m² made up a significantly smaller proportion – 21 %. In this price range, the most transactions were with plots of land in private house building districts such as Juglasciems, Trīsciems, Ziepniekkalns and others. Land plots with an area of more than 3,000 m² accounted for only 6 % of the total number of transactions and they took place in Zolitūde, as well as in other districts of private houses.

Number of private house construction land transactions in Riga by area in the first half of 2022



Source: STATE LAND SERVICE

Land for the construction of private houses in the vicinity of Riga

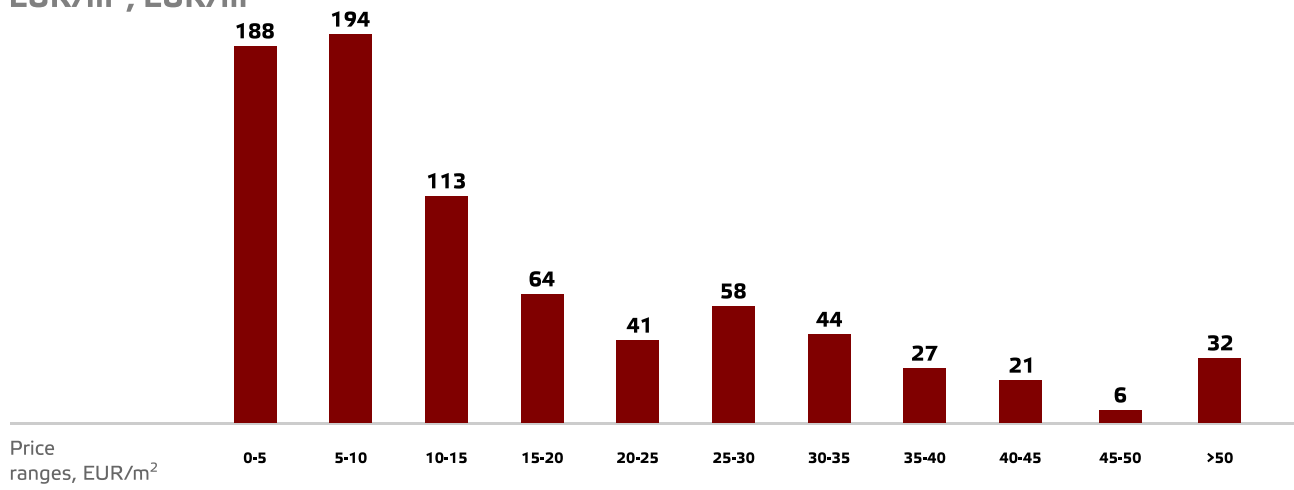
In the 1st half of 2022, the activity in the land market for the construction of private houses in the vicinity of Riga decreased - the number of transactions was 1 % less than in the 2nd half of 2021 and 39 % less than in the 1st half. In the first half of 2022, 788 construction land transactions took place in the municipalities in the vicinity of Riga. The prices of plots for the construction of private houses in the vicinity of Riga increased in the first half of 2022. Analyzing the transactions that took place in the first half of 2022, the average price of a plot of land for the construction of private houses increased by 8 % (in 2021, the average price increased by 18 %). In 2022, the average transaction price increased the most in Ropaži municipality, namely from 16 EUR/m² to 21 EUR/m².

In 2022, the most transactions with land for the construction of private houses in the vicinity of Riga were registered at a price of 5 to 10 EUR/m². At this price, the most transactions were registered in Ķekava municipality (52). There were still many transactions at a price of up to 5 EUR/m², however, their number decreased compared to the previous year (in 2021, the number of transactions increased by 22 %). In this price category, the most transactions took place in Sigulda municipality.

In 2022, the majority of transactions (63 %) in the vicinity of Riga took place at a price of up to 15 EUR/m². The number of transactions in the vicinity of Riga increased for those plots whose price was 30 - 35 EUR/m². They were mostly deals with construction plots in Mārupe, Ādaži and Ropaži municipalities.

The number of transactions with land plots at a price above 50 EUR/m² increased in the first half of 2022. A total of 32 transactions took place in this price category, mainly in Mārupe municipality.

Number of transactions in the vicinity of Riga by price range in the first half of 2022, EUR/m², EUR/m²



Source: STATE LAND SERVICE

The most expensive building land for the construction of individual houses was in Mārupe municipality, where the average transaction price was 28 EUR/m². Compared to 2021, the average price of transactions in Mārupe municipality increased by 27 % in the first half of this year.

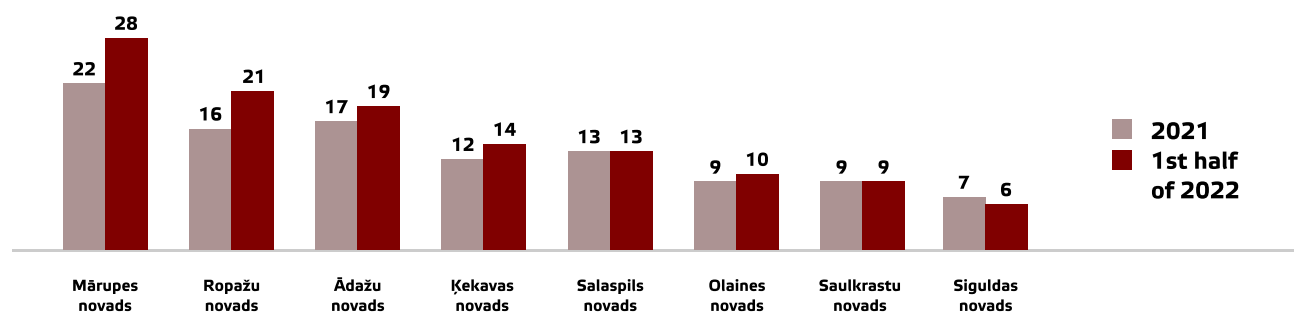
The most expensive plots of land in Mārupe municipality were sold mainly in Piņķi. The next most expensive districts of building plots in the vicinity of Riga were Ropaži and Ādaži municipalities. The most expensive plots of land in Ādaži municipality were sold in Baltezers, Carnikava and Ādaži, while in Ropaži municipality the highest prices for land plots were in Sunīši, Berģi and Langstiņi.

The most expensive transaction with a building plot took place in Ropaži municipality, Garkalne civil parish, Sunīši, where a 1,170 m² plot of land was sold for 114 EUR/m² (in 2021, the most expensive transaction was registered in Ķekava municipality, Katlakalns – 112 EUR/m²). Other transactions with building plots at significantly high prices were registered in the first half of 2022 in Mārupe municipality, Piņķi. The most expensive plots of land on offer in the middle of 2022 were in Mārupe municipality - Mārupe and Pinki, where the offer prices reached 125 EUR/m².

Compared to 2021, the average price of transactions in 2022 increased the most for plots of land for the construction of private houses in Ropaži county. In 2021, as a result of the reform of municipalities, Ropaži municipality was expanded to include the former Ropaži, Garkalne and Stopiņi municipalities.

According to the registered transactions, the cheapest plots of land for the construction of private houses in the vicinity of Riga, similar to previous years, were to be found in Saulkrasti and Sigulda municipalities also in the first half of 2022. The average price of transactions in Sigulda municipality decreased during the last six months, but in Saulkrasti municipality it remained at the level of 2021.

Average price of land plots for the construction of private houses in the vicinity of Riga, EUR/m²



Source: STATE LAND SERVICE

Private construction land prices in the vicinity of Riga in 2022, EUR/m²

Apdzīvotā vieta	Land plots up to 1800 m ²			Land plots with an area of 1800 to 3000 m ²		
	Minimum price	Typical price	Maximum price	Minimum price	Typical price	Maximum price
Jaunmārupe	20	25	45	15	20	35
Mārupe	35	40	60	30	35	60
Babīte, Piņķi	35	70	100	25	50	80
Dreiliņi, Vālodzes, Dzidriņas	20	25	50	15	20	30
Olaine, Jaunolaine	10	15	25	10	10	15
Ādaži	20	30	50	15	25	30
Berģi, Bukulti	30	35	70	25	35	60
Baltezers	35	40	50	30	35	45
Ķekava	10	15	30	7	10	20
Rāmava, Katlakalns	20	35	65	20	25	45
Baloži, Titurga	20	25	40	15	20	35
Salaspils	15	20	40	10	15	20

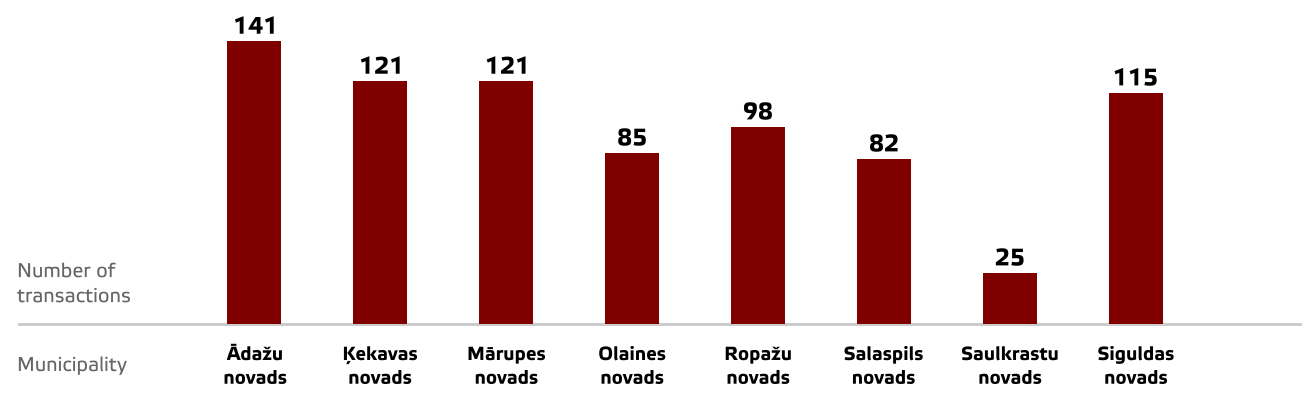
Source: STATE LAND SERVICE, ARCO REAL ESTATE

In the first half of 2022, the leader in the number of transactions in the vicinity of Riga was Ādaži municipality. In the previous two years, the most transactions were registered in Mārupe municipality. During half a year, 141 transactions with land for the construction of private houses took place in Ādaži municipality, however, compared to the previous year, the number of transactions decreased.

The number of transactions was also relatively high in Ķekava and Mārupe municipalities - 121 transactions were registered in each municipality during half a year. The least number of land transactions for the construction of private houses took place in Saulkrasti municipality.

An increase in the number of transactions in 2022 can be predicted only in Olaine and Sigulda municipalities, where the number of transactions in the first half of the year exceeds half of those registered in 2021. In other municipalities around Riga, the number of transactions is likely to decrease this year. It should be noted that in 2021, an increase in the number of transactions was observed in all municipalities around Riga.

Number of private construction land transactions by municipality in the first half of 2022



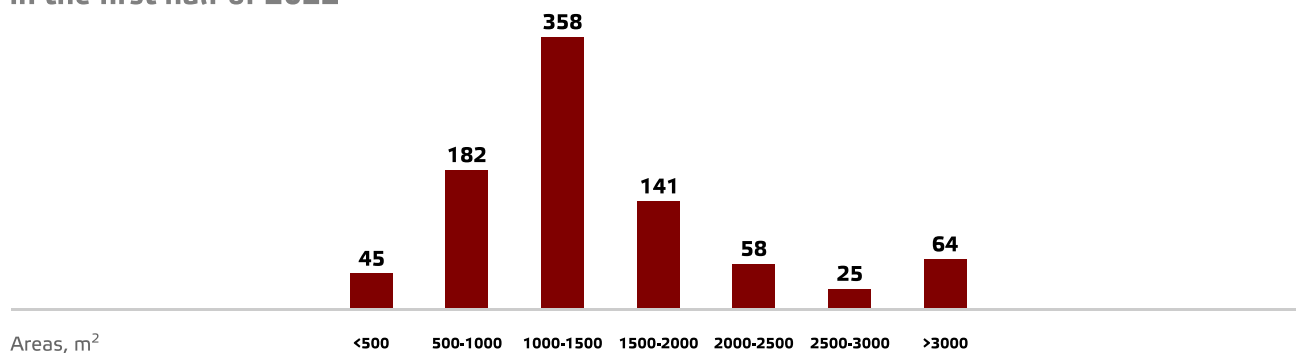
Source: STATE LAND SERVICE

The transactions in the vicinity of Riga were characterized by larger plots of land than in Riga. The average area of plots for the construction of private houses in the vicinity of Riga in the first half of 2022 was 1,727 m², which was 58% larger than in Riga (1,122 m²). In the first half of the year, the average area of land plots in the vicinity of Riga increased in transactions. Last year it was 1,727 m².

In the 1st half of the year, the largest number of transactions took place with building plots with an area of 1,000 to 1,500 m²: 358 transactions or 41 % of the total number of transactions took place during the half year. Relatively more transactions with land plots of such area were registered in Ādaži municipality (85). Also, a relatively large number of transactions took place with plots of land between 500 and 1,000 m²: the number of these transactions reached 21 % of the total. In this amplitude of the area, the most transactions took place in Olaine municipality (56).

The least demanded land plots were between 2,500 and 3,000 m². In the 1st half of the year, the most transactions with land plots of this area were registered in Ādaži municipality. The largest number of transactions with large plots of land over 3,000 m² took place in Ķekava municipality - 21.

Number of private construction land transactions in the vicinity of Riga by area in the first half of 2022



Source: STATE LAND SERVICE

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.

Māris Laukalējs | Member of the Board, Head of Valuation Department

maris.laukalejs@arcoreal.lv
5a Blaumaņa Street, Rīga
LV-1011, Latvia
Phone +371 6736 5555
www.arcoreal.lv