

MARKET OVERVIEW

# **Apartments in new housing projects**

The first half of 2024

# Apartments in new housing projects

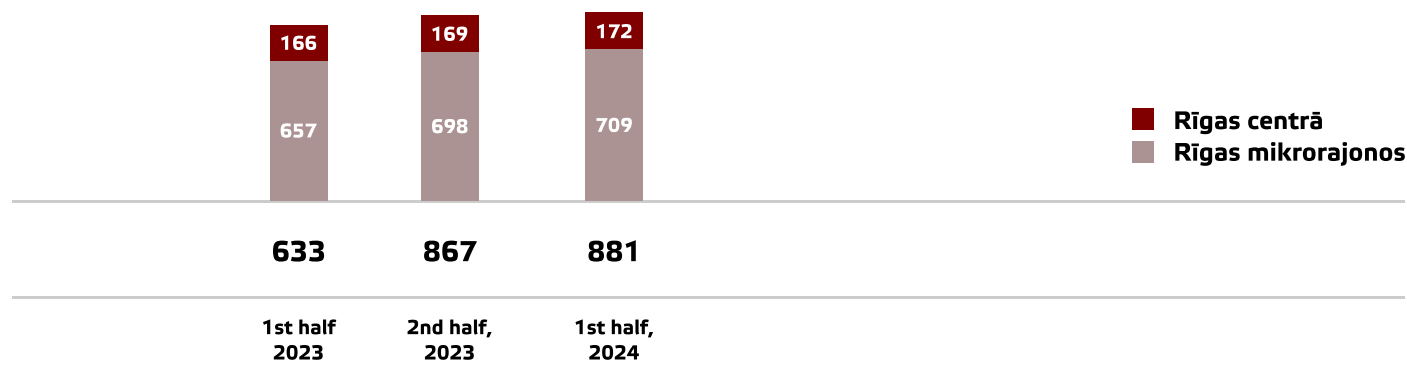
## The first half of 2024

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

Compared to 2023, the activity in the market of new housing projects increased slightly in 2024 – the number of transactions in the first half of 2024 was 2 % higher than in the second half of last year. On the other hand, compared to the first half of 2023, the number of transactions this year was 7 % higher. The number of transactions in the first half of the year was higher both in Riga housing estates (+2 %) and in the centre of Riga (+2 %).

+2 %

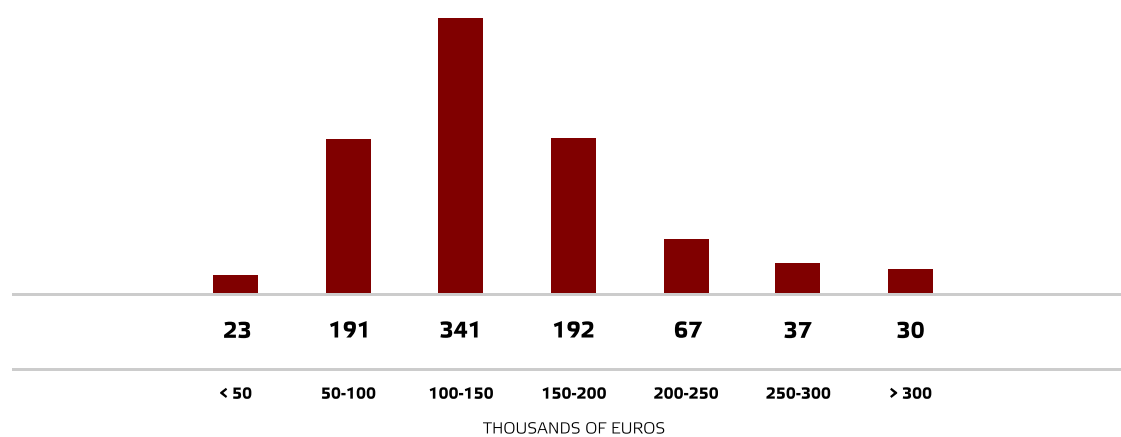
#### Breakdown of number of apartment transactions in the new housing projects in Riga



Source: STATE LAND SERVICE; ARCO REAL ESTATE

Looking at the number of transactions with apartments in new housing projects in Riga in 2023, it can be concluded that most transactions (39 %) took place in the price range from 100 000 to 150 000 euros. Most apartment transactions in this price range were registered in Riga housing estates.

#### Breakdown of number of apartment transactions in the new housing projects in Riga in the first half of 2024 by price ranges, EUR

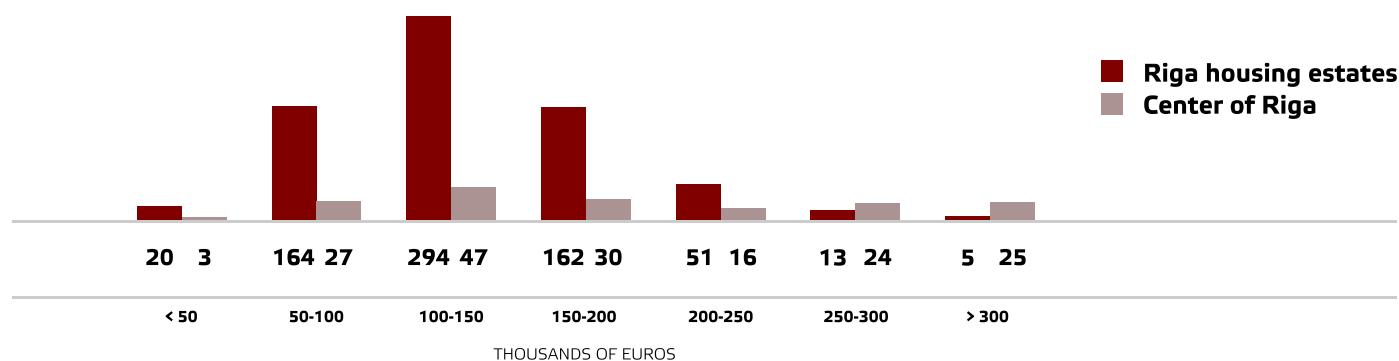


Source: STATE LAND SERVICE

In the centre of Riga, most transactions took place in the price range from 100,000 to 150,000 euros. They were mostly two-room apartments (75 %) - both in buildings built at the beginning of the XXI century and newly built in recent years. In this price category, the most transactions took place in a newly built multi-apartment building in Riga, Dainas Street 10A, where two-room apartments of small area (41-42 m<sup>2</sup>) were sold. Thus, the prices of apartments per square meter in these transactions were high, exceeding 3 500 EUR/m<sup>2</sup> in some transactions.

Also in the housing estates of Riga, most transactions took place in the price range from 100 000 to 150 000 euros. In this price category, the biggest number of transactions took place in the newly built multi-apartment project "Mārpagalmi", located in Riga, Zemaišu Street 11.

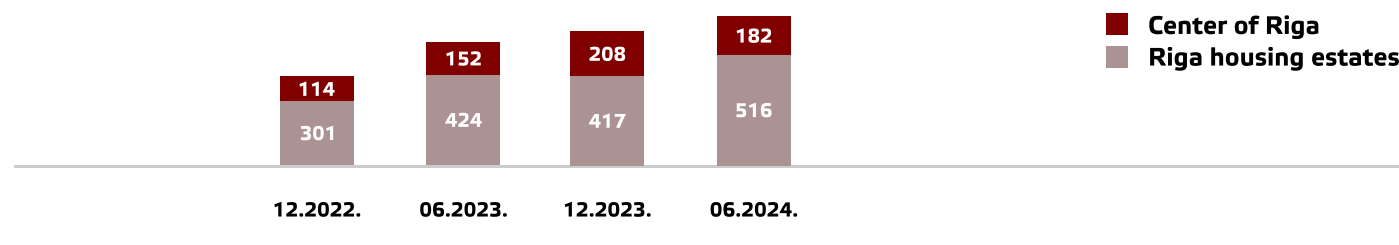
### Breakdown of the number of apartment transactions in new projects in the centre of Riga and housing estates by price ranges in the first half of 2024, EUR



Source: STATE LAND SERVICE

Compared to the end of 2023, in the middle of 2024, the supply of new housing project apartments in the largest housing estates of Riga and in the centre was higher - by 12 %. The supply of apartments in new projects increased by 24 % in Riga housing estates. In contrast, the supply in the centre of Riga was 13 % lower than at the end of 2023. Also, the highest level of supply since the end of 2022 was observed in June.

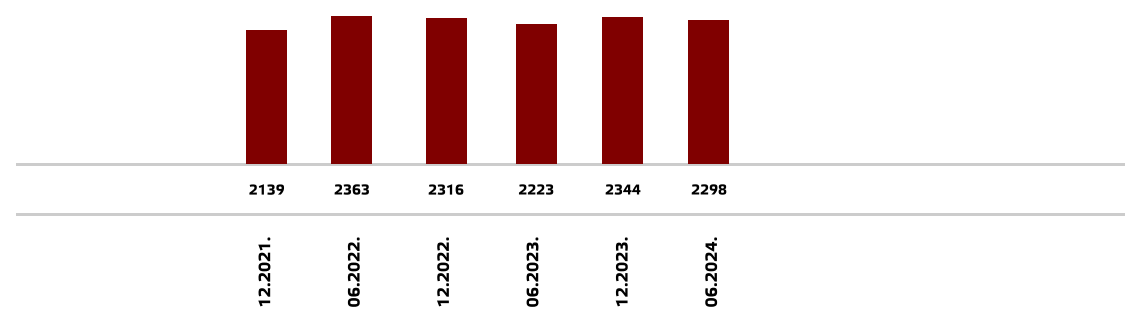
### Breakdown of the number of new project apartments offered for sale in Riga



Source: ARCO REAL ESTATE

In Riga, in the middle of 2024, there were a total of around 700 apartments offered for sale in new housing projects (at the end of 2023 – 630). The average price of apartment offered for sale was 2 298 EUR/m<sup>2</sup>, which was 2 % lower than at the end of 2023, but 3 % higher than in mid-2023. In the middle of 2024, the average price of apartments in the micro-districts of Riga was 2 099 EUR/m<sup>2</sup>, while in the city centre the average price reached 2 861 EUR/m<sup>2</sup>.

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



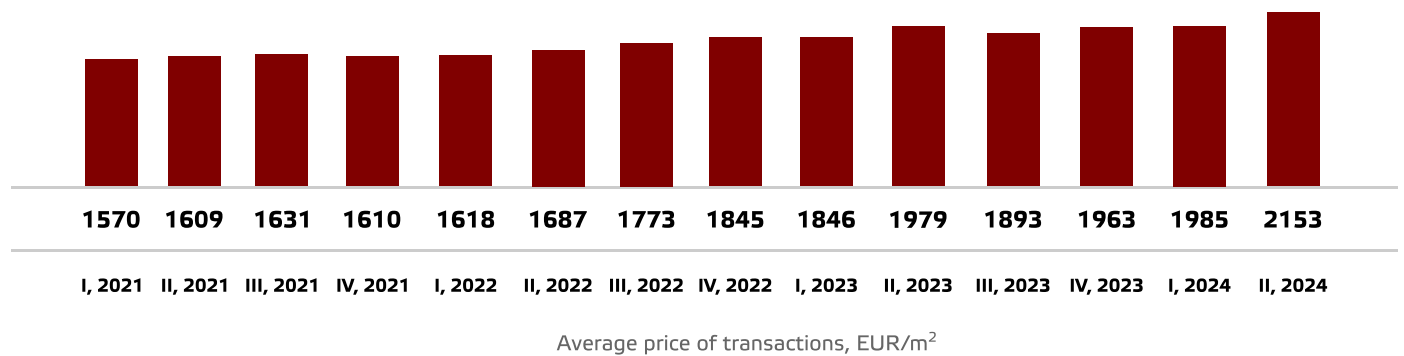
Source: ARCO REAL ESTATE

# New housing project apartment market in Riga housing estates

In mid-2024, the average price of new housing project apartment deals in Riga housing estates reached 2 153 EUR/m<sup>2</sup>. Thus, apartment prices were 10 % higher than at the end of 2023. On the other hand, compared to the first quarter of 2024, the average price of apartment transactions in the second quarter of the year was 8% higher. In the segment of new housing projects, the trends are still opposite to the segment of standard-type apartments of the Soviet era, where stagnation of apartment prices was observed in the first half of 2024. Housing estates of Riga have increased by 37 %.

2 153  
EUR/m<sup>2</sup>

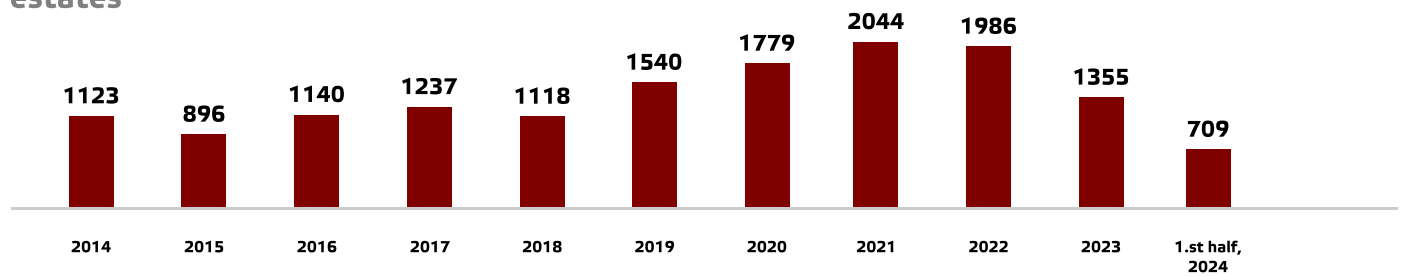
## Price dynamics of new housing project apartments in Riga housing estates, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

In the Riga housing estates, in the first half of 2024, a decrease in activity was observed in the segment of new projects. There were 2 % more transactions this year than in the second half of 2023, and 8 % more transactions than in the first half.

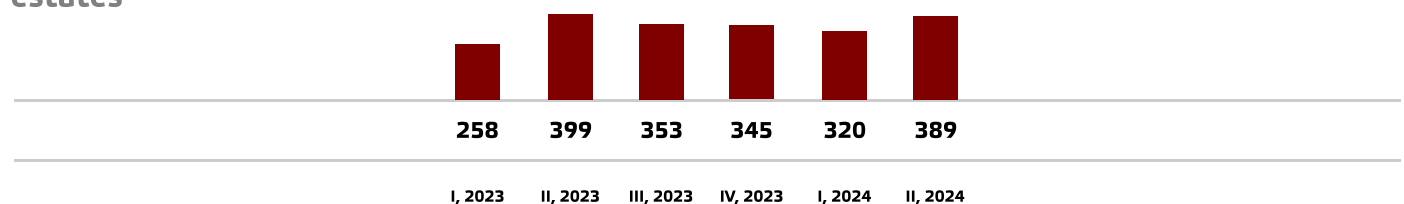
## Dynamics of number of apartment transactions in the new housing projects in Riga housing estates



Source: STATE LAND SERVICE

The largest number of apartment transactions in 2024 was found in the second quarter, and it was similar to the number of transactions found in the second quarter of the previous year. Fewer transactions were registered in the first quarter of this year, but their number was higher than in the first quarter of 2023.

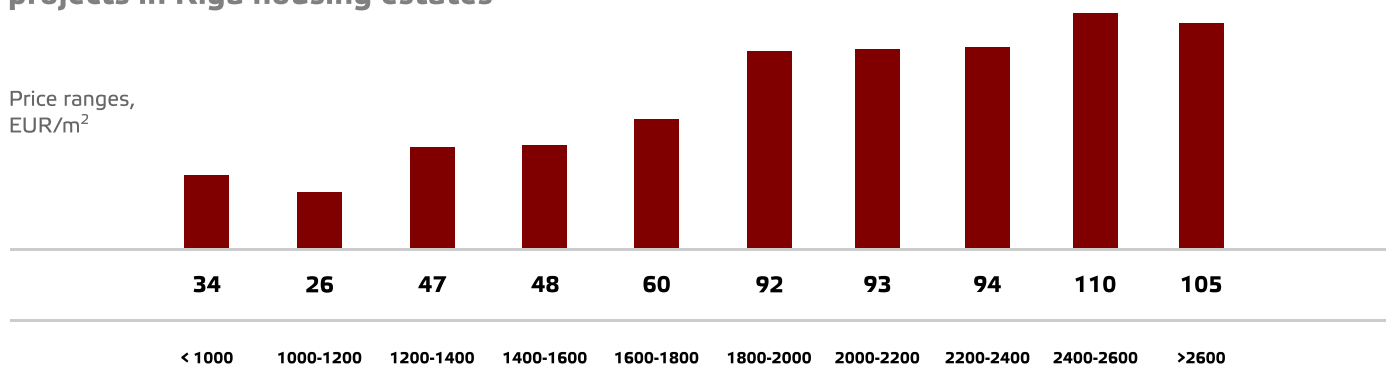
## Dynamics of number of apartment transactions in the new housing projects in Riga housing estates



Source: STATE LAND SERVICE

In 2024, the typical transaction price of new projects in Riga housing estates was over 1 800 EUR/m<sup>2</sup>. According to the data of the State Land Service, 70 % of apartment transactions are registered starting from the price of 1 800 EUR/m<sup>2</sup>. For comparison: in 2023, significantly more apartment transactions were registered in the price range from 2 200 to 2 400 EUR/m<sup>2</sup>, and in 2022 - from 1 600 to 2 000 EUR/m<sup>2</sup>.

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



Source: STATE LAND SERVICE

In 2024, the most transactions with new housing project apartments in Riga housing estates took place in the price range from 2 400 to 2 600 EUR/m<sup>2</sup>. The proportion of such transactions was 16 % of the total number of transactions. In this price category, the most transactions took place in the newly built multi-apartment project "Mārpagalmi", Riga, Zemaišu Street 11. Transactions in this project were mainly with two-room and three-room apartments (the average area of an apartment is 58 m<sup>2</sup>).

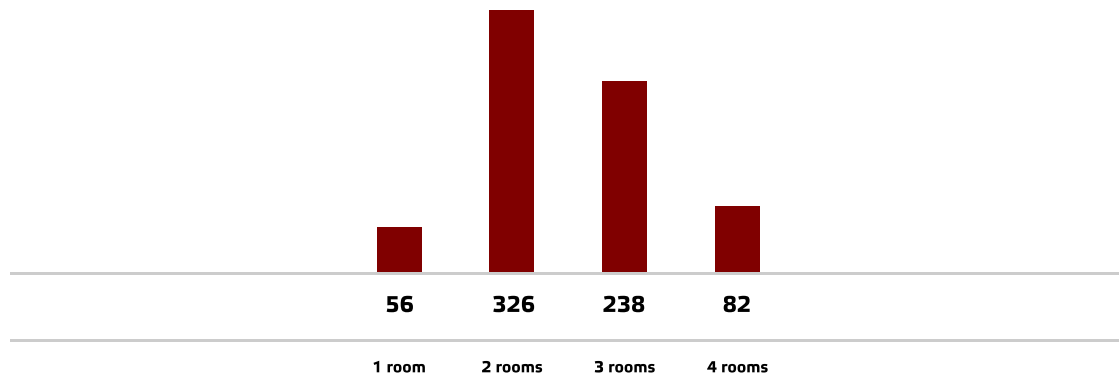
In 2024, the prices in the new housing projects of Riga housing estates increasingly exceeded 2 600 EUR/m<sup>2</sup>. A significant increase in the number of transactions was observed in this price category - the number of transactions in the first half of 2024 almost reached the total figure of 2023. One of the highest apartment prices was observed in the new apartment project "Moho park", located in Riga, Mirdzas Ķempes Street 2, - there the prices exceeded 2 600 EUR/m<sup>2</sup>, and this was the most popular new project in this price category. A total of 105 transactions over 2 600 EUR/m<sup>2</sup> were registered in the first half of 2024. The most expensive transaction in the new projects of Riga housing estates in 2024 took place in a new building on Dāliju street 23B, where the price per square meter exceeded 3 500 euros.

Relatively many apartments of new housing projects have been sold in the price range from 1 800 to 2 400 EUR/m<sup>2</sup>. In this price range, the most popular project was "Pīlādžu mājas", Riga, Tumes Street 25, where the average transaction price was 2 137 EUR/m<sup>2</sup>. Most of the transactions there were for two- and three-room apartments.

Transactions within the price range of up to 1 000 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 new or completely renovated buildings, apartments for a price below 1 000 EUR/m<sup>2</sup> have not been offered for several years. The share of such transactions in 2024 significantly decreased compared to previous years. In the first half of 2024, such transactions were only 5 % of the total number of apartment transactions of new housing projects in Riga housing estates. In the previous year, the proportion of such transactions was 14 %.

Analysing the proportion of the number of transactions by the number of rooms in an apartment, it can be concluded that in the housing estates of Riga in 2024, almost half of the transactions took place with two-room apartments (46 %). The proportion of two-room apartments is similar to previous years. Relatively fewer transactions took place with three-room (34 %) and four-room apartments (12 %). On the other hand, the fewest deals were with one-room apartments (8 %).

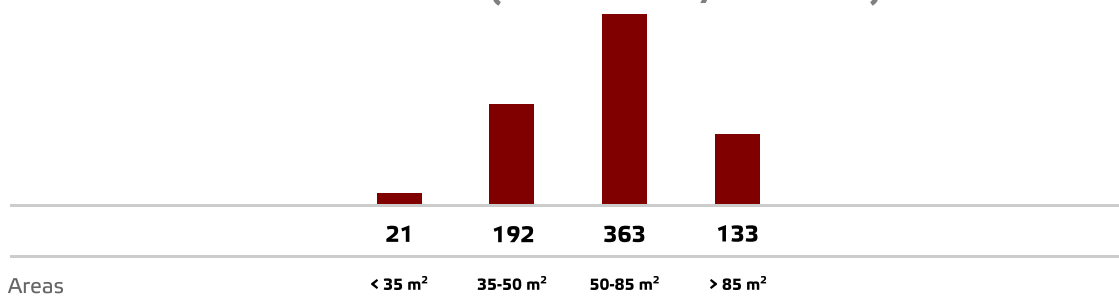
## Number of transactions with apartments in new housing projects in Riga housing estates in the first half of 2024 (breakdown by number of rooms in apartment)



Source: STATE LAND SERVICE

Analysing the apartment transactions in the new projects of Riga housing estates according to the total area, it can be concluded that, as in previous years, the most transactions took place with medium-sized apartments. In the first half of 2024, apartments with an area of 50 to 85 m<sup>2</sup> were mostly sold (363 transactions or 51 % of the total number of transactions with apartments in new projects of Riga housing estates). There was a significantly lower number of transactions with small apartments between 35 and 50 m<sup>2</sup>, and even fewer with large apartments over 85 m<sup>2</sup>. On the other hand, small apartments up to 35 m<sup>2</sup> were sold in the smallest number (21 transactions).

## Number of transactions with apartments in new housing projects in Riga housing estates in the first half of 2024 (breakdown by total area)

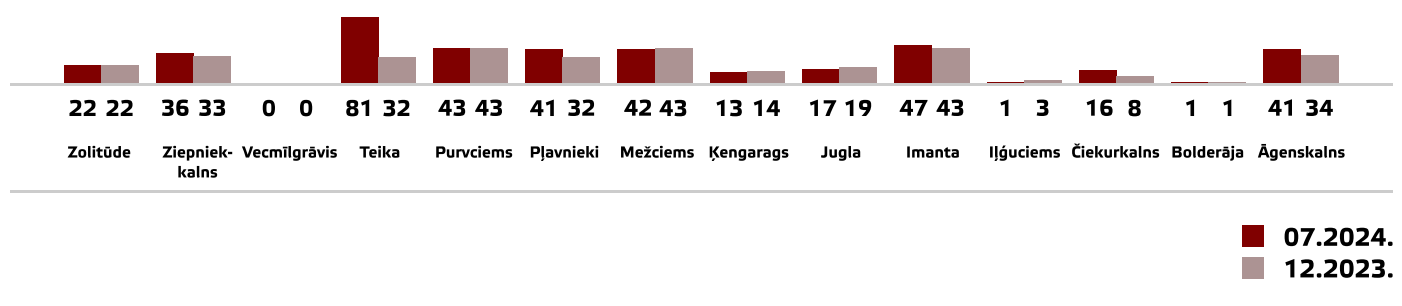


Source: STATE LAND SERVICE

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

Summarizing the number of offers, it was found that the largest offer of apartments in new housing projects was in Teika in the middle of 2024 (at the end of 2023 – in Purvciems, Mežciems and Imanta), where the supply increased significantly this year. On the other hand, in Vecmīlgrāvis no apartments offered for sale in new housing projects were found in the middle of 2024. Compared to the end of 2023, the number of apartments offered for sale in housing estates has increased significantly - by 23 %.

## Supply of new project apartments in Riga housing estates, July 2024



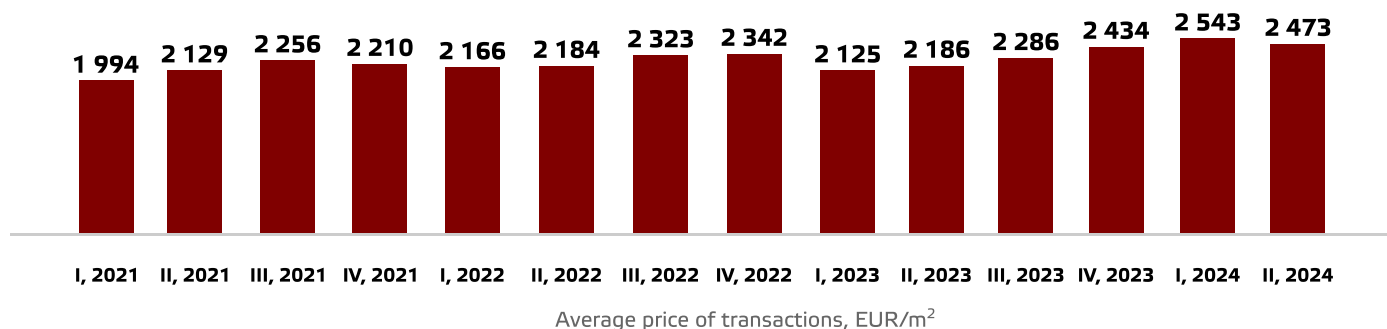
Source: ARCO REAL ESTATE

# New housing project apartment market in the centre of Riga

In the centre of Riga, as well as in districts close to the centre such as Ķīpsala and Klīversala, the average price of new housing project transactions in the middle of 2024 was 2 473 EUR/m<sup>2</sup>. The average price was 13 % higher than in the middle of 2023. On the other hand, compared to the first quarter of 2024, the average price of apartments in new projects in the centre of Riga was 3 % lower in the second quarter.

2 473  
EUR/m<sup>2</sup>

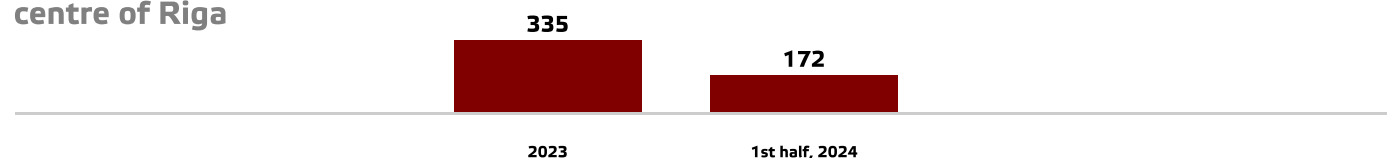
## Dynamics of new housing project apartment prices in the centre of Riga, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

In the centre of Riga and in districts close to the centre such as Ķīpsala and Klīversala in 2024, a slight increase in the number of transactions was observed in the segment of new housing projects. There were 2 % more transactions this year than in the second half of 2023, and 4 % more transactions than in the first half.

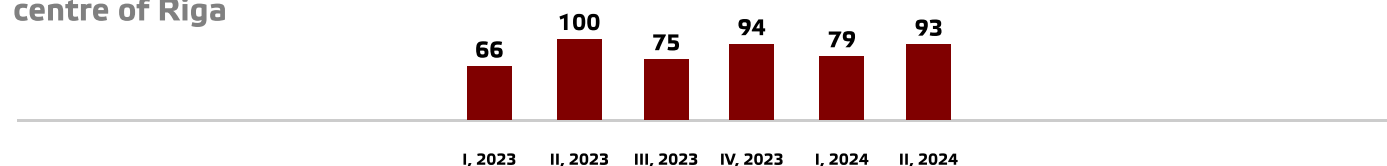
## Dynamics of the number of transactions with apartments in new housing projects in the centre of Riga



Source: STATE LAND SERVICE

In terms of the number of transactions in 2024, the second quarter was the richest, when 93 transactions took place in the new projects of the centre of Riga. Fewer deals took place in the first quarter, but this figure exceeded the figures for the first quarter of 2023.

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



Source: STATE LAND SERVICE

In 2024, some apartment transactions were still registered for a transaction amount below 1 000 EUR/m<sup>2</sup> (3 % 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 significantly decreased compared to previous years (8 % in 2022 and 12 % in 2023).

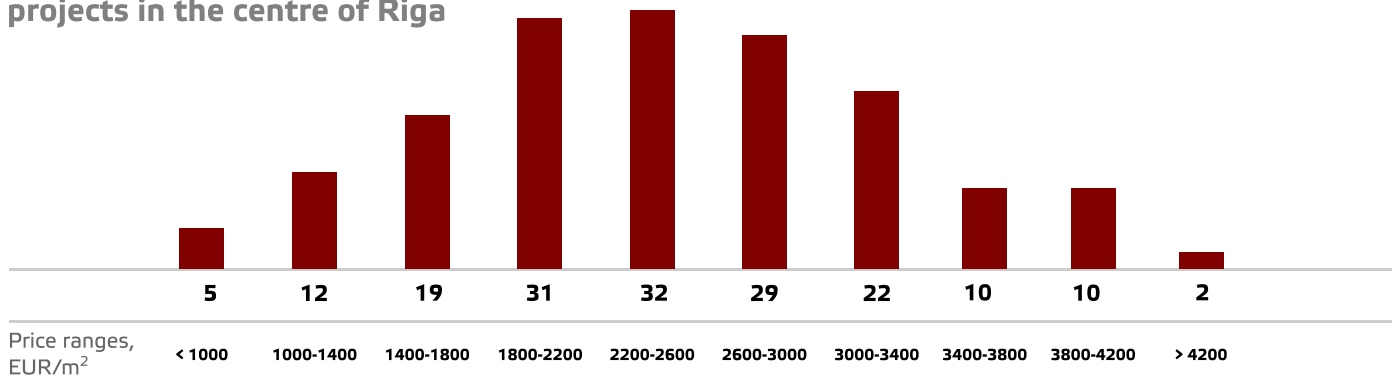
The typical range of prices for new housing projects in the centre of Riga in 2023 was from 1 800 to 3 000 EUR/m<sup>2</sup>. More than half, or 53 %, of transactions took place in the price range typical for the centre of Riga. In 2023, the most transactions took place in the price range from 2 200 to 2 600 EUR/m<sup>2</sup> (in 2023, the most transactions took place in the price category from 1 400 to 1 800 EUR/m<sup>2</sup>). In this price category, the most transactions were registered in the new project "City Home", Miera Street 103, as well as in other buildings built in the first decades of the XXI century. A relatively large number of transactions in this price category are registered in the new buildings of the Skanste neighbourhood.

Relatively many transactions took place in the range of 1 800 to 2 200 EUR/m<sup>2</sup>, which was the second most popular price category in 2024. This price range included 18 % of all apartment transactions in the city centre. The most popular project in this price range was a building built in the first decade of the XXI century at Miera Street 61 k-1. The average transaction price in this project was 1 962 EUR/m<sup>2</sup>.

In the price range from 2 600 to 3 000 EUR/m<sup>2</sup>, there were also relatively many transactions. In this price category, the most transactions took place with apartments in newly built houses in the Skanste neighbourhood, as well as in lesser-known new buildings in the centre of Riga and its periphery. The largest number of apartment transactions took place in a new building at Vesetas Street 24. In general, this price range included 17 % of all apartment transactions in the city centre.

In 2024, the number of transactions with expensive and exclusive apartments in new housing projects in the centre of Riga decreased. For the price above 4 000 EUR/m<sup>2</sup>, only six transactions were registered in the first half of 2024. For comparison: 23 such transactions were registered in 2023, and 12 transactions in 2022. In the new housing projects located in the city centre, the most expensive transaction was registered at 13. janvāra street 21, Old Riga, for almost 4 800 EUR/m<sup>2</sup>.

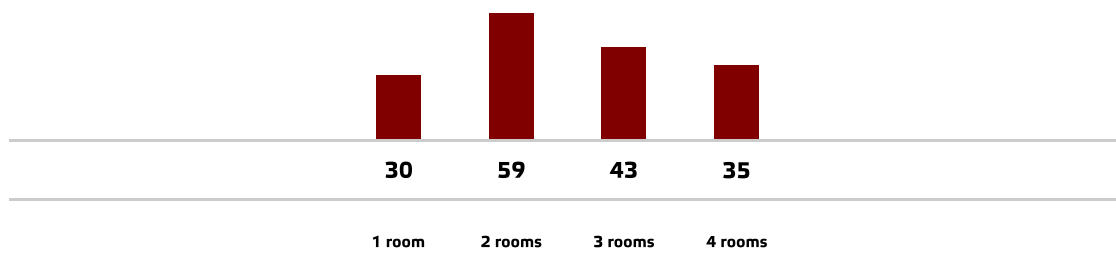
### Breakdown of number of transactions by square metre price ranges in the new housing projects in the centre of Riga



Source: STATE LAND SERVICE

Analysing the proportion of the number of transactions by the number of rooms, it can be seen that in the centre of Riga, as in the previous year, two-room apartments dominated (34 %). Relatively fewer transactions took place with three-room apartments (25 %) and four-room apartments (20 %). On the other hand, one-room apartments were the least sold - 17 % of the total number of apartments sold in the city centre. Two-room apartments in new housing project buildings in the centre of Riga are the most popular for the sixth year in a row.

### Number of transactions with apartments in new housing projects in the centre of Riga in the first half of 2024 (breakdown by number of rooms in apartment)



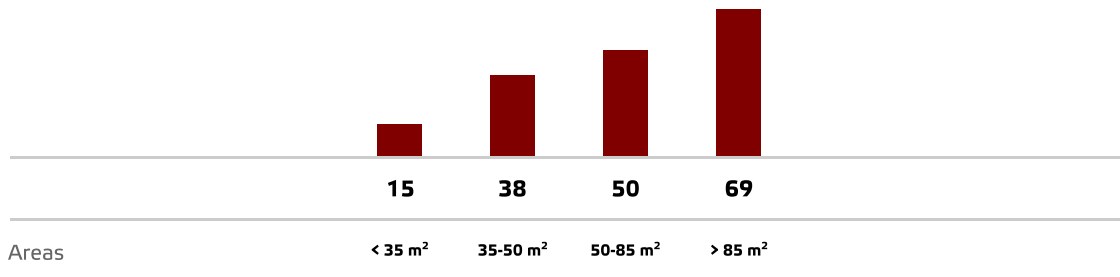
Source: STATE LAND SERVICE

In the previous four years, apartments with an area of 50-85 m<sup>2</sup> were the most sold in the city centre. Analysing the apartment transactions of new housing projects in the centre of Riga by total area, in the first half of 2024, the most transactions took place with apartments of large area. During half a year, 69 apartment transactions with an area of more than 85 m<sup>2</sup>, or 40 % of the apartment transactions of new housing projects in the centre of Riga, were registered. A relatively large number of transactions in the city centre took place with apartments whose area was from 50 to 85 m<sup>2</sup> (50 transactions, or 29 % of the transactions with apartments in new projects in the centre of Riga). Apartments with an area of up to 35 m<sup>2</sup> were sold the least - they were only 9 % of the total number of apartments sold in new buildings.

The number of transactions with exclusive large-area apartments with an area exceeding 200 m<sup>2</sup> was relatively high in 2024. During the first half of the year, seven such transactions were registered. In 2022 and 2023, nine such transactions were registered each year.



## Number of transactions with apartments in new housing projects in the centre of Riga in the first half of 2024 (breakdown by total area)

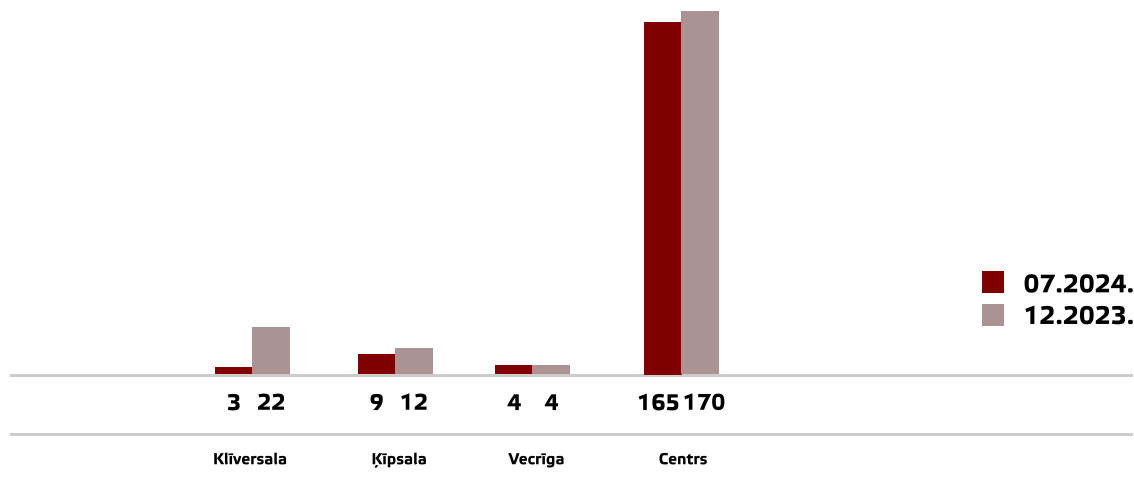


Source: STATE LAND SERVICE

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

In the middle of 2024, there were about 180 apartments offered for sale in the new housing projects in the centre of Riga and in districts close to the city centre such as Ķīpsala and Klīversala. Compared to the end of 2023, the volume of the supply was 13 % smaller. In July, in the central part of Riga, the least number of apartments offered for sale was in Klīversala. If compared to the end of the previous year, in the middle of 2024 there was a significantly lower supply of apartments in Klīversala.

### Supply of apartments in new housing projects in the centre of Riga, July 2024



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.

Māris Laukalējs  
 Member of the Board  
 Head of Valuation Department  
 maris.laukalejs@arcoreal.lv  
 5a Blaumaņa Street, Riga  
 LV-1011, Latvia  
 Phone +371 6736 5555  
 www.arcoreal.lv