



ARCO REAL ESTATE



**APARTMENTS IN THE RIGA CITY CENTER**

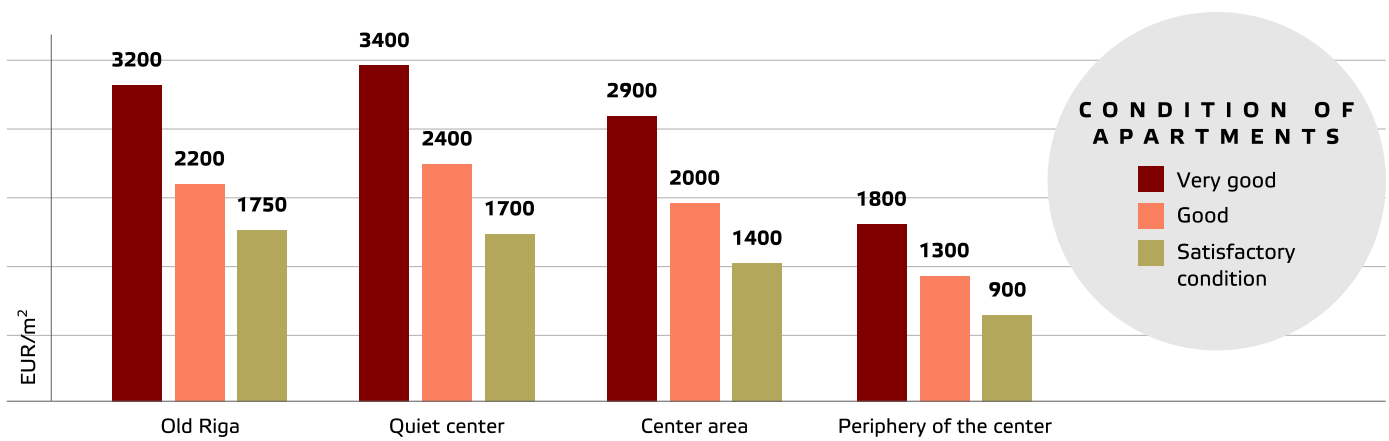
2<sup>ND</sup> QUARTER

RIGA | 2014

## Apartments in the Riga city center

In July 2014, the average price of apartments in the Riga city center was in the position of 2079 EUR/m<sup>2</sup>. Still a significant part of the demand for apartments in the center of Riga was made by non-residents, who with the purchase of a real estate wanted to secure possibility to obtain a temporary residence permit. For this reason, it was observed that the offer contained a lot of apartments at a price inadequate to the condition and location thereof, as a result of the hope that they could be purchased by a non-resident willing to pay extra money.

### Price of one square meter of apartments located in the Riga city center, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

The periphery of the Riga city center which consists of such neighborhoods as Grīziņkalns, Avoti, Brasa and Pētērsala, made 52% of the total number of transactions with apartments in the city center in the second quarter of 2014. Average prices in this part of the center was around 900 EUR/m<sup>2</sup> for apartments in satisfactory condition, and around 1300 EUR/m<sup>2</sup> for apartments in good condition, while the price of apartments in very good condition was around 1800 EUR/m<sup>2</sup>. Higher prices were observed for fully renovated buildings, for example, in Ernesta Birznieka Street No. 18, Eksporta Street 12 and Cēsu Street 23. In this part of the center, there was registered a comparatively big number of transactions at a lower price for non-renovated apartments being in poor or even critical condition. Lower prices in the second quarter of 2014 were observed for wooden buildings, which are especially common in the vicinity of Grīziņkalns.

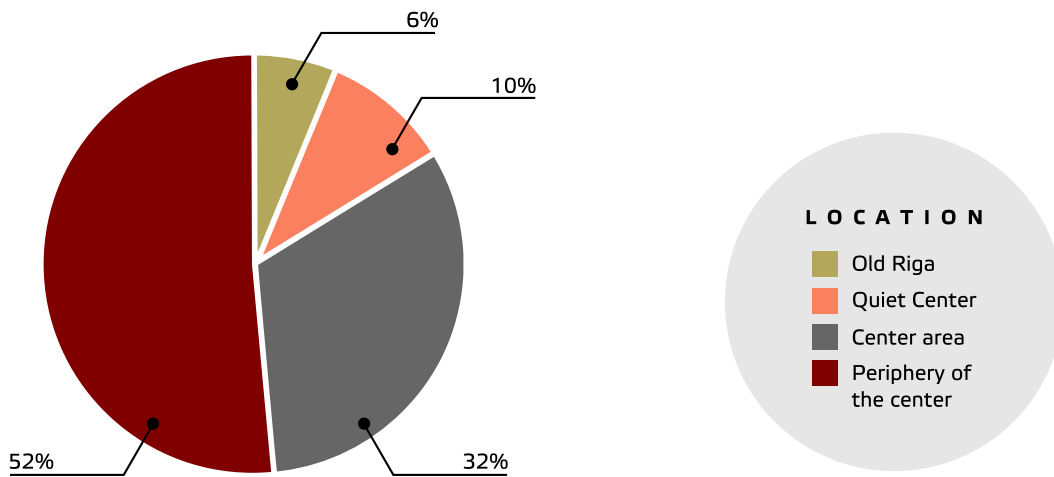
The Riga city center area (the so-called Near Center) in the second quarter of 2014 made 32% of the total number of transactions with apartments in the Riga city center. Average prices in this part of the center was around 1400 EUR/m<sup>2</sup> for apartments in satisfactory condition, about 2,000 EUR/m<sup>2</sup> for apartments in good condition and around 2900 EUR/m<sup>2</sup> for apartments in very good condition. Higher prices were characteristic for apartments with high-quality interior decoration, located close to the Old Town or to a park, for example, apartments in the buildings at Raiņa Boulevard. The Near Center likely will be that part of the center which would be most affected by the above-mentioned changes in the Immigration Act, because this part of the city has the highest share in number of the transactions within the limits of the minimal threshold for current and future temporary residence permits. Of all transactions made in the second quarter of 2014, 57% exceeded the threshold of 142 300 EUR, but only 10% reached 250 000 EUR.

The Quiet Center made 10% of the number of transactions with apartments in the Riga city center in the second quarter of 2014. Average prices in this part of the center was around 1700 EUR/m<sup>2</sup> for apartments in satisfactory condition, around 2400 EUR/m<sup>2</sup> for apartments in good condition and around 3400 EUR/m<sup>2</sup> for apartments in very good condition. Since in this part of center a large impact on the price is made by the building's historical and architectural value, higher prices are characteristic for restored pre-war buildings having these values. In turn, the lowest prices in this part of the center were characteristic for buildings, which are in very poor condition, such as in the beginning of Dzirnavu Street.

In the second quarter of 2014, the Old Town made 6% of the total number of transactions with apartments in the Riga city center. Average prices in this part of the center were around 1750 EUR/m<sup>2</sup> for apartments in satisfactory condition, around 2200 EUR/m<sup>2</sup> for apartments in good condition and around 3200 EUR/m<sup>2</sup> for apartment in very good condition.

A characteristic feature of both the Old Town and the Quiet Center in the 2nd quarter of this year was that the price of apartments being in similar condition and located in these neighborhoods can greatly differ, depending on the location specifics. Higher prices in this part of the center are characteristic for apartments located in renovated and new buildings.

**Proportion of transactions by parts of the Riga city center, %**



Source: STATE LAND SERVICE

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