

MARKET OVERVIEW

Standard-Type Apartments MARCH



RIGA
2016

ISO 9001
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Certification

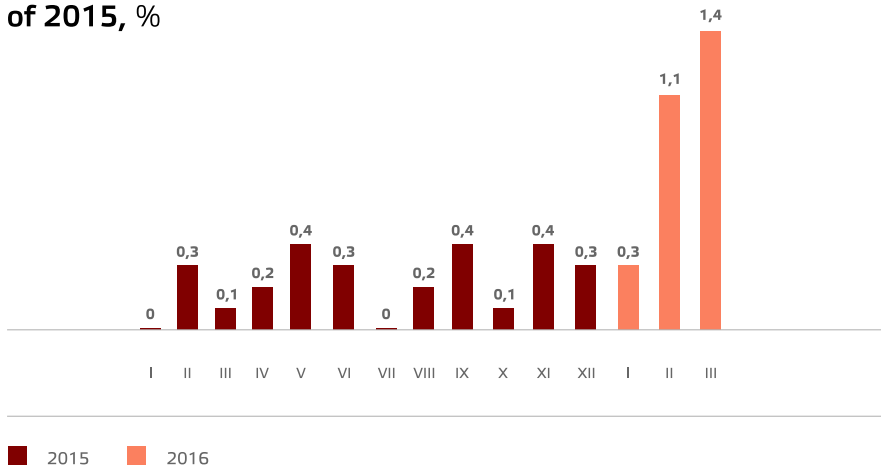


N° LVRIG86613A

Standard-Type Apartments, April 1, 2016

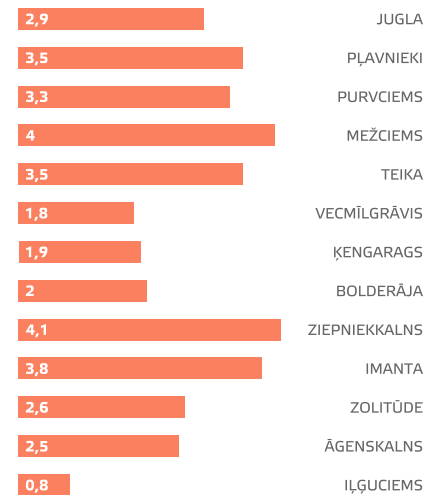
In March 2016, the prices of standard-type apartments located in Riga housing estates increased by 1.4 %. The average standard-type apartment price in March increased to 673 EUR/m². Since the beginning of 2016, the standard-type apartment prices have grown by 2.8 %.

Standard-type apartment price changes since beginning of 2015, %



Source: ARCO REAL ESTATE

Price changes in the largest housing estates since January 1, 2016, %

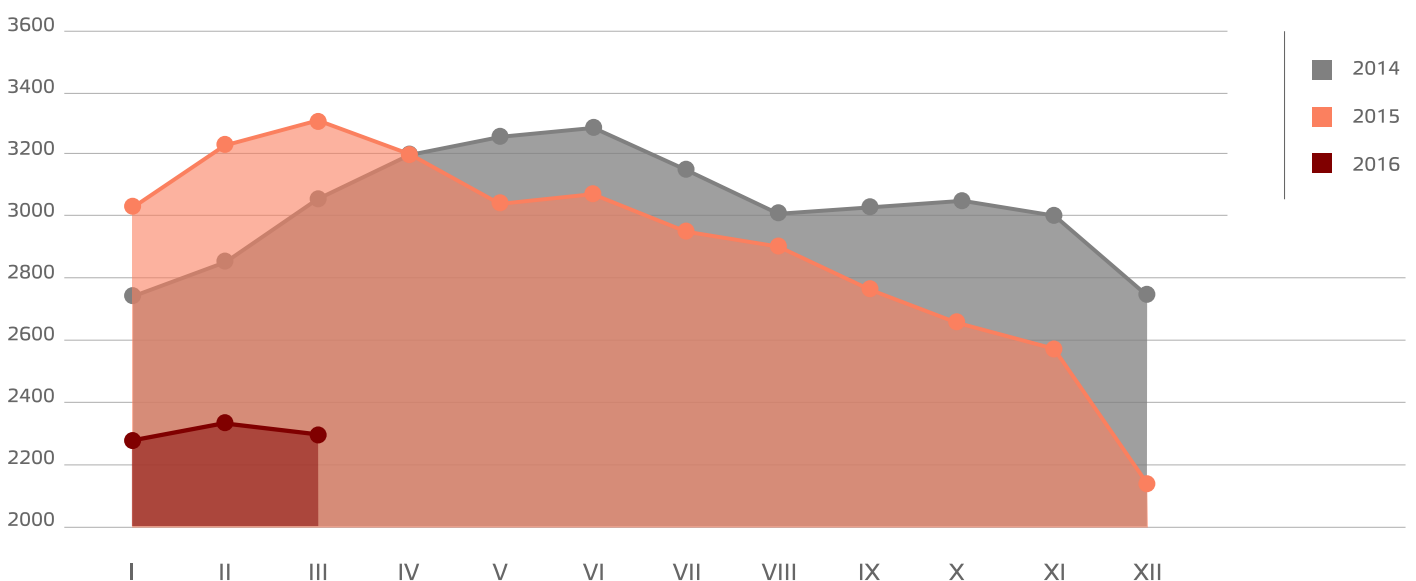


Source: ARCO REAL ESTATE

In the largest housing estates of Riga the apartment prices continued to rise in March 2016. The growth of the average price of standard-type apartments last month was repeatedly the highest in recent years.

The most significant price growth was registered for the most demanded apartments - one-room and two-room apartments. This year, the prices rose as much as in 2015 in total, so the standard-type apartment price growth in 2016 could reach the growth of 2014 (+ 3.9 %) and more. In Riga, the apartment supply level remained low - in March it was by almost one third lower than in the corresponding period of 2015.

Dynamics of apartment supply in the largest housing estates of Riga, in annual terms, 2014 - 2016



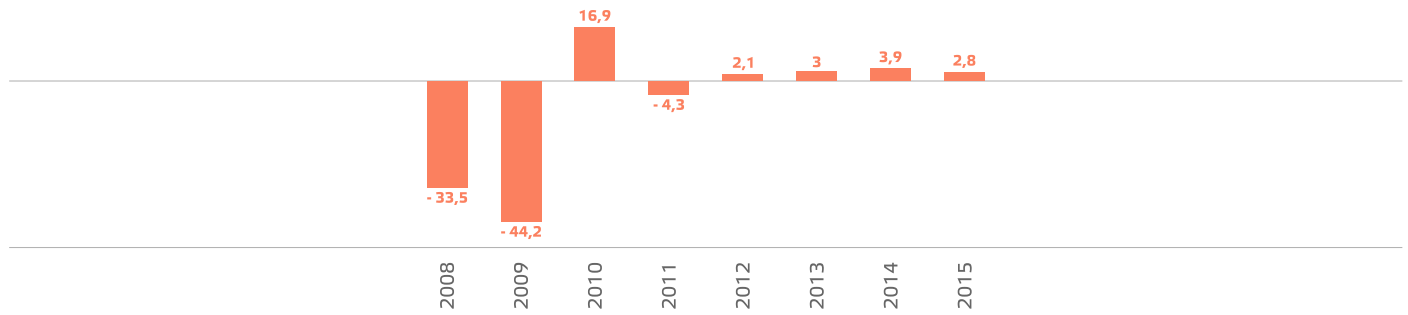
Source: ARCO REAL ESTATE



The largest growth of the average one square metre price of an apartment in the housing estates of Riga since the beginning of 2016 was observed in Ziepniekkalns (+ 4.1 %). Also in other housing estates of Riga the prices tended to increase this year. The slowest apartment price growth since the beginning of the last year was observed in Ilģuciems (+ 0.8 %).

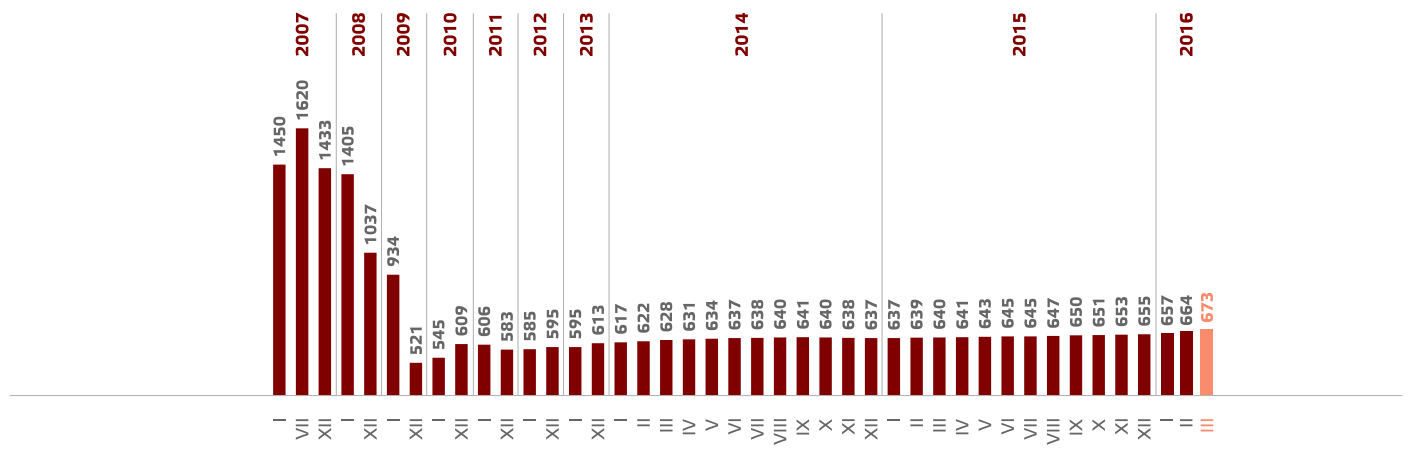
In March 2016, the average price of a standard-type apartment increased to position of 673 EUR/m². The prices on average are by 58.4 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value - 1 620 EUR/m².

Standard-type apartment price changes, 2008 - 2015



Avots: ARCO REAL ESTATE

Dynamics of average price of standard-type apartments in the largest housing estates of Riga, EUR/m²



Source: ARCO REAL ESTATE

In March 2016, the prices of two-room and three-room apartments grew fastest. The average price of one square metre of apartment if categorized by number of rooms, increased for one-room apartments (+ 0.8 %), two-room apartments (+ 1.8 %), three-room apartments (+ 1.6 %) and four-room apartments (+ 1.3 %).

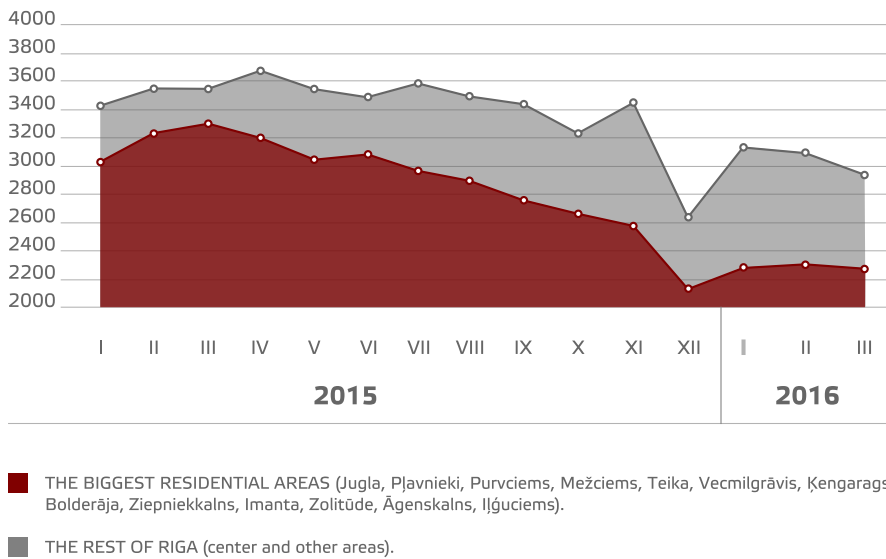
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2014												2015												2016			
1 room	666	671	681	689	692	697	701	699	703	704	702	702	703	698	700	702	703	708	708	710	712	718	718	722	722	728	738	744
2 rooms	625	628	631	638	641	645	649	650	652	654	651	647	644	644	645	647	650	652	656	656	659	663	664	667	667	673	681	693
3 rooms	588	592	596	600	602	604	609	610	611	612	613	611	607	609	612	614	615	616	617	618	619	621	621	622	622	626	631	641
4 rooms	573	577	581	586	588	590	592	594	594	592	594	595	593	596	597	596	597	598	598	596	596	598	599	602	602	603	607	614
	01.01.	01.02.	01.03.	01.04.	01.05.	01.06.	01.07.	01.08.	01.09.	01.10.	01.11.	01.12.	01.01.	01.02.	01.03.	01.04.	01.05.	01.06.	01.07.	01.08.	01.09.	01.10.	01.11.	01.12.	01.01.	01.02.	01.03.	01.04.

Source: ARCO REAL ESTATE

In March 2016, the total supply of apartments in Riga decreased slightly. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE decreased by 1 %. Compared to March 2015, the apartment supply was significantly lower this year: the total number of apartments offered for sale in March was by 24 % lower, but the decrease of number of apartments offered for sale in the largest housing estates was even bigger - by 28 %.

Apartment supply movements in Riga, 2015 - 2016



Source: ARCO REAL ESTATE

Having summarized the number of apartments offered for sale in the housing estates of Riga, it can be concluded that the largest offer of apartments in March was in Purvciems, Pļavnieki and Āgenskalns. But the lowest apartment supply was seen in Bolderāja and Vecmīlgrāvis.

Number of apartments offered for sale in the largest housing estates of Riga largely decreased in March. In March, the most significant decrease of supply of apartments was seen in Jugla (- 12.6 %), but the most significant increase in supply of apartments was seen in Bolderāja (+ 14.3 %).

When analyzing the number of apartments offered for sale in proportion to the size of the housing estates, i. e., by population, the highest number was recorded in Mežciems and Āgenskalns. By contrast, the number of apartments offered for sale was lowest in Vecmīlgrāvis and Ķengarags.

In March 2016, the standard-apartment prices grew in all of the largest housing estates of Riga. The largest apartment price increase was seen in Mežciems, where the prices grew by 2.2 %. The lowest apartment price changes in March were recorded in Ilģuciems - the prices grew only by 0.1 %.

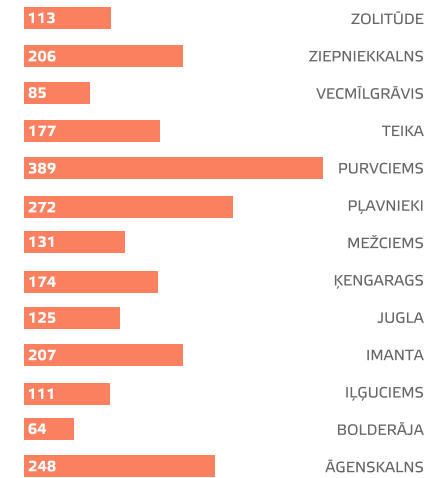
Changes in average standard-type apartment prices in Riga housing estates, %

	The average value per 1 m ² on 01.04.2016.	The average value per 1 m ² on 01.03.2016.	Changes, %
Jugla	687	677	1,1 ↑
Pļavnieki	709	697	1,8 ↑
Purvciems	731	723	1,1 ↑
Mežciems	704	689	2,2 ↑
Teika	835	828	0,8 ↑
Vecmīlgrāvis	546	539	1,3 ↑
Ķengarags	627	620	1,2 ↑
Bolderāja	476	469	1,5 ↑
Ziepniekkalns	698	689	1,4 ↑
Imanta	714	704	1,5 ↑
Zolitūde	732	718	2 ↑
Āgenskalns	723	713	1,4 ↑
Ilģuciems	638	637	0,1 ↑

Source: ARCO REAL ESTATE

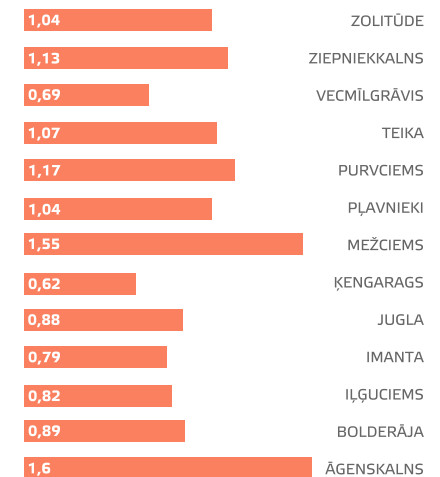


Number of apartments offered for sale in Riga in March 2016



Source: ARCO REAL ESTATE

Number of apartments offered for sale in proportion to the size of the housing estates in Riga in March 2016



* If the coefficient is **greater than 1**, the relation of the supply of apartments in the specific housing estate to the number of population in that housing estate is higher.
If the coefficient is **less than 1**, the relation of the supply of apartments in the specific housing estate to the number of population in that housing estate is lower.

Avots: ARCO REAL ESTATE

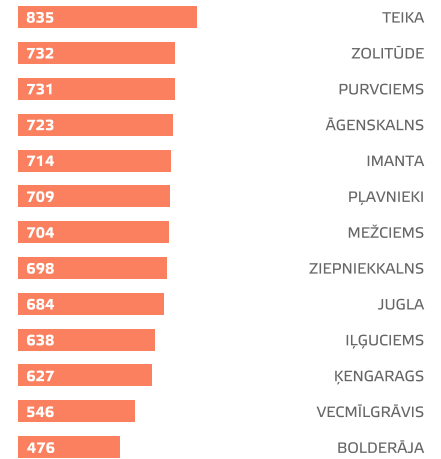
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In March 2016, the standard-type apartment prices were by 9.8 % higher than the prices recorded in the beginning of 2014. But compared to the beginning of 2015, the prices have grown by 5.7 %. During 2016, the prices have increased by 2,8 %.

Average standard-type apartment prices in housing estates of Riga, EUR/m²

	01.01.2012.	01.01.2013.	01.01.2014.	01.01.2015.	01.04.2016.
Bolderāja	477	473	450	454	476
Vecmīlgrāvis	508	514	524	531	546
Ķengarags	510	518	543	594	627
Iļģuciems	566	570	586	609	638
Ziepniekkalns	602	613	626	643	684
Jugla	556	583	610	639	698
Pļavnieki	603	622	651	664	704
Imanta	592	605	633	676	709
Mežciems	612	624	637	662	714
Purvciems	615	633	662	682	723
Āgenskalns	606	623	644	677	731
Zolitūde	640	644	663	697	732
Teika	728	757	787	798	835

Average standard-type apartment prices in housing estates of Riga as per April 1, 2016



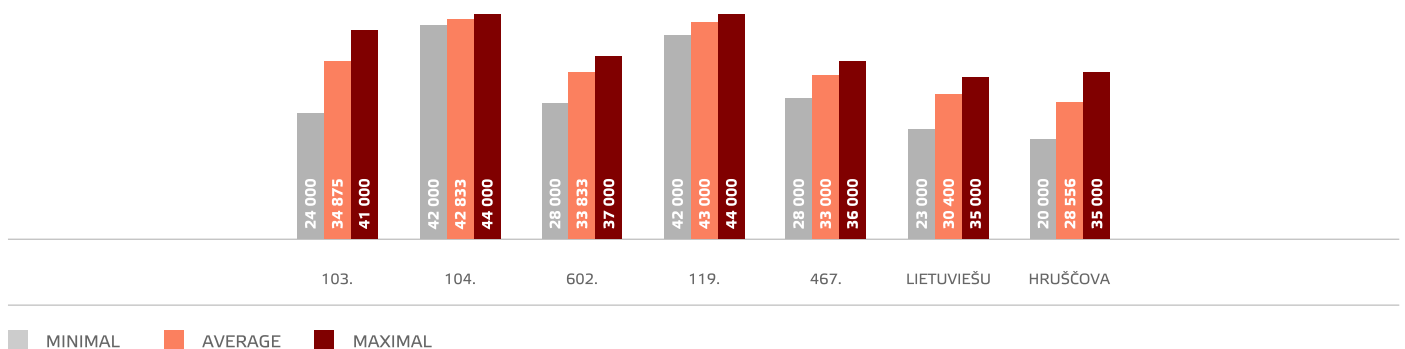
Source: ARCO REAL ESTATE

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The highest standard-type apartment prices in March 2016 still were in Teika, where the average price of one square metre increased to 835 EUR/m². But the lowest average price of one square metre remained in Bolderāja - 476 EUR/m².

In March 2016, the most expensive apartments still were apartments in the houses of the 119th series and 104th series, where the price of 2-room apartments in satisfactory condition varied from 42 000 to 44 000 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 23 000 to 35 000 EUR, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 20 000 to 35 000 EUR, depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in March 2016 (2-room apartments), EUR



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

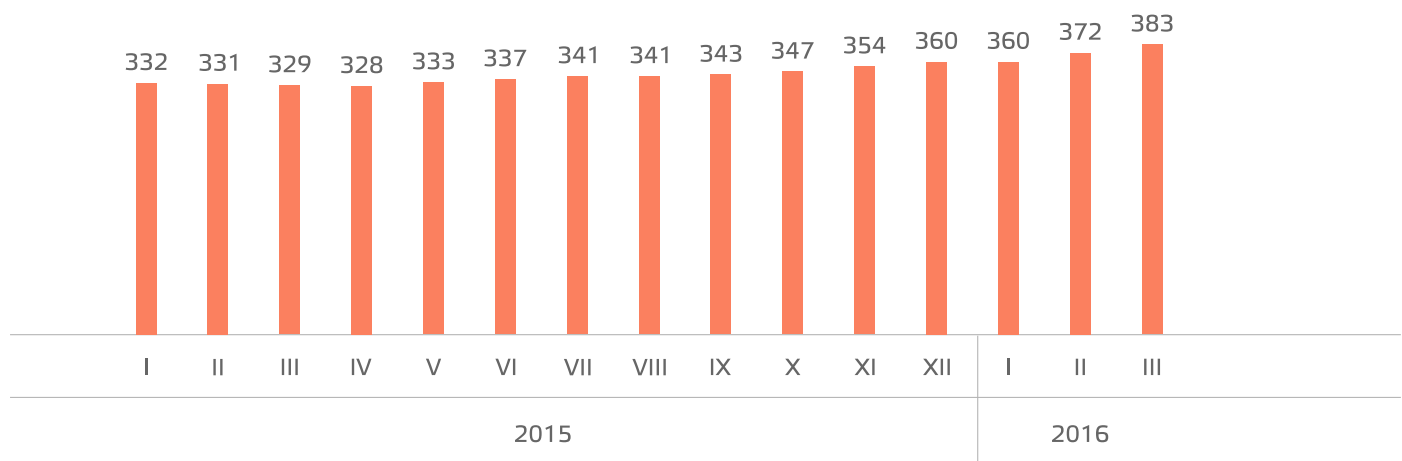
Ogre. In March 2016, the standard-type apartment prices in Ogre increased by 1.1 %. The average price increased to 454 EUR/m². In 2015, the prices grew by 4.5 % in total. Since the beginning of 2016, apartment prices in Ogre have increased by 2.4 % and continue to grow.

Kauguri, Jūrmala. In March 2016, the standard-type apartment prices in Kauguri increased by 0.8 %. The average price of one square metre of apartment grew up to 429 EUR/m². A minimal apartment price rise has been recorded in Kauguri for the second consecutive month. In 2016, the apartment prices in overall have grown by 2.7 %, similarly as in the housing estates of Riga.

Salaspils. In March 2016, the standard-type apartment prices in Salaspils grew by 0.3 %. The average price of a standard-type apartment has increased slightly achieving the position of 476 EUR/m². Since the beginning of 2016, the average price of a standard-type apartment in Salaspils has grown by 1 %. The apartment prices in Salaspils should be considered as stable: the price increase in March was not as significant as in Riga housing estates.

Jelgava. Apartment prices continued to grow in Jelgava in March 2016. The average price of a standard-type apartment increased in March to 383 EUR/m². Since the beginning of 2016, the standard-type apartment price in Jelgava has increased by 4.9 %. In March 2016, the apartment prices in Jelgava increased by 3 %, and this increase was equivalent to that recorded in the previous month.

Movements of average price of standard-type apartments in Jelgava, EUR/m²



Source: ARCO REAL ESTATE

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