

MARKET OVERVIEW

Standard-type apartments | AUGUST



RIGA
2017

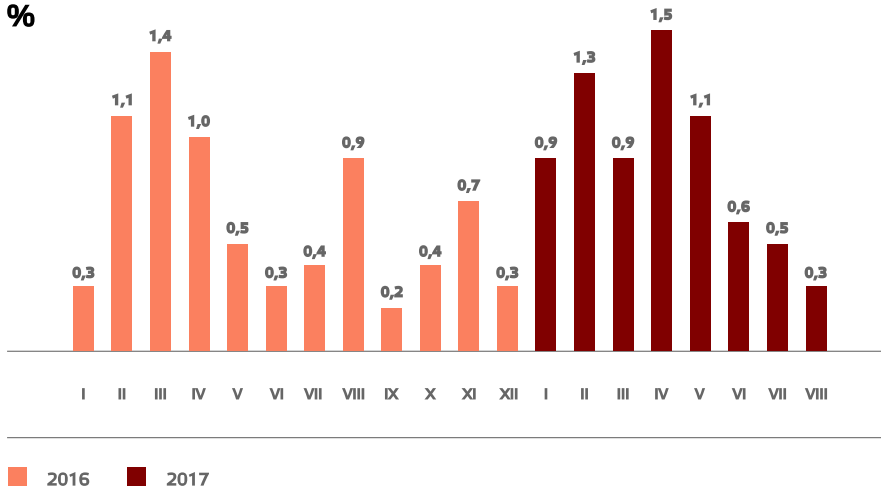


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-type apartments, September 1, 2017

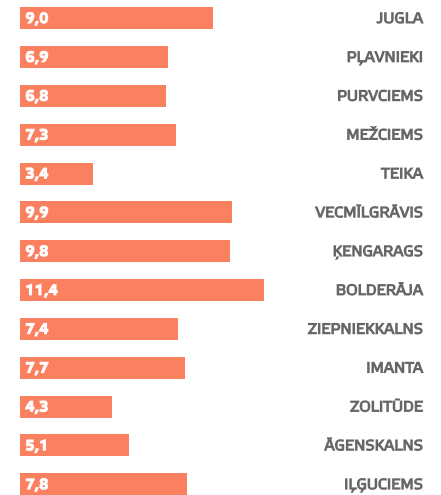
In August 2017, the prices of standard-type apartments located in Riga housing estates increased by 0.3 %. The average standard-type apartment price in August has increased to 756 EUR/m². In whole, since the beginning of 2017, the prices of standard-type apartments have grown by 7.3 %.

Standard-type apartment price changes since beginning of 2016, %



Source: ARCO REAL ESTATE

Price changes in the largest housing estates since January 1, 2017, %

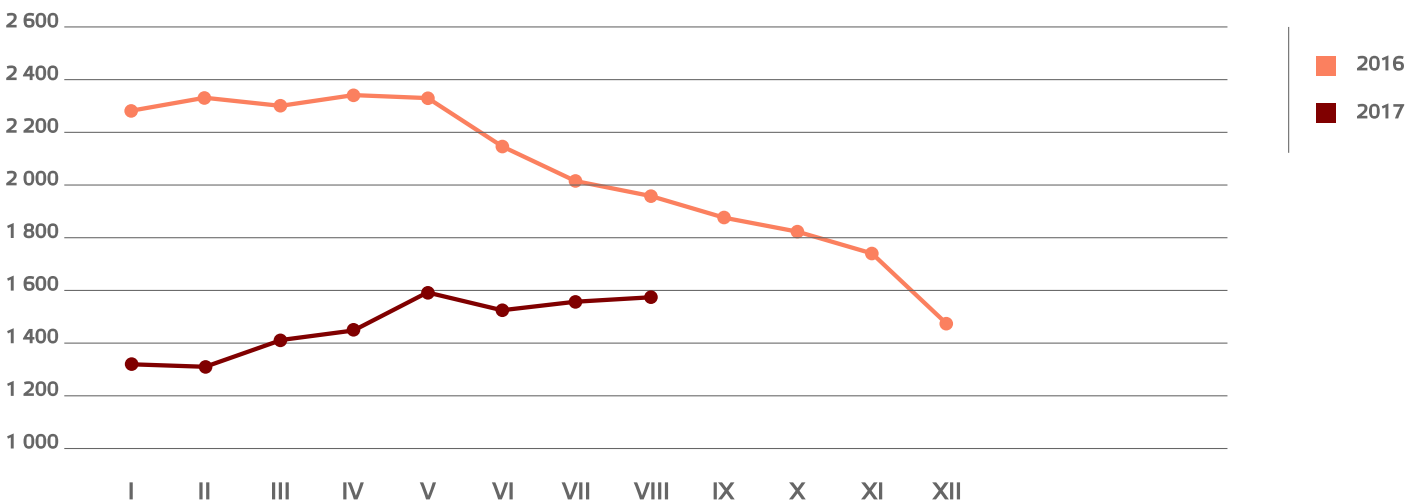


Source: ARCO REAL ESTATE

Apartment prices in Riga's largest housing estates continued to increase, however, price growth in the summer months decreased: the lowest price increase this year was registered just in August. The highest price increase in August was registered in Imanta, so that this place became the second most expensive neighbourhood in Riga in terms of apartment prices.

The overall supply of apartments in August decreased slightly: the highest decrease of apartments offered for sale was registered in the central part of Riga, while the supply in Riga housing estates increased slightly (+ 2 %).

Dynamics of apartment supply in the largest housing estates of Riga, 2016 – 2017

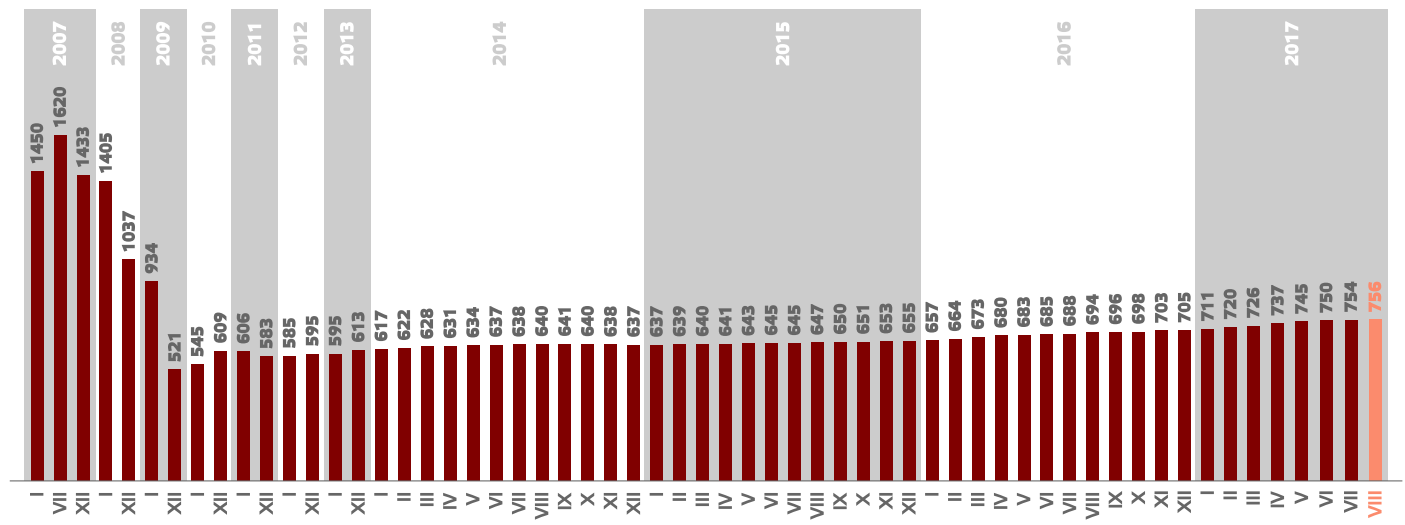


Source: ARCO REAL ESTATE

The largest growth of the average one square metre price of an apartment in the housing estates of Riga since the beginning of 2017 was observed in Bolderāja (+ 11.4 %). Also in other biggest housing estates of Riga the prices tended to increase this year. The slowest apartment price growth since the beginning of the year was observed in Teika (+ 3.4 %).

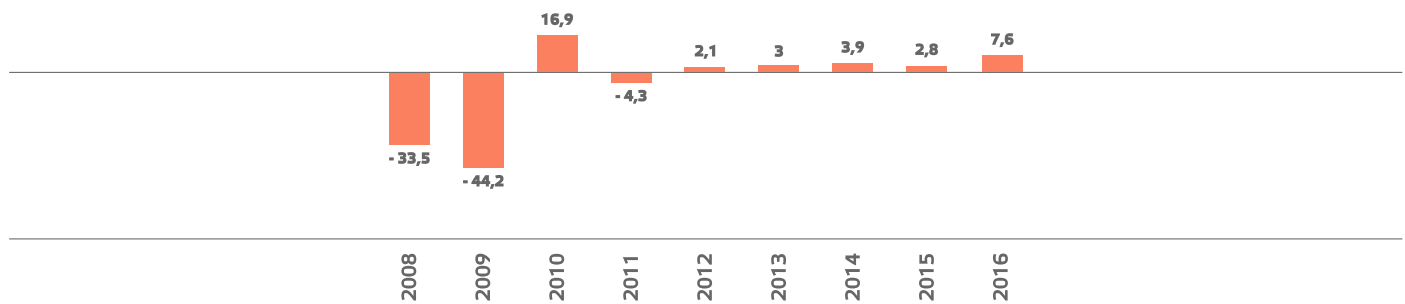
In August 2017, the average price of a standard-type apartment increased to the position of 756 EUR/m². The prices on average were by 53.3 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value – 1 620 EUR/m².

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



Source: ARCO REAL ESTATE

Standard-type apartment price changes in Riga housing estates, 2008 – 2016, %



Source: ARCO REAL ESTATE

In August 2017, the prices rated by number of rooms in apartment grow for 1-4-room apartments. The average price of one square metre of area increased for one-room (+ 0.1 %), two-room (+ 0.1 %), three-room (+ 0.3 %) and four-room (+ 0.7 %) standard-type apartments.

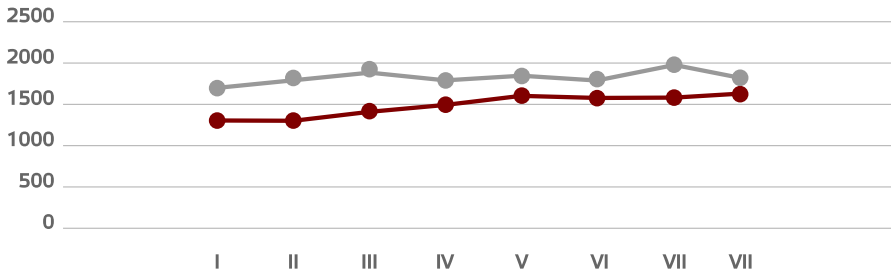
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2015						2016						2017														
1 room	708	710	712	718	718	722	722	728	738	744	752	754	755	757	765	768	771	775	779	784	795	799	811	819	821	829	830
2 rooms	656	656	659	663	664	667	667	673	681	693	699	702	704	706	711	712	715	721	723	731	740	748	761	767	770	773	774
3 rooms	617	618	619	621	621	622	622	626	631	641	647	651	653	656	661	662	666	667	668	674	683	689	701	710	715	717	719
4 rooms	598	596	596	598	599	602	602	603	607	614	620	626	630	632	641	641	642	649	649	655	663	669	674	684	693	697	702
	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.	01.05.	01.06.	01.07.	01.08.	01.09.

Source: ARCO REAL ESTATE

In August 2017, the supply of apartments compared to the previous month, in Riga decreased a bit, namely, by 2 %. But the number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE increased slightly in August – by 1.2 %. Compared to August 2016, the apartment supply still was significantly lower: the total number of apartments offered was lower by 29 %, but the number of apartments offered for sale in the largest housing estates was by 20 % lower.

Apartment supply dynamics in Riga, 2017



■ THE BIGGEST RESIDENTIAL AREAS (Jugla, Pļavnieki, Purvciems, Mežciems, Teika, Vecmīlgrāvis, Ķengarags, Bolderāja, Ziepniekkalns, Imanta, Zolitūde, Āgenskalns, Ilģuciems).

■ THE REST OF RIGA (center and other areas).

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 supply of apartments in August was in Purvciems, Ķengarags, Āgenskalns and Imanta. But the lowest apartment supply was in Bolderāja.

During the last month the number of apartments offered for sale in most of housing estates of Riga increased. In August, the most significant increase of supply of apartments was seen in Bolderāja (+ 22 %), But the most significant decrease of supply of apartments was seen in Ilģuciems (- 13.4 %).

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 in August was still recorded in Āgenskalns, while in Teika it was proportionally the lowest.

In August 2017, the standard-apartment prices grew almost in all of the largest housing estates of Riga. Prices grew by 0.1 – 0.9 %. The largest apartment price growth was seen in Imanta where the prices grew by 0.9 % during this month. No price growth was seen in Jugla, Pļavnieki and Zolitūde where the apartment prices remained to be on the same level as in July.

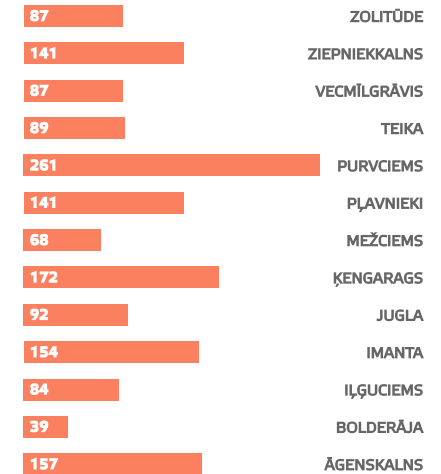
Changes in average standard-type apartment prices of 1 m² in Riga housing estates, %

	The average value per 1 m ² on 01.09.2017.	The average value per 1 m ² on 01.08.2017.	Changes, %
Jugla	770	770	0,0 ➡
Pļavnieki	799	799	0,0 ➡
Purvciems	811	809	0,3 ⬆
Mežciems	790	786	0,4 ⬆
Teika	894	892	0,2 ⬆
Vecmīlgrāvis	616	616	0,1 ⬆
Ķengarags	718	717	0,1 ⬆
Bolderāja	541	540	0,3 ⬆
Ziepniekkalns	791	787	0,4 ⬆
Imanta	815	808	0,9 ⬆
Zolitūde	808	808	0,0 ➡
Āgenskalns	804	802	0,3 ⬆
Ilģuciems	725	721	0,5 ⬆

Source: ARCO REAL ESTATE

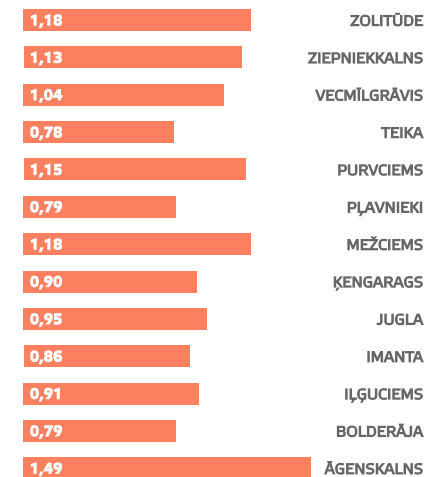
In August 2017, the standard-type apartment prices were by 15.5 %, higher than the prices recorded in the beginning of 2016. But since the beginning of 2017, the prices have increased by 7.3 %

Number of apartments offered for sale in Riga at the end of August 2017



Source: ARCO REAL ESTATE

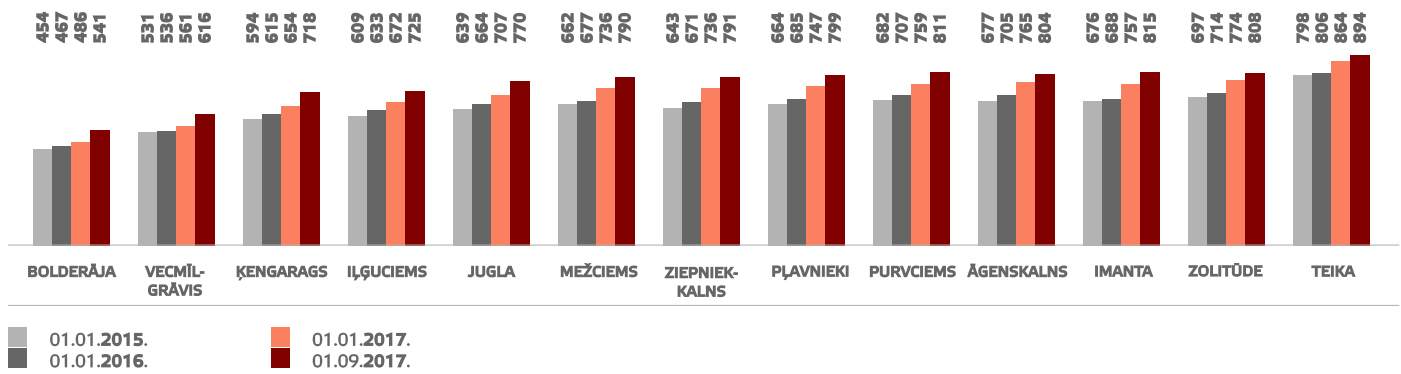
Number of apartments offered for sale in proportion to the size of the housing estates in Riga in August 2017



* 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.

Source: ARCO REAL ESTATE

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

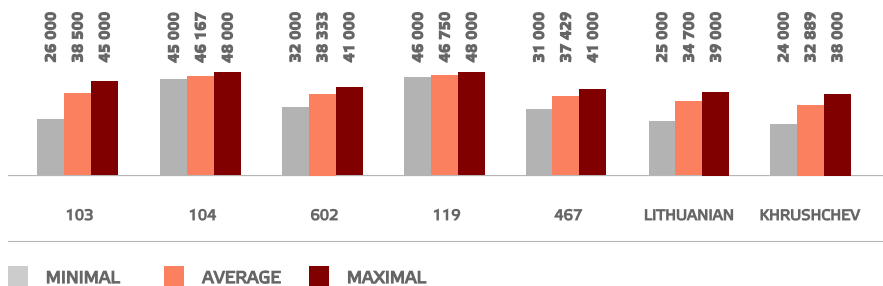


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in August 2017 still were in Teika, where the average price of one square metre increased to 894 EUR/m². But the lowest average price of one square metre in August remained in Bolderāja, where it increased to 541 EUR/m².

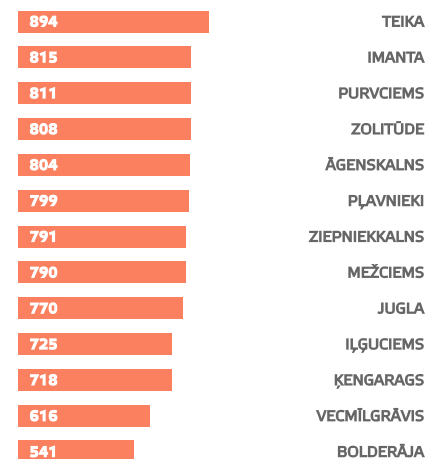
In August 2017, the most expensive apartments as usual were apartments in the houses of the 119th series and 104th series, where the price of 2-room apartments in satisfactory condition varied from 45 000 to 48 000 EUR, depending on the location. In turn, the so-called Lithuanian design houses have been the cheapest ones, where the price of 2-room apartments varied from 25 000 to 39 000 EUR, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 24 000 to 38 000 EUR, depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in August 2017 (2-room apartments), EUR



Source: ARCO REAL ESTATE

Average standard-type apartment prices in housing estates of Riga as per September 1, 2017, EUR/m²



Source: ARCO REAL ESTATE

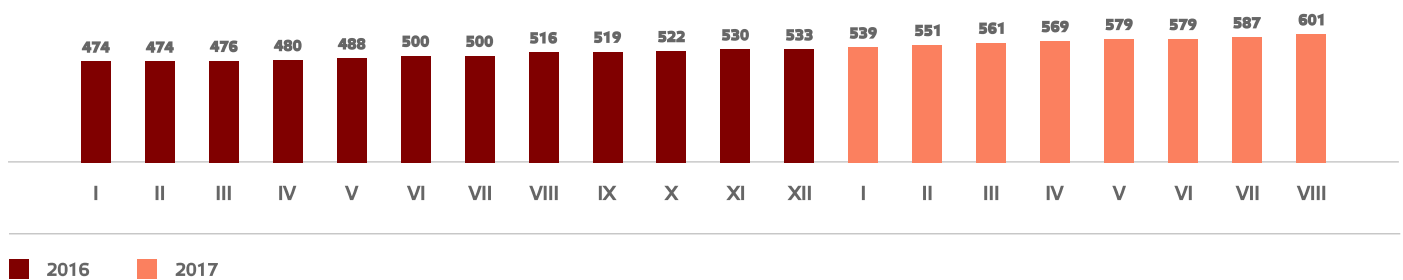
Apartment market in the vicinity of Riga

Ogre. In August 2017, the standard-type apartment prices in Ogre increased by 1.6 %. The average price reached 536 EUR/m². The increase in apartment prices this year was observed in almost all months; in 2017 apartment prices increased by 12 % in total. One of the main reasons for the rise in apartment prices in August may be considered insufficient supply.

Kauguri, Jūrmala. In August 2017, the standard-type apartment prices in Kauguri increased by 1.2 %. The average price of one square metre of apartment grew up to 517 EUR/m². Since the beginning of 2017, the prices in Kauguri have grown in total by 10 %. In comparison with other places in the vicinity of Riga the price growth in Kauguri has been the slowest.

Salaspils. In August 2017, the standard-type apartment prices in Salaspils increased by 2.3 %. The average price of a standard-type apartment increased to 601 EUR/m². Since the beginning of 2017, the average price of a standard-type apartment in Salaspils in total has grown by 13 %. Like the largest housing estates in Riga, the apartment prices in Salaspils continued to rise.

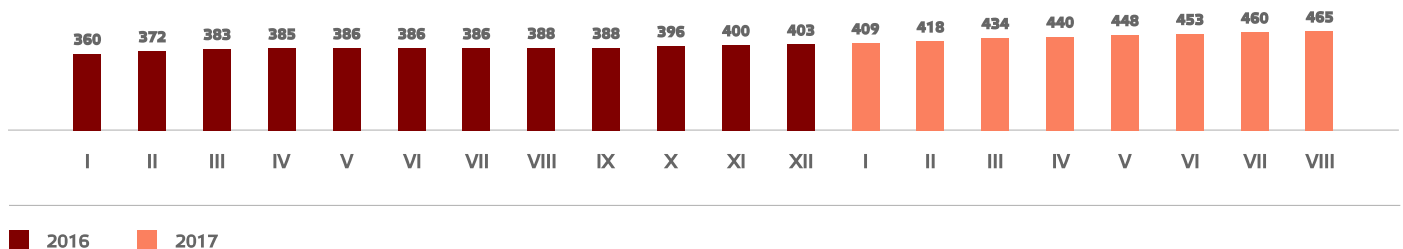
Dynamics of average price of standard-type apartments in Salaspils, EUR/m²



Source: ARCO REAL ESTATE

Jelgava. Apartment prices continued to grow in Jelgava in August 2017: during this month the prices grew by 1.1 %. The average price of a standard-type apartment in August reached 465 EUR/m². Since the beginning of 2017, the prices in Jelgava have increased by 15 %.

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



Source: ARCO REAL ESTATE

ARCO REAL ESTATE is the leading real estate company of the Baltic states, founded in 1992 in Estonia, the offices are today in cities in Latvia, Estonia and Bulgaria. ARCO REAL ESTATE is listed in Tallinn Stock Exchange since June, 2007. ARCO REAL ESTATE Latvia is founded in 1997 and today we are able to offer services in Rīga, Jūrmala, Saulkrasti, Daugavpils, Jelgava as well as in Limbaži and Liepāja. More than 80 highly-qualified employees work in the company.

Māris Laukalējs | Member of the Board
Head of Valuation Department No. 1

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

