

MARKET OVERVIEW

Standard-Type Apartments JANUARY

RIGA
2018

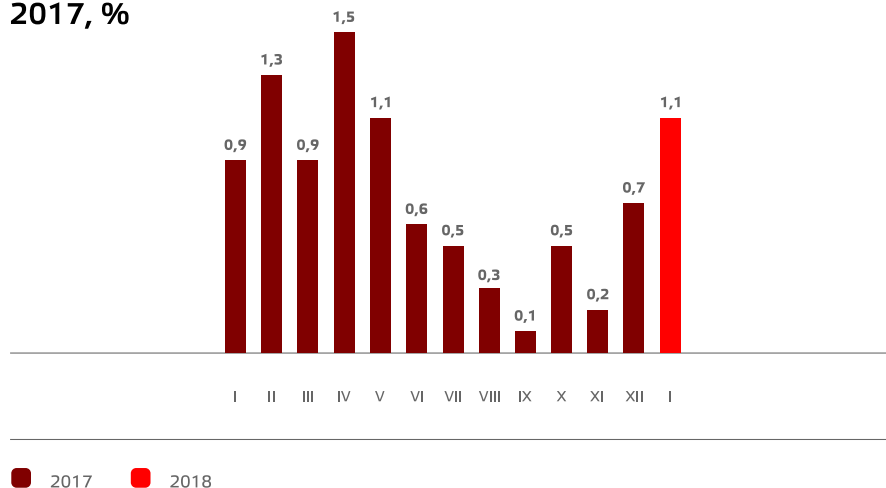


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

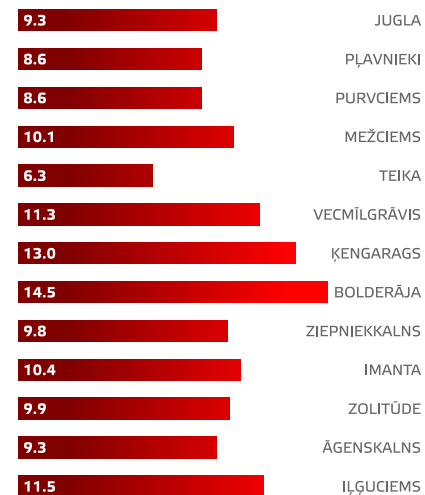
Standard-Type Apartments, February 1, 2018

In January 2018, the prices of standard-type apartments located in Riga housing estates increased by 1.1 %. The average standard-type apartment price in January increased to 776 EUR/m². Since the beginning of 2017, the standard-type apartment prices have grown by 10 % in total.

Standard-type apartment price changes since beginning of 2017, %



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



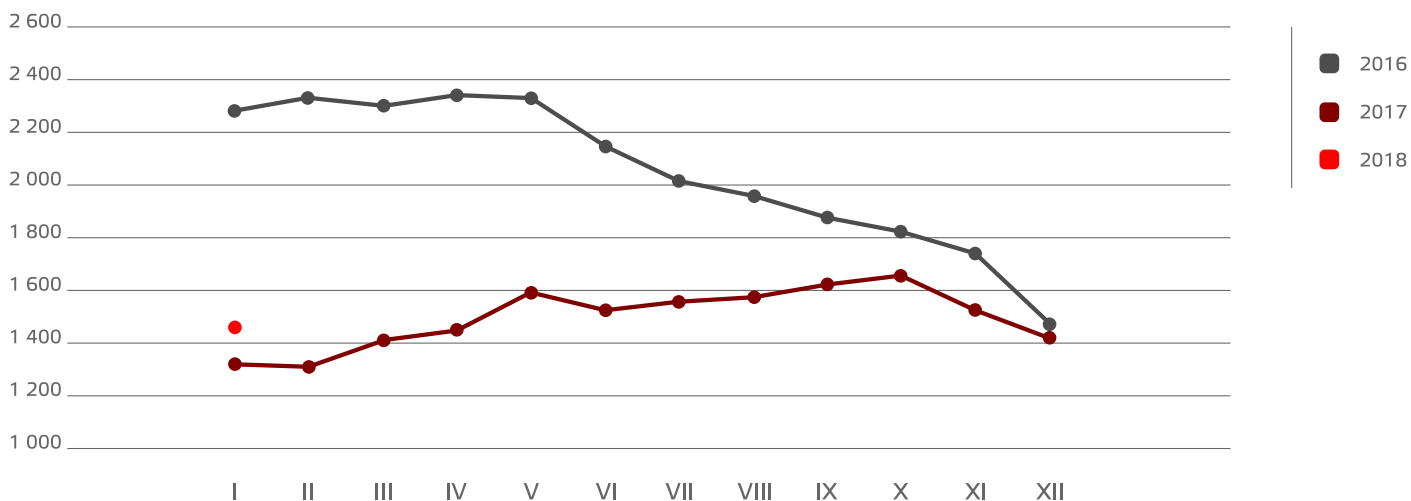
Source: ARCO REAL ESTATE

Source: ARCO REAL ESTATE

The apartment prices continued to grow also in the first month of the year 2018 at the biggest Riga housing estates. In January the biggest price growth during the last half of the year was observed. In general, in all the Riga's largest housing estates, there was a positive price fluctuation, with the exception of Jugla, where no price changes were detected in January.

At the turn of the year, the supply of apartments usually tends to decrease, however, in January 2018, the supply in the largest housing estates in Riga was by 10 % higher than in the beginning of the last year.

Dynamics of apartment supply in the largest housing estates of Riga, 2017 - 2018

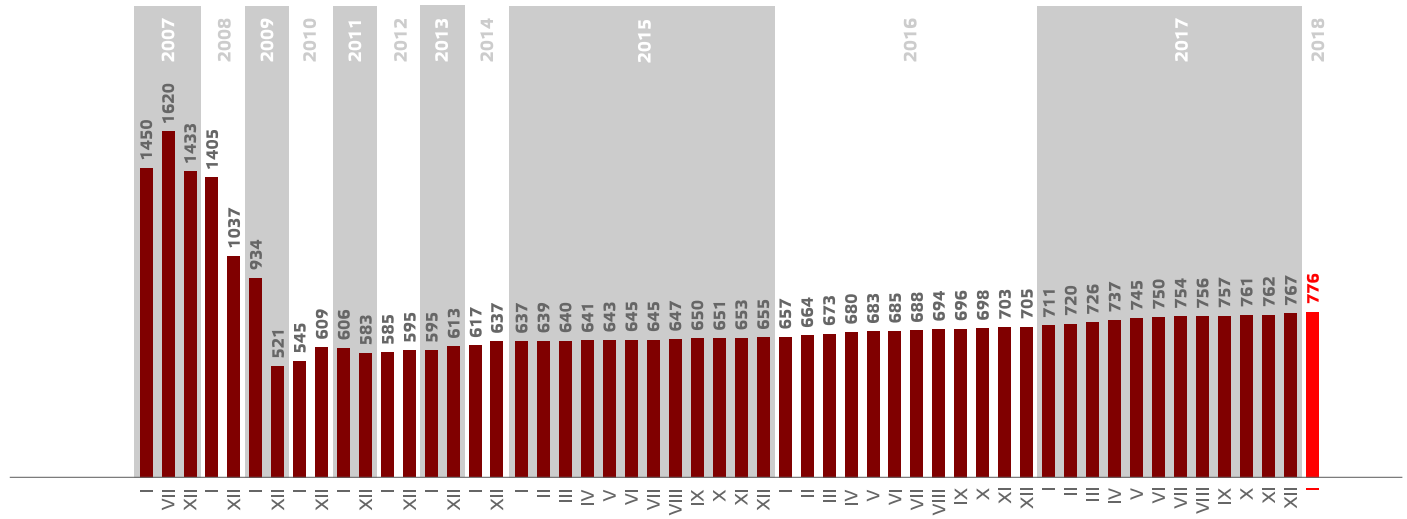


Source: ARCO REAL ESTATE

The largest growth of the average one square meter price of an apartment in the housing estates of Riga since the beginning of 2017 was observed in Bolderāja (+ 14.5 %). Also in other biggest housing estates of Riga the prices increased this year. The slowest apartment price growth since the beginning of the last year was observed in Teika (+ 6.3 %).

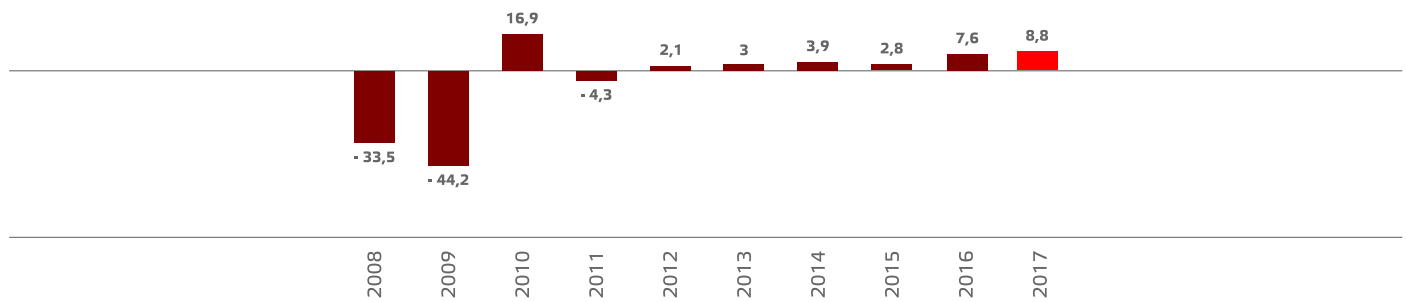
In January 2018, the average price of a standard-type apartment increased to position of 776 EUR/m². The prices on average are by 52.1 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value – 1 620 EUR/m².

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, 2008 – 2017, %



Source: ARCO REAL ESTATE

In January 2018, the prices rated by number of rooms in apartment, increased for 1 – 4-room apartments. The average price of one square meter of standard type apartment increased for one-room apartments (+ 1.5 %), two-room apartments (+ 1.3 %), three-room apartments (+ 0.8 %) and four-room apartments (+ 0.9 %).

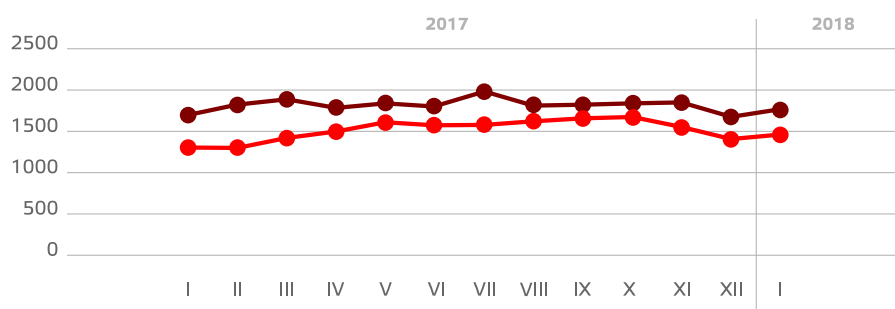
Average prices of standard-type apartments in Riga housing estates (breakdown by number of rooms), EUR/m²

	2016												2017													
	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.
1 room	722	728	738	744	752	754	755	757	765	768	771	775	779	784	795	799	811	819	821	829	830	831	836	837	840	853
2 rooms	667	673	681	693	699	702	704	706	711	712	715	721	723	731	740	748	761	767	770	773	774	775	778	780	787	797
3 rooms	622	626	631	641	647	651	653	656	661	662	666	667	668	674	683	689	701	710	715	717	719	720	723	725	730	736
4 rooms	602	603	607	614	620	626	630	632	641	641	642	649	649	655	663	669	674	684	693	697	702	703	705	708	711	718

Source: ARCO REAL ESTATE

In January 2018, supply of apartments in Riga compared to the previous month in whole increased by 5 %. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE in January also increased - this time by 3 %. Compared to January 2017, the apartment supply was larger: the total number of apartments offered for sale was by 8 % higher, but the number of apartments offered for sale in the largest housing estates was by 10 % higher.

Dynamics of supply of apartments in Riga



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

THE REST OF RIGA (center and other areas).

Source: ARCO REAL ESTATE

Having summarized the number of apartments offered in the housing estates of Riga, it can be concluded that the largest supply of apartments in January was in Purvciems, Ķengarags, and Imanta. But the lowest apartment supply was in Bolderāja.

During the last month, the number of apartments offered for sale increased in most of Riga housing estates. The most significant increase of supply of apartments in January was seen in Zolitūde (+ 17 %). Whereas the offer significantly decreased in Jugla (- 24 %).

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

In January 2018, a positive change in standard-type apartment prices was observed in most of the largest Riga housing estates. The prices increased from 0.4 to 2 % in the housing estates. The biggest price increase was registered in Zolitūde and Ķengarags where apartment prices rose by 2 % during the month. In a number of housing estates, such as, Jugla, no price fluctuations were seen in January, and the price was at the same level as in the previous month.

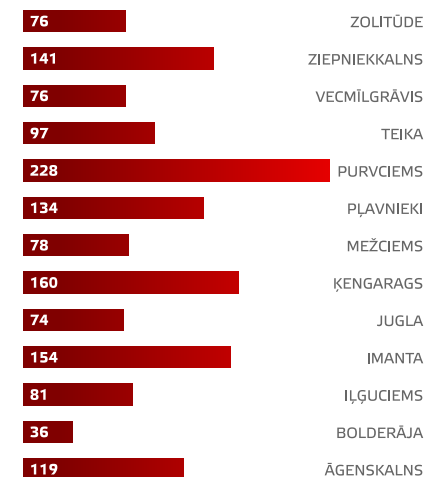
Changes in average standard-type apartment prices in Riga housing estates for 1 m², %

	The average value per 1 m ² on 01.02.2018.	The average value per 1 m ² on 01.01.2018.	Izmaiņas, %
Jugla	773	773	0.0 →
Pļavnieki	811	804	0.9 ↑
Purvciems	824	821	0.4 ↑
Mežciems	810	801	1.1 ↑
Teika	918	907	1.3 ↑
Vecmīlgrāvis	624	618	1.1 →
Ķengarags	739	725	2.0 ↑
Bolderāja	557	549	1.3 ↑
Ziepniekkalns	809	802	0.8 ↑
Imanta	836	828	1.0 ↑
Zolitūde	851	835	2.0 ↑
Āgenskalns	836	825	1.3 ↑
Iļģuciems	749	737	1.6 ↑

Source: ARCO REAL ESTATE

In January 2018, standard-type apartment prices in comparison with the beginning of 2016, were higher by 18.4 %. In turn, since the beginning of 2017, prices have increased by 10 %.

Number of apartments offered for sale in Riga at the end of January 2018



Source: ARCO REAL ESTATE

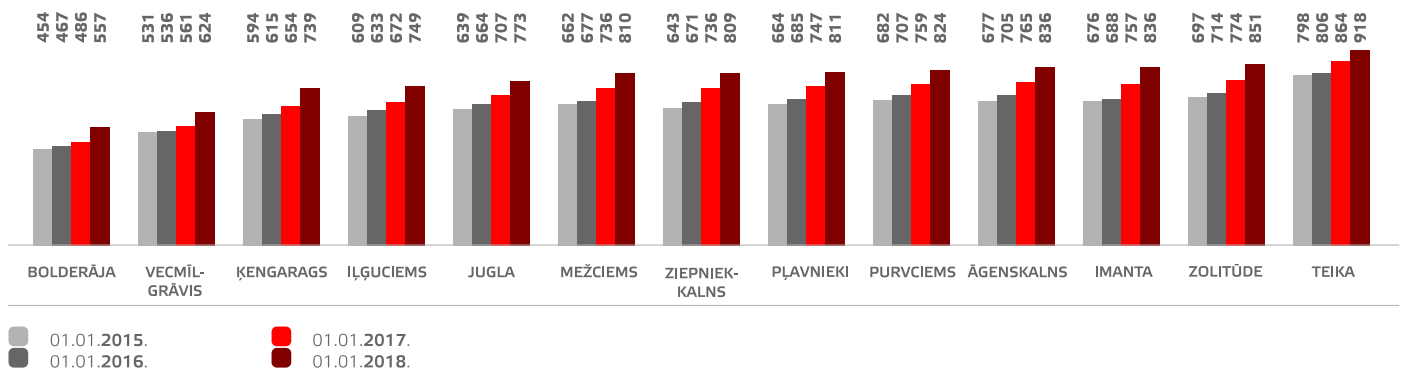
Number of apartments offered for sale in proportion to the size of the housing estates in Riga in January 2018



* 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

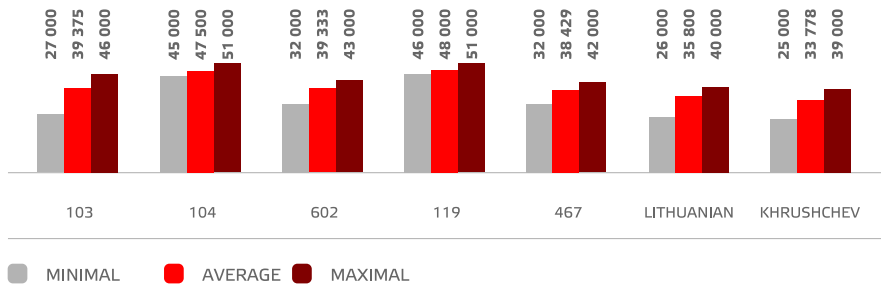


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in January 2018 still were in Teika, where the average price of one square meter was 918 EUR/m². The lowest average price of one square meter remained to be in Bolderāja where in January it has increased to position of 557 EUR/m².

In January 2018, 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 a satisfactory condition varied from 45 000 to 51 000 EUR depending on the location. In turn, the so-called Lithuanian design were the cheapest ones, where the price of 2-room apartments varied from 26 000 to 40 000 EUR, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 25 000 to 39 000 EUR, depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in January 2018 (2-room apartments), EUR



Source: ARCO REAL ESTATE

Average standard-type apartment prices in housing estates of Riga as per February 1, 2018 EUR/m²



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

Ogre

In January 2018, the standard-type apartment prices in Ogre increased by 2.5 %, the average price of apartment grew up to 572 EUR/m². In 2017, the apartment prices have increased by 17 % in total, but since the beginning of the last year already by 19 %. In January, a relatively low apartment supply has been observed in Ogre, and this can be considered as one of the main reasons for the price increase.

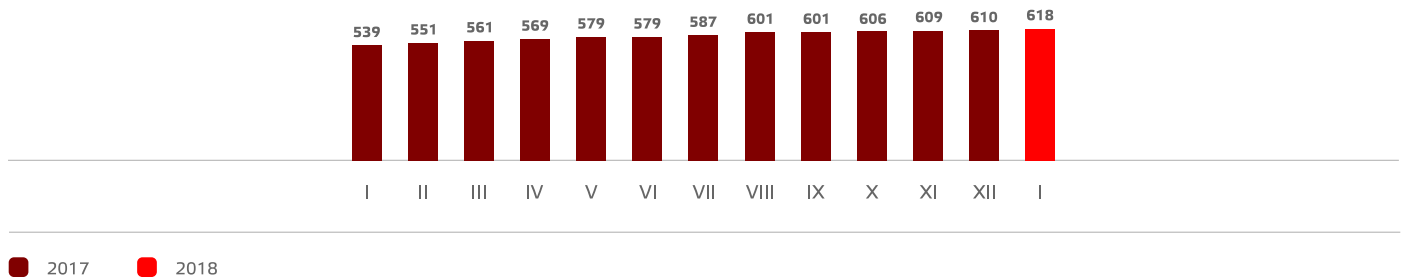
Kauguri, Jūrmala

In January 2018, the standard-type apartment prices in Kauguri increased by 2.9 %. The average price of one square meter of apartment grew up to 539 EUR/m². Although since the beginning of 2017, the prices in Kauguri have increased by 15 % in total, still prices there in comparison with other places in Riga vicinity have been growing most slowly.

Salaspils

In January 2018, the standard-type apartment prices in Salaspils grew by 1.2 %. The average price of a standard-type apartment has increased to 618 EUR/m². Since the beginning of 2017, the average price of a standard-type apartment in Salaspils has grown by 16 % in total. And similarly as in the biggest housing estates of Riga, the prices are continuing to grow also in 2018.

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

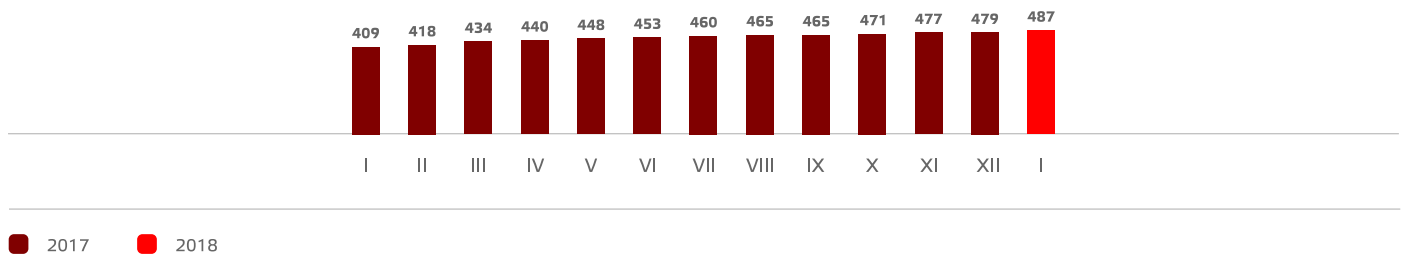


Source: ARCO REAL ESTATE

Jelgava

In January 2018, the prices of Jelgava apartments increased by 1.5 %, the average price of standard-type apartments in January reached 487 EUR/m². Since the beginning of 2017, standard-type apartment prices in Jelgava have increased by 21 %.

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.

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