

MARKET OVERVIEW

# Standard-Type Apartments JANUARY



RIGA  
2016

ISO 9001

BUREAU VERITAS  
Certification

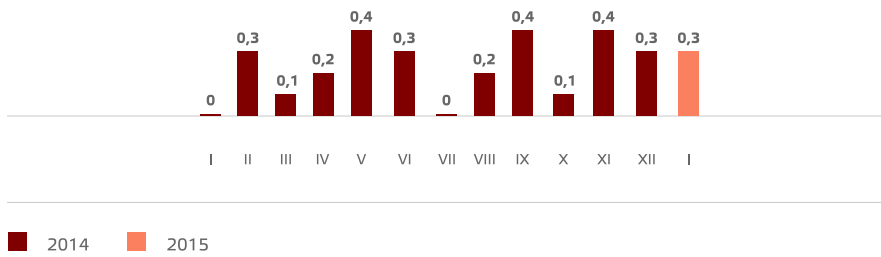
N° LVRIG86613A



## Standard-Type Apartments, February 1, 2016

In January 2015, the prices of standard-type apartments located in Riga housing estates increased by 0.3 %. The average standard-type apartment price in January increased to 657 EUR/m<sup>2</sup>. Since January of 2015, the standard-type apartment prices have grown by 3.2 %.

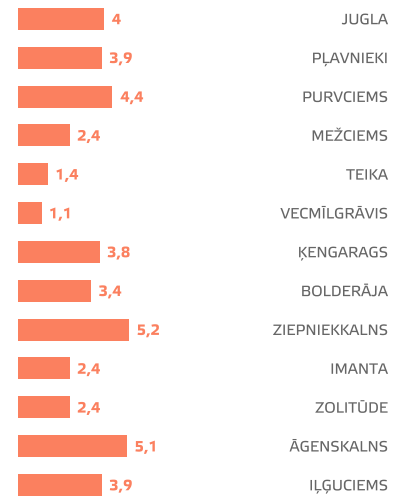
### Standard-type apartment price changes since beginning of 2015, %



Source: ARCO REAL ESTATE

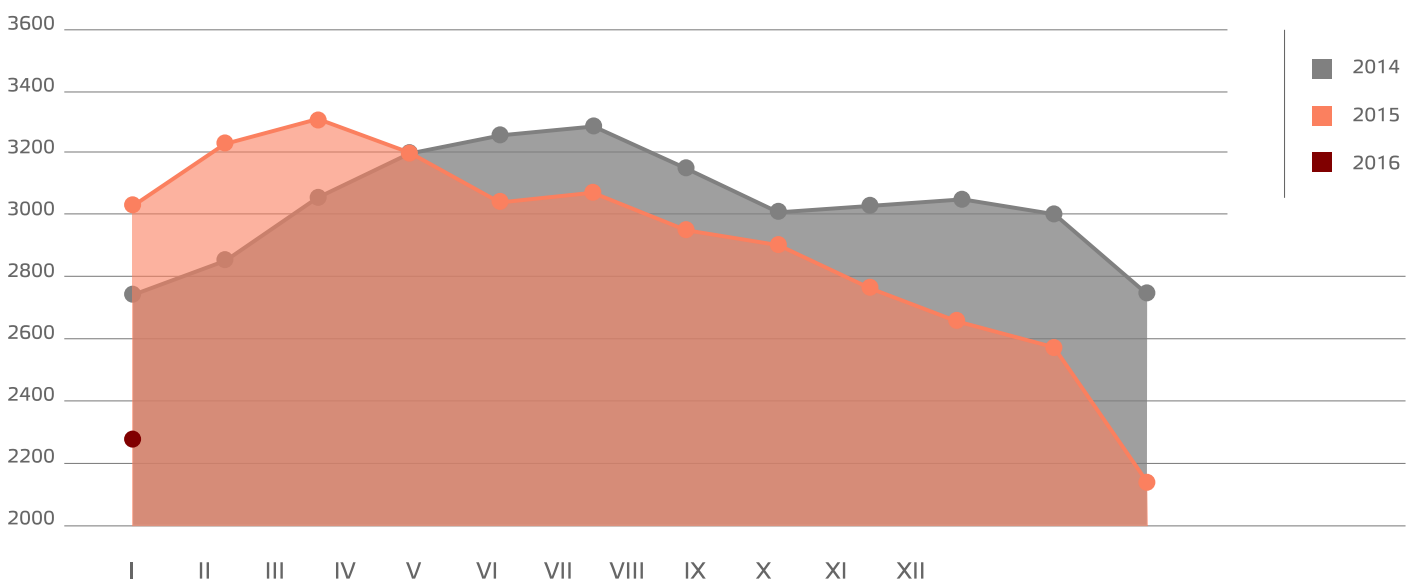
In the largest housing estates in Riga the apartment prices continued to rise in January 2016, although the growth remained to be low. The price growth that took place in January was still based on the limited supply of apartments: compared to the last year's first month, it was by one fourth less. Buyers, who wanted to buy an apartment in January, were often forced to pay a higher price because of the insufficient supply.

### Price changes in the largest housing estates since January 1, 2015, %



Source: ARCO REAL ESTATE

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



Source: ARCO REAL ESTATE

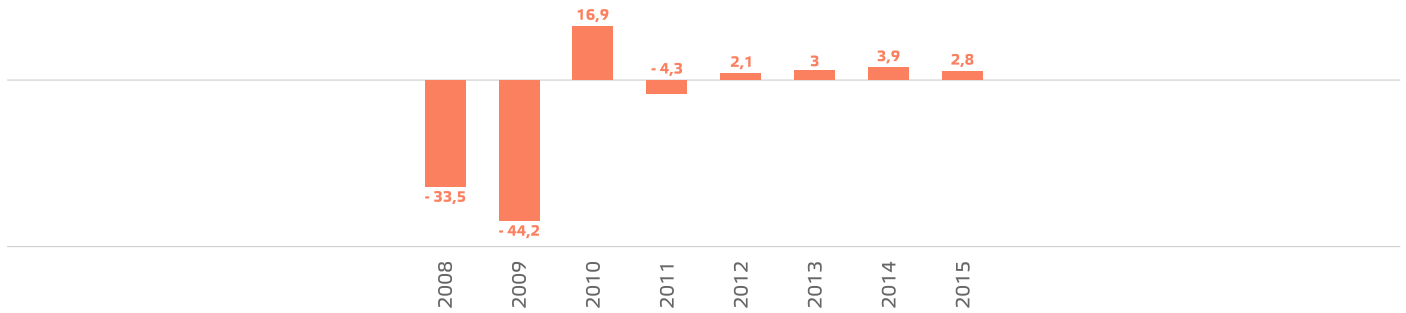


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The largest growth of the average one square metre price of an apartment in the housing estates of Riga since the beginning of 2015 was observed in Ziepniekkalns (+ 5.2 %) and Āgenskalns (+ 5.1 %). Also in other housing estates of Riga the prices tended to increase in this period. The slowest apartment price growth since the beginning of the last year was observed in Teika (+ 1.4 %) and Vecmīlgrāvis (+1.1 %).

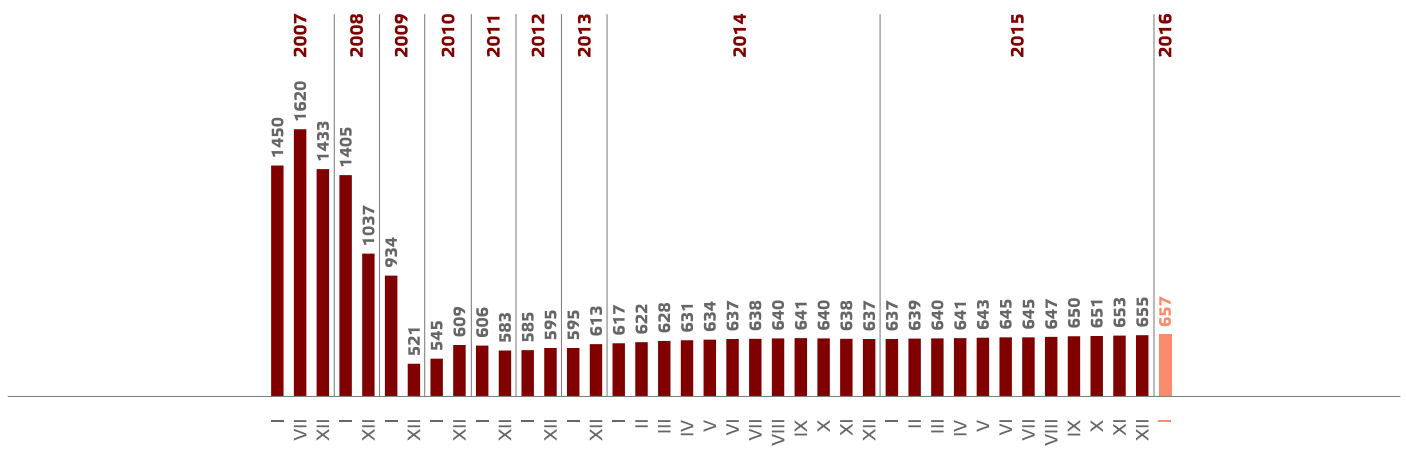
In January 2016, the average price of a standard type apartment increased to 657 EUR/m<sup>2</sup>. The prices in average were by 59.4 % lower than in July 1, 2007, when average price of a non renovated standard-type apartment had reached the highest ever value - 1 620 EUR/m<sup>2</sup>.

## Changes in standard-type apartment prices, 2008 - 2015



Source: ARCO REAL ESTATE

## Dynamic of average price of standard-type apartments in the largest housing estates of Riga, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

In January 2016, 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 (+ 0.9 %), three-room apartments (+ 0.6 %) and four-room apartments (+ 0.2 %).

## Average prices of standard-type apartments in Riga housing estates (breakdown by number of rooms), EUR/m<sup>2</sup>

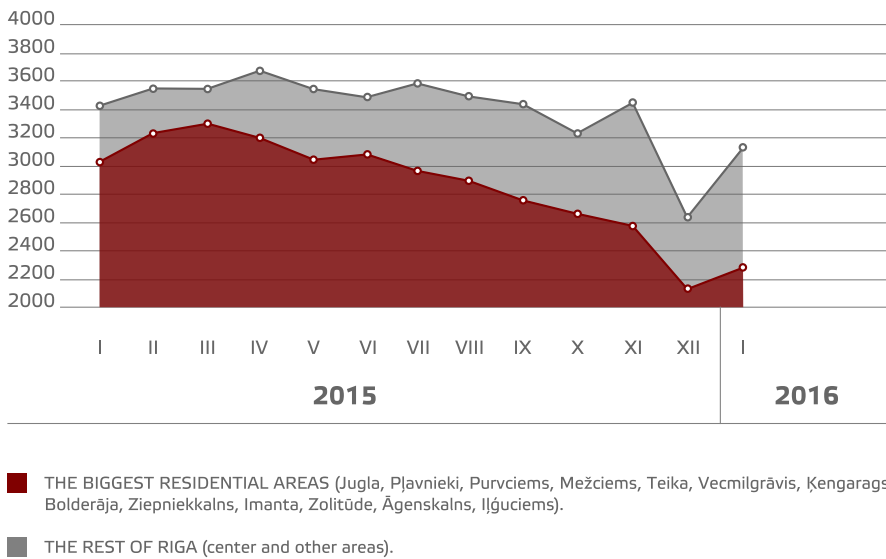
	2014												2015												2016	
<b>1 room</b>	666	671	681	689	692	697	701	699	703	704	702	702	703	698	700	702	703	708	708	710	712	718	718	722	722	728
<b>2 rooms</b>	625	628	631	638	641	645	649	650	652	654	651	647	644	644	645	647	650	652	656	656	659	663	664	667	667	673
<b>3 rooms</b>	588	592	596	600	602	604	609	610	611	612	613	611	607	609	612	614	615	616	617	618	619	621	621	622	622	626
<b>4 rooms</b>	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
	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.

Source: ARCO REAL ESTATE

In January 2016, the total supply of apartments in Riga grew by 13.1 % but the number of apartments supplied in the largest housing estates analyzed by ARCO REAL ESTATE increased by 6,2 %. Compared to January 2015, the apartment supply was significantly lower this year: the total number of apartments supplied was by 24.9 % lower, but the supply in the largest housing estates was by 16.3 % lower.



## Apartment supply movements in Riga, 2015 - 2016



Source: ARCO REAL ESTATE

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

Number of apartments offered for sale in the largest housing estates of Riga largely increased in January. In January, the most significant growth of supply of apartments was seen in Bolderāja (+ 32.6 %). Number of apartments offered for sale decreased in Ilģuciems, Jugla and Ķengarags.

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 found in Mežciems and Āgenskalns. By contrast, the number of apartments offered for sale was smallest in Bolderāja, Vecmīlgrāvis and Ķengarags.

In January 2016, the standard-apartment prices grew in most of the housing estates of Riga, however, the price changes did not exceed 1 %. The largest apartment price increase was found in Āgenskalns, Ziepniekkalns and Pļavnieki, where the prices grew by 0.7 - 0.9 %. At the same time, no price fluctuations were seen in many places.

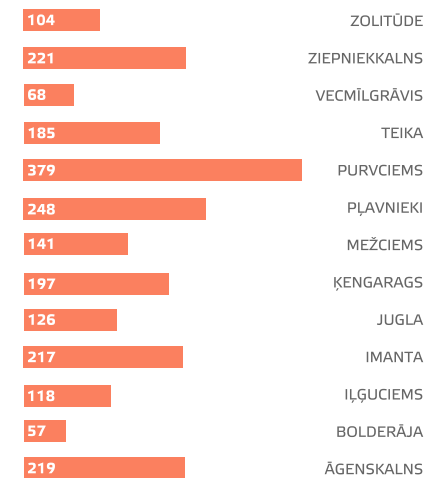
## Changes in average standard-type apartment prices in Riga housing estates, %

	The average value per 1 m <sup>2</sup> on 01.02.2016.	The average value per 1 m <sup>2</sup> on 01.01.2016.	Changes, %
Jugla	<b>664</b>	664	0 ➡
Pļavnieki	<b>690</b>	685	0,7 ⬆
Purvciems	<b>712</b>	707	0 ➡
Mežciems	<b>678</b>	677	0,2 ⬆
Teika	<b>810</b>	806	0,4 ⬆
Vecmīlgrāvis	<b>537</b>	536	0,1 ⬆
Ķengarags	<b>617</b>	615	0,3 ⬆
Bolderāja	<b>469</b>	467	0,5 ⬆
Ziepniekkalns	<b>677</b>	671	0,8 ⬆
Imanta	<b>692</b>	688	0,5 ⬆
Zolitūde	<b>714</b>	714	0 ➡
Āgenskalns	<b>711</b>	705	0,9 ⬆
Ilģuciems	<b>633</b>	633	0 ➡

Source: ARCO REAL ESTATE

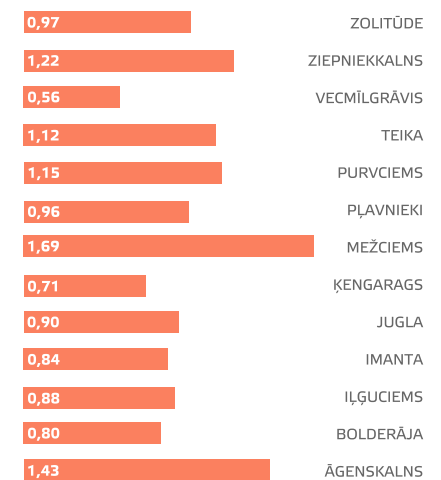


## Number of apartments offered for sale in Riga in January 2016



Source: ARCO REAL ESTATE

## Apartments offered for sale in proportion to the size of the housing estates in Riga in January 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.

Source: ARCO REAL ESTATE

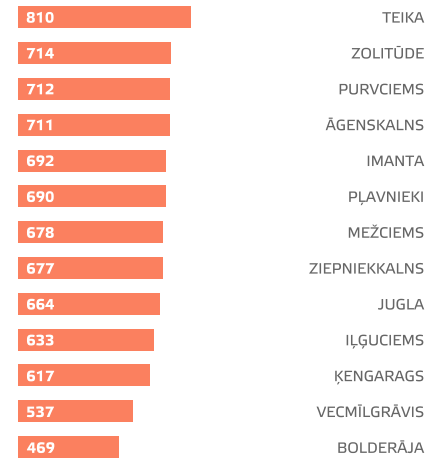
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In January 2016, the standard-type apartment prices were by 7.2 % higher than the prices observed in the beginning of 2014. But compared to the beginning of 2015, the prices have grown by 3.2 %. During 2015, the prices grew by 0.3 %.

## Average standard-type apartment prices in housing estates of Riga, EUR/m<sup>2</sup>

	01.01.2012.	01.01.2013.	01.01.2014.	01.01.2015.	01.02.2016.
Bolderāja	477	473	450	454	<b>469</b>
Vecmīlgrāvis	508	514	524	531	<b>537</b>
Ķengarags	510	518	543	594	<b>617</b>
Iļģuciems	566	570	586	609	<b>633</b>
Ziepniekkalns	602	613	626	643	<b>664</b>
Jugla	556	583	610	639	<b>677</b>
Pļavnieki	603	622	651	664	<b>678</b>
Imanta	592	605	633	676	<b>690</b>
Mežciems	612	624	637	662	<b>692</b>
Purvciems	615	633	662	682	<b>711</b>
Āgenskalns	606	623	644	677	<b>712</b>
Zolitūde	640	644	663	697	<b>714</b>
Teika	728	757	787	798	<b>810</b>

## Average standard-type apartment prices in housing estates of Riga as per February 1, 2016, EUR/m<sup>2</sup>



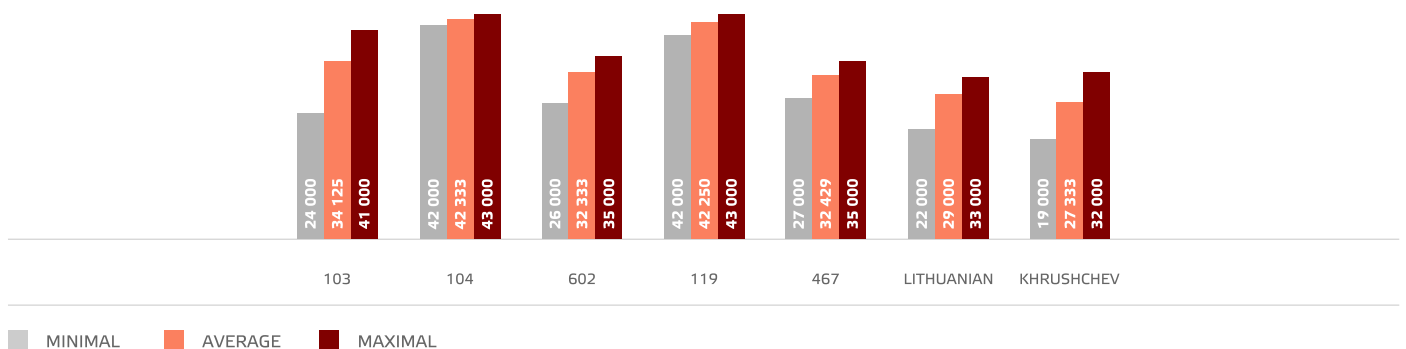
Source: ARCO REAL ESTATE

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The highest standard-type apartment prices in January 2016 still were in Teika, where the average price of one square metre increased to 810 EUR/m<sup>2</sup>. But the lowest average price of one square metre remained in Bolderāja where in January it grew to 469 EUR/m<sup>2</sup>.

In January 2016, the most expensive apartments still were apartments in the houses of the 119<sup>th</sup> series and 104<sup>th</sup> series, where the price of 2-room apartments in satisfactory condition varied from 42 000 to 43 000 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 22 000 to 33 000 EUR, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 19 000 to 32 000 EUR, depending on the housing estate.

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



Source: ARCO REAL ESTATE

## Apartment market in the vicinity of Riga

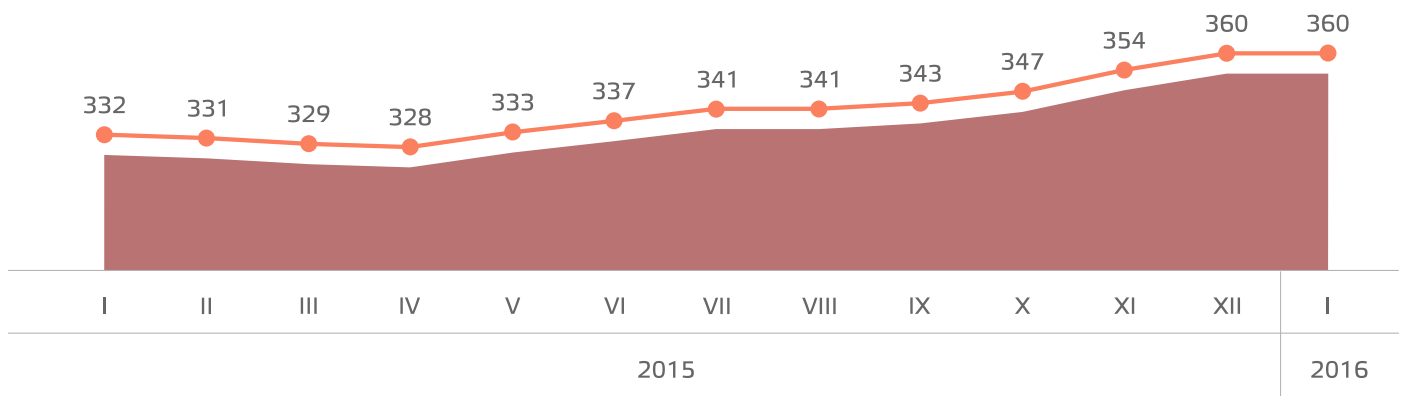
**Ogre.** In January 2016, the standard-type apartment prices in Ogre grew by 0.4 %. The average price achieved the position of 445 EUR/m<sup>2</sup>. In 2015, the prices grew by 4.5 % in total. At the moment, the prices tend to rise.

**Kauguri, Jūrmala.** In January 2016, the standard-type apartment prices in Kauguri did not change: the average price of one square metre of apartment still was in the position of 418 EUR/m<sup>2</sup>. No changes in prices have been seen for the last five consecutive months. The apartment prices have grown by 5.6 % in Kauguri in 2015.

**Salaspils.** In January 2016, the standard-type apartment prices in Salaspils grew by 1.3 %. The average price of standard-type apartment increased to 474 EUR/m<sup>2</sup> in January. Since the beginning of 2015, the standard-type apartment prices in Salaspils have grown by 1.3 % in total. Apartment prices in Salaspils were affected by changes in prices of apartments in Riga, however, it may be concluded that in Riga the standard-type apartment prices grew faster the last year (by 2.8 % in 2015).

**Jelgava.** In Jelgava, the standard-type apartment prices remained unchanged in January 2016. The average price of a standard-type apartment remained the same in January - 360 EUR/m<sup>2</sup>. Since December 2014, the standard-type apartment price in Jelgava has increased by 7.1 %.

### Movements of average price of standard-type apartments in Jelgava, EUR/m<sup>2</sup>



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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