

MARKET OVERVIEW

Standard-Type Apartments SEPTEMBER



RĪGA
2016

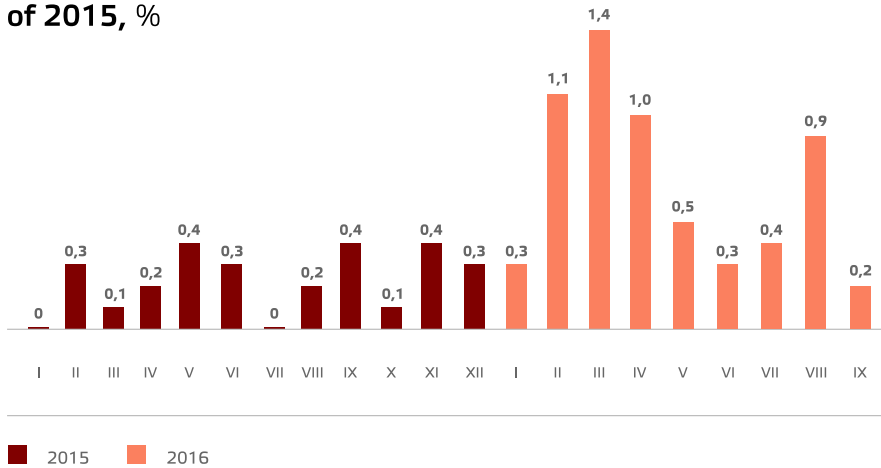


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, October 1, 2016

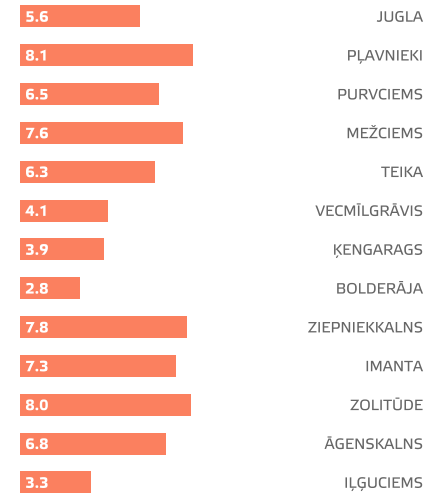
In September 2016, the prices of standard-type apartments located in Riga housing estates increased by 0.2 %. The average standard-type apartment price in September increased to 696 EUR/m². Since the beginning of 2016, the standard-type apartment prices have grown by 6.2 % in total.

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



Source: ARCO REAL ESTATE

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



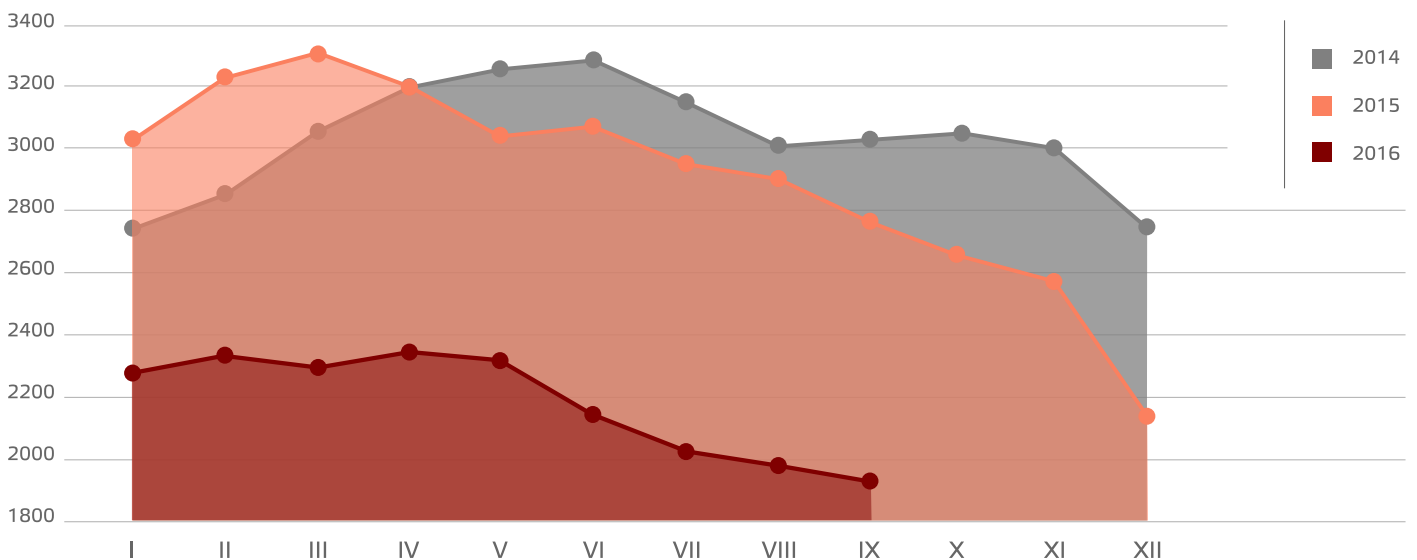
Source: ARCO REAL ESTATE

In the housing estates of Riga, the apartment price growth rate has decreased: as observed, in September it was not so significant as in previous months. This year, this was the lowest increase in prices during a month. As shown by observations in other years, in September the real estate market activity was decreasing, namely, the number of transactions was less than in August or October. In a number of largest housing estates of Riga the price increase this year exceeded 8%. Similarly, the supply levels in the largest housing estates of Riga continued to decrease, and dropped below the mark of 1 900.

The largest growth of the average one square meter price of an apartment in the housing estates of Riga since the beginning of 2016 was observed in Pļavnieki (+ 8.1 %), which is one of the most popular and expensive housing estates in Riga. Also in other biggest housing estates of Riga the prices increased this year. The slowest apartment price growth since the beginning of the year was observed in Bolderāja (+ 2.8 %).

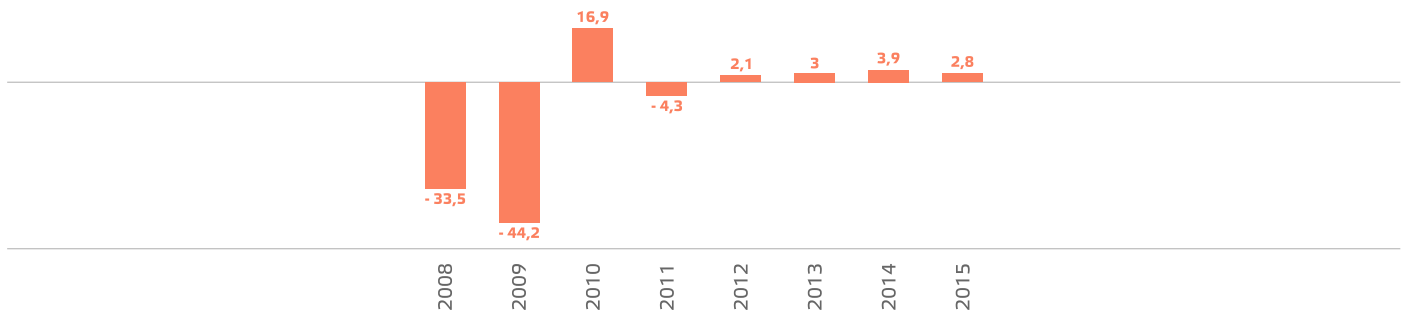
In September 2016, the average price of a standard-type apartment increased to position of 696 EUR/m². The prices on average are by 57.1 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value – 1 620 EUR/m².

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

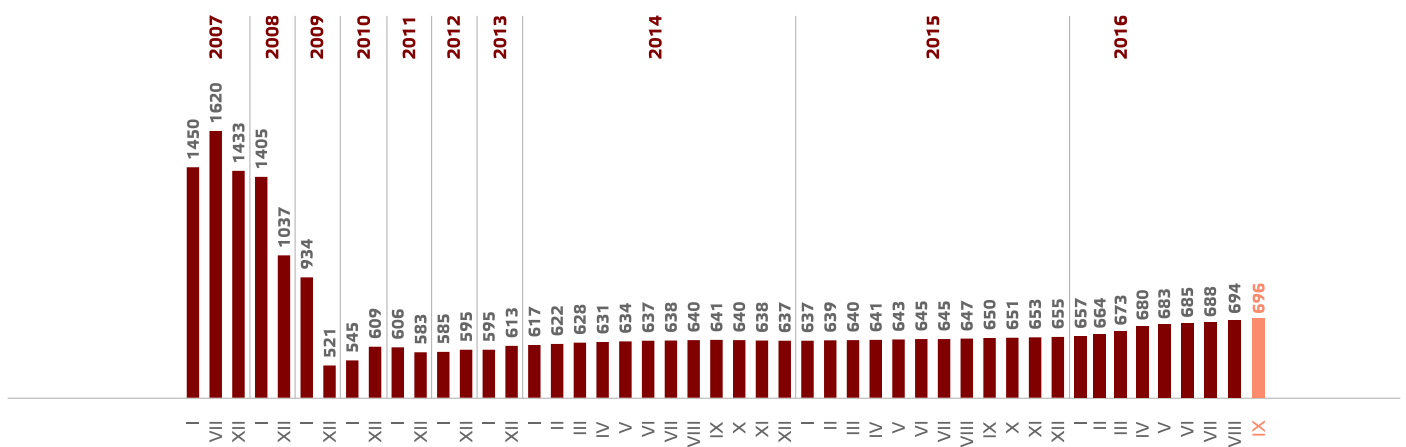


Source: ARCO REAL ESTATE

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Standard-type apartment price changes, 2008 – 2015, %


Source: 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 September 2016, the price of one- to three-room apartments increased, while the average price of four-room apartments remained unchanged. The average price of one square meter of apartment increased for one-room apartments (+ 0.4 %), two-room apartments (+ 0.1 %), and three-room apartments (+ 0.2 %).

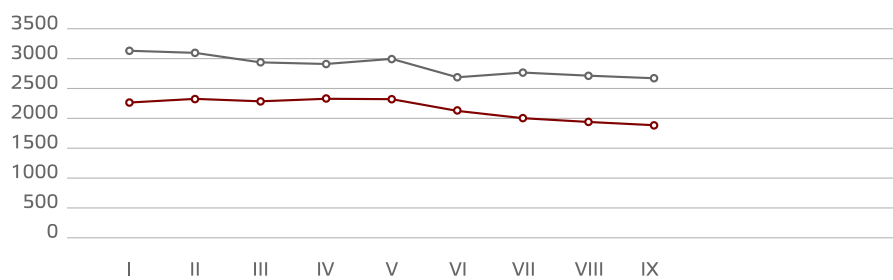
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2014						2015						2016															
1 room	701	699	703	704	702	702	703	698	700	702	703	708	708	710	712	718	718	722	722	728	738	744	752	754	755	757	765	768
2 rooms	649	650	652	654	651	647	644	644	645	647	650	652	656	656	659	663	664	667	667	673	681	693	699	702	704	706	711	712
3 rooms	609	610	611	612	613	611	607	609	612	614	615	616	617	618	619	621	621	622	622	626	631	641	647	651	653	656	661	662
4 rooms	592	594	594	592	594	595	593	596	597	596	597	598	598	596	596	598	599	602	602	603	607	614	620	626	630	632	641	641
	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.	01.01.	01.02.	01.03.	01.04.	01.05.	01.06.	01.07.	01.08.	01.09.	01.10.		

Source: ARCO REAL ESTATE

In September 2016, the total supply of apartments in Riga compared to the previous month decreased by 2.2 %. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE has decreased for the fifth month in a row - by 4.1% in September. Compared to September 2015, the apartment supply was still significantly lower: the total number of apartments offered for sale in September was by 26.4 % lower, but the number of apartments offered for sale in the largest housing estates was by 32.5 % lower.

Dynamics of supply of apartments in Riga, 2016



■ 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 September was in Purvciems, Āgenskalns and Pļavnieki. But the lowest apartment supply was in Bolderāja and Vecmīlgrāvis.

Number of apartments offered for sale in almost all largest housing estates of Riga has decreased. In September, the most significant decrease of supply of apartments was seen in Bolderāja (- 20 %). But the largest growth supply of apartments in September was observed in Vecmīlgrāvis (+ 9.5 %).

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

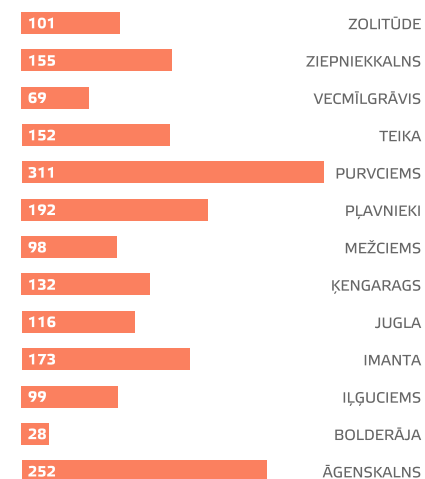
In September 2016, a growth in standard-type apartment prices was observed in most of Riga housing estates. The prices increased only slightly; in some housing estates the price changes were not observed at all. The biggest price increase was established in Jugla, where apartment prices rose by 0.7 %.

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

	The average value per 1 m ² on 01.10.2016.	The average value per 1 m ² on 01.09.2016.	Changes, %
Jugla	702	697	0.7 ↑
Pļavnieki	741	739	0.3 ↑
Purvciems	753	753	0.2 ↑
Mežciems	729	727	0.2 ↑
Teika	857	854	0.3 ↑
Vecmīlgrāvis	558	556	0.4 ↑
Ķengarags	639	639	0.0 →
Bolderāja	480	480	0.0 →
Ziepniekkalns	723	722	0.2 ↑
Imanta	738	738	0.0 →
Zolitūde	771	771	0.0 →
Āgenskalns	753	750	0.4 ↑
Iļģuciems	654	654	0.0 →

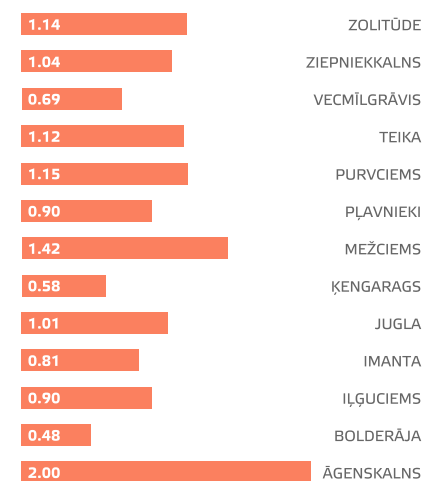
Source: ARCO REAL ESTATE

Number of apartments offered for sale in Riga in September 2016



Source: ARCO REAL ESTATE

Number of apartments offered for sale in proportion to the size of the housing estates in Riga in September 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.

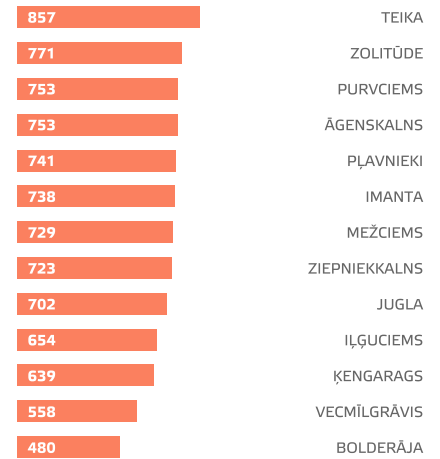
Source: ARCO REAL ESTATE

In September 2016, the standard-type apartment prices were by 13.5 % higher than the prices recorded in the beginning of 2014. But compared to the beginning of 2015, the prices have grown by 9.2 %. During 2016, the prices have increased by 6.2 %.

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

	01.01.2013.	01.01.2014.	01.01.2015.	01.01.2016.	01.10.2016.
Bolderāja	473	450	454	467	480
Vecmīlgrāvis	514	524	531	536	558
Ķengarags	518	543	594	615	639
Iļģuciems	570	586	609	633	654
Jugla	583	610	639	664	702
Ziepniekkalns	613	626	643	671	723
Mežciems	624	637	662	677	729
Imanta	605	633	676	688	738
Pļavnieki	622	651	664	685	741
Āgenskalns	623	644	677	705	753
Purvciems	633	662	682	707	753
Zolitūde	644	663	697	714	771
Teika	757	787	798	806	857

Average standard-type apartment prices in housing estates of Riga as per October 1, 2016, EUR/m²



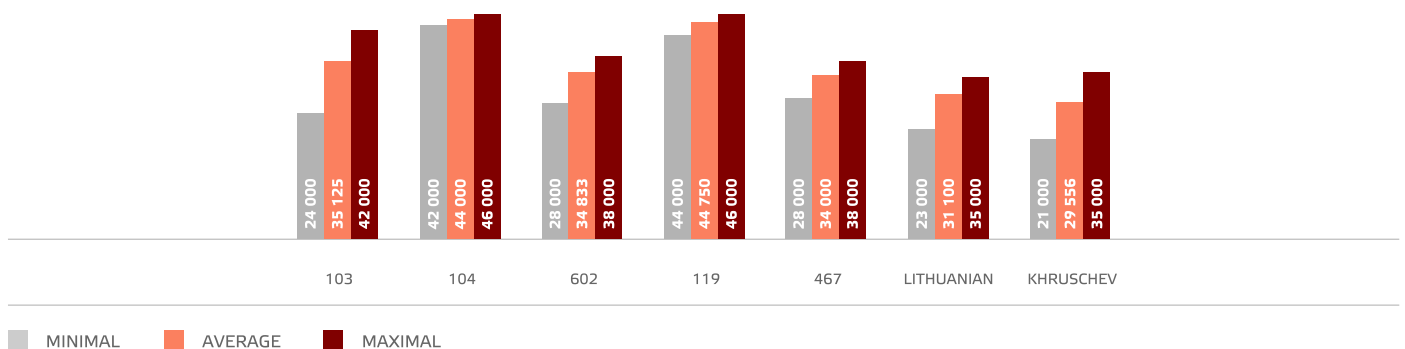
Source: ARCO REAL ESTATE

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The highest standard-type apartment prices in September 2016 still were in Teika, where the average price of one square meter increased to 857 EUR/m². But the lowest average price of one square meter remained to be in Bolderāja - 480 EUR/m².

In September 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 46 000 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 21 000 to 35 000 EUR depending on the housing estate.

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



Source: ARCO REAL ESTATE

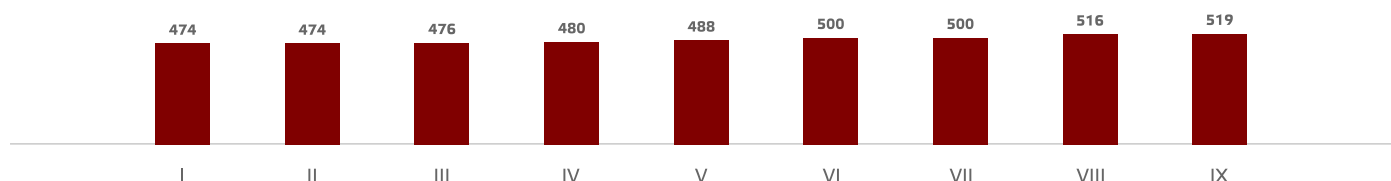
Apartment market in the vicinity of Riga

Ogre. In September 2016, the standard-type apartment prices in Ogre mainly remained unchanged. The average price of one square meter remained to be 473 EUR/m². In 2016 in Ogre, similarly as in the largest housing estates of Riga, the apartment prices rose by 6.8 %. A relatively low supply of apartments has been observed in Ogre this year, consisting mainly of apartments with good interior decoration.

Kauguri, Jūrmala. In September 2016, the standard-type apartment prices in Kauguri increased by 0.3 %. The average price of one square meter of apartment grew up to 465 EUR/m². Price rise has been recorded in Kauguri already for the eighth consecutive month. In 2016, the apartment prices in overall have grown by 11.2 %, which is the largest apartment price growth compared to Riga housing estates and other places in the vicinity of Riga.

Salaspils. In September 2016, the standard-type apartment prices in Salaspils grew by 0.6 %. The average price of a standard-type apartment has increased to 519 EUR/m². Since the beginning of 2016, the average price of a standard-type apartment in Salaspils has grown by 10.1 % in total. Thus, the rise in prices this year was more rapid than in Riga housing estates. One of the reasons for the price increase in Salaspils was the small supply of apartments and lack of choice. There was still lack of adequate supply at a reasonable price in Salaspils in September.

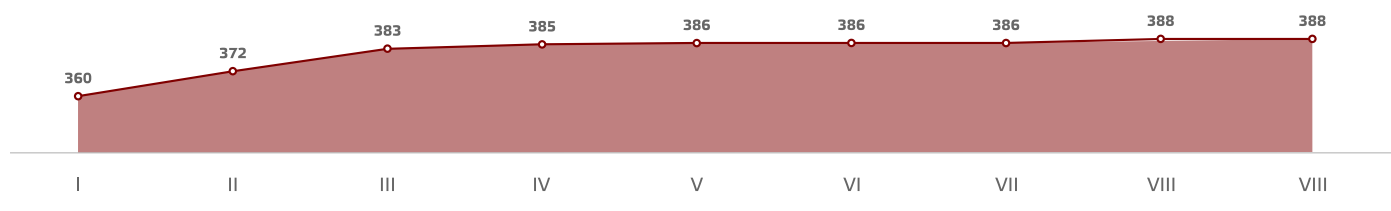
Dynamics of average price of standard-type apartments in Salaspils, EUR/m²



Source: ARCO REAL ESTATE

Jelgava. In September 2016, the standard-type apartment prices in Jelgava mainly remained unchanged. The average price of one square meter remained to be 388 EUR/m². Since beginning of 2016, the standard-type apartment prices in Jelgava have increased by 6.2 %. Since March 2016, the apartment price increase has been very moderate - no significant price change was observed.

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



Source: ARCO REAL ESTATE

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