

MARKET OVERVIEW

Standard-Type Apartments FEBRUARY

RIGA
2018

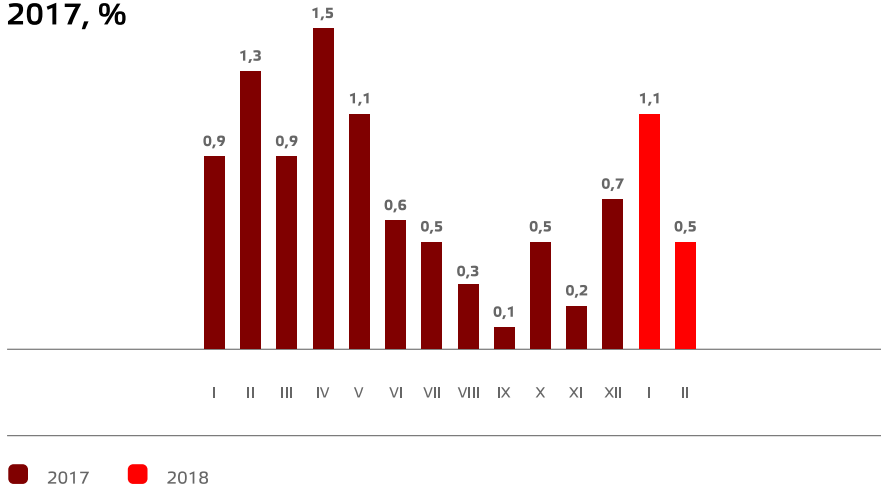


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, March 1, 2018

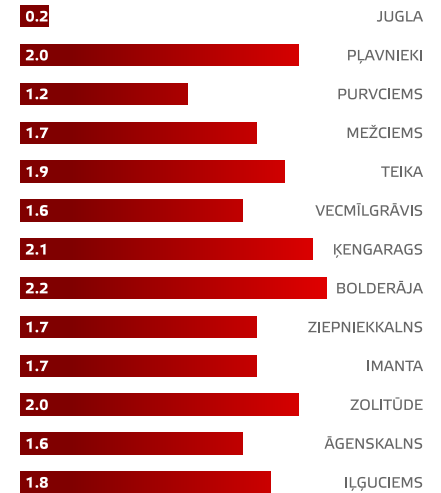
In February 2018, the prices of standard-type apartments located in Riga housing estates increased by 0.5 %. The average standard-type apartment price in January increased to 780 EUR/m². Since the beginning of 2018, the standard-type apartment prices have grown by 1.7 % in total.

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



Source: ARCO REAL ESTATE

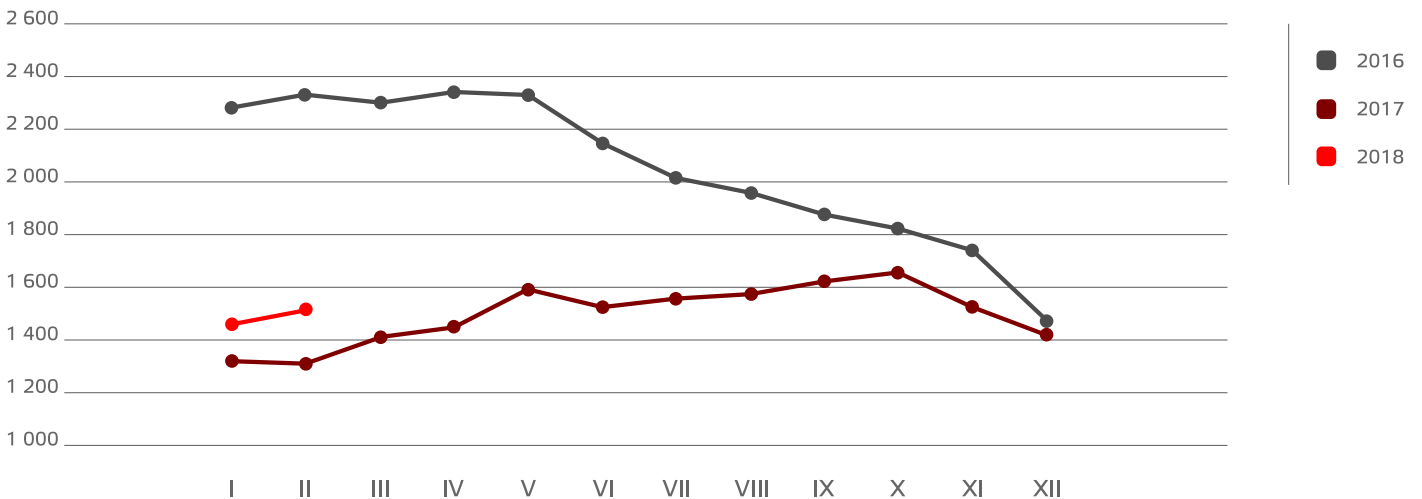
Price changes in the largest housing estates of Riga since January 1, 2018, %



Source: ARCO REAL ESTATE

In Riga's largest housing estates, apartment prices continued to increase also in 2018. However, in February, the price increase was no longer as pronounced as in January. Positive price fluctuations occurred in February in all major housing estates of Riga, with the exception of Zolitūde, where prices remained unchanged. This year, the supply in Riga's largest housing estates was larger than in the beginning of the previous year, with the trend to increase.

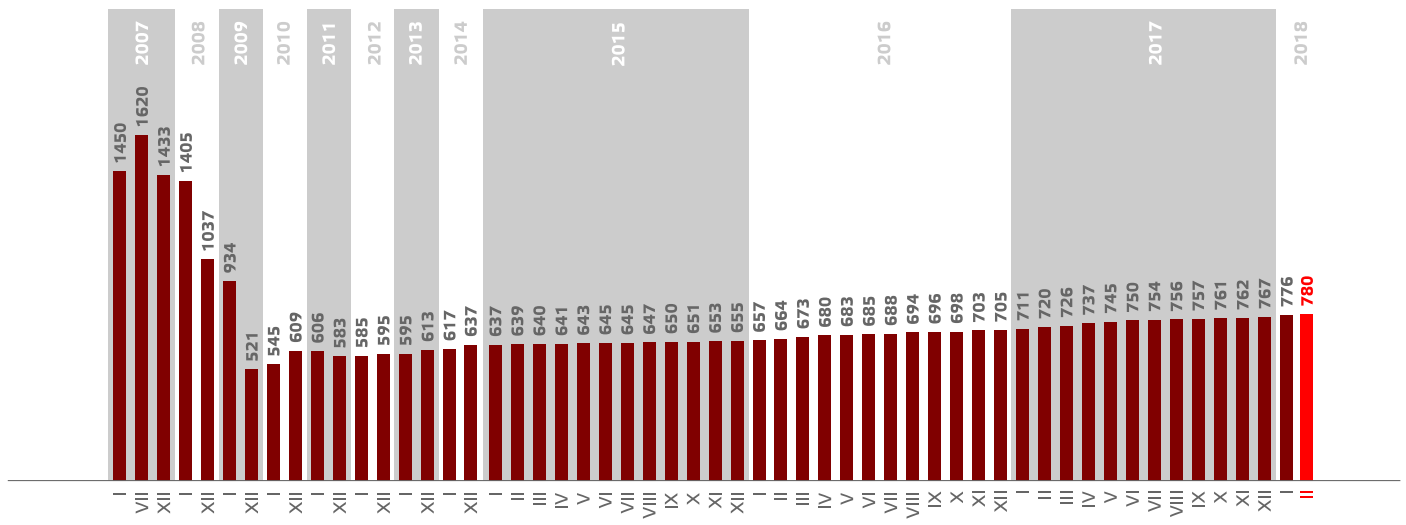
Dynamics of apartment supply in the largest housing estates of Riga, 2017 - 2018



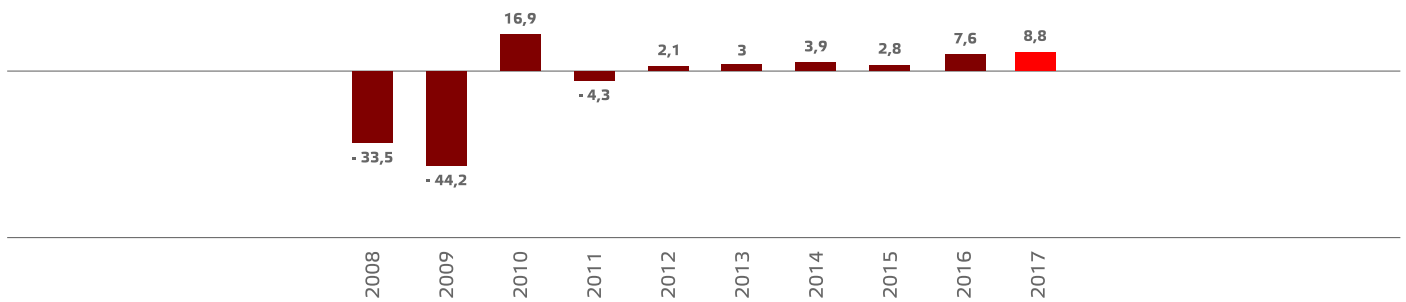
Source: ARCO REAL ESTATE

The largest growth of the average one square meter price of an apartment in the housing estates of Riga since the beginning of 2018 was observed in Bolderāja (+ 2.2 %). Also in other biggest housing estates of Riga the prices increased this year. The slowest apartment price growth since the beginning of this year was observed in Jugla (+ 0.2 %).

In February 2018, the average price of a standard-type apartment increased to position of 780 EUR/m². The prices on average are by 51.8 % 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 – 2017, %


Source: ARCO REAL ESTATE

In February 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 (+ 0.2 %), two-room apartments (+ 0.4 %), three-room apartments (+ 0.6 %) and four-room apartments (+ 0.9 %).

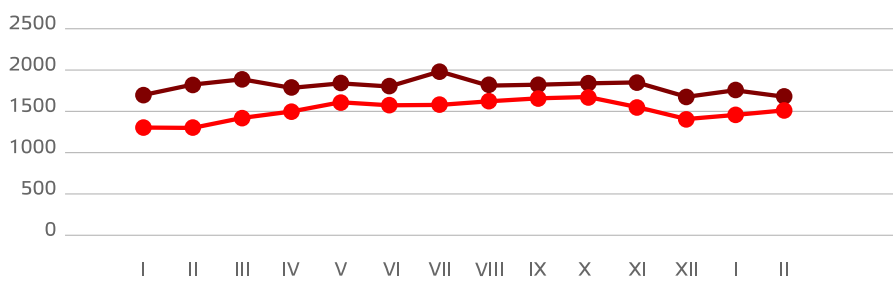
Average prices of standard-type apartments in Riga housing estates (breakdown by number of rooms), EUR/m²

	2016												2017												2018		
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	855
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	800
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	741
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	725
	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.

Source: ARCO REAL ESTATE

In February 2018, supply of apartments in Riga compared to the previous month in total decreased by 2 %. But the number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE in February increased – this time by 4 %. Compared to February 2017, the apartment supply was larger: the total number of apartments offered for sale was by 2 % higher, but the number of apartments offered for sale in the largest housing estates was by 15 % higher.

Dynamics of supply of apartments in Riga



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 in the housing estates of Riga, it can be concluded that the largest supply of apartments in February 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 certain Riga housing estates. The most significant increase of the supply of apartments in February was seen in Ilģuciems (+ 25 %) but the most significant decrease of the supply was seen in Bolderāja (- 22 %).

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

In February 2018, a positive change in standard-type apartment prices was observed in most of the major Riga housing estates. The prices increased from 0.1 to 1 % in the housing estates. The biggest price increase was registered in Pļavnieki where apartment prices rose by 1 % during the month. But in Zolitūde no price fluctuations at all were seen in February, and the prices were 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 01.03.2018.	The average value per 1 m ² on 01.02.2018.	Changes, %
Jugla	774	773	0.2 ↑
Pļavnieki	819	811	1.0 ↑
Purvciems	831	824	0.9 ↑
Mežciems	815	810	0.6 ↑
Teika	924	918	0.6 ↑
Vecmīlgrāvis	628	624	0.6 ↑
Ķengarags	740	739	0.1 ↑
Bolderāja	561	557	0.9 ↑
Ziepniekkalns	816	809	0.9 ↑
Imanta	842	836	0.7 ↑
Zolitūde	851	851	0.0 →
Āgenskalns	839	836	0.3 ↑
Ilģuciems	751	749	0.2 ↑

Source: ARCO REAL ESTATE

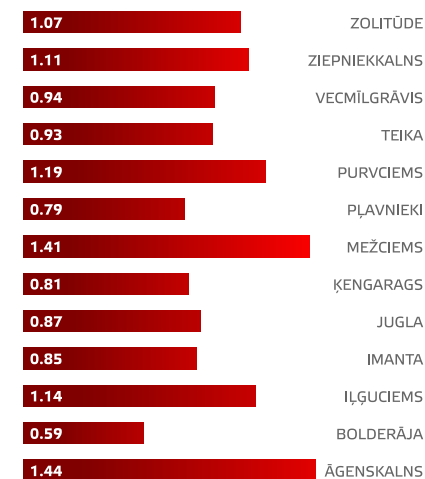
In February 2018, standard-type apartment prices in comparison with the beginning of 2017 were higher by 10.7 %. In turn, since the beginning of 2018, prices have increased by 1.7 %.

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



Source: ARCO REAL ESTATE

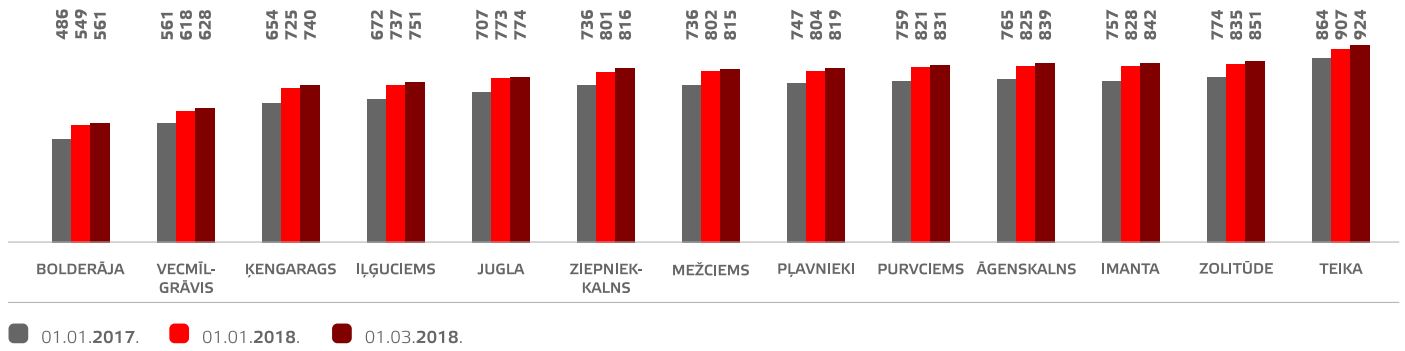
Number of apartments offered for sale in proportion to the size of the housing estates in Riga in February 2018



* 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

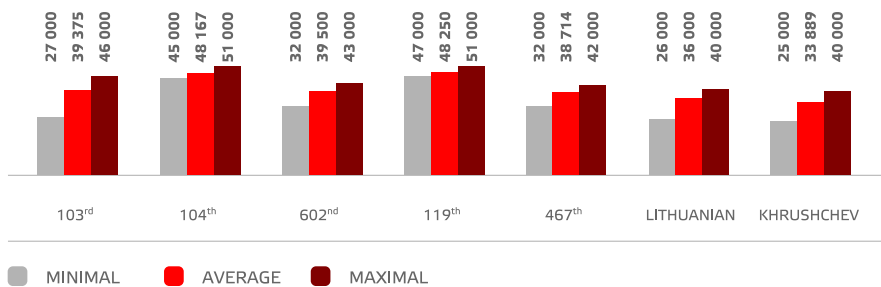


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in February 2018 still were in Teika, where the average price of one square meter increased to 924 EUR/m². The lowest average price of one square meter remained to be in Bolderāja where it increased to the position of 561 EUR/m².

In February 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 40 000 EUR, depending on the housing estate.

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



Source: ARCO REAL ESTATE

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



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

Ogre

In February 2018, the standard-type apartment prices in Ogre increased by 0.6 %, the average price of apartment grew up to 576 EUR/m². In 2017, the apartment prices increased by 17 % in total, but since the beginning of this year - already by 3 %. In February, the apartment supply was still low in Ogre, and this can be considered as one of the main reasons for the price increase.

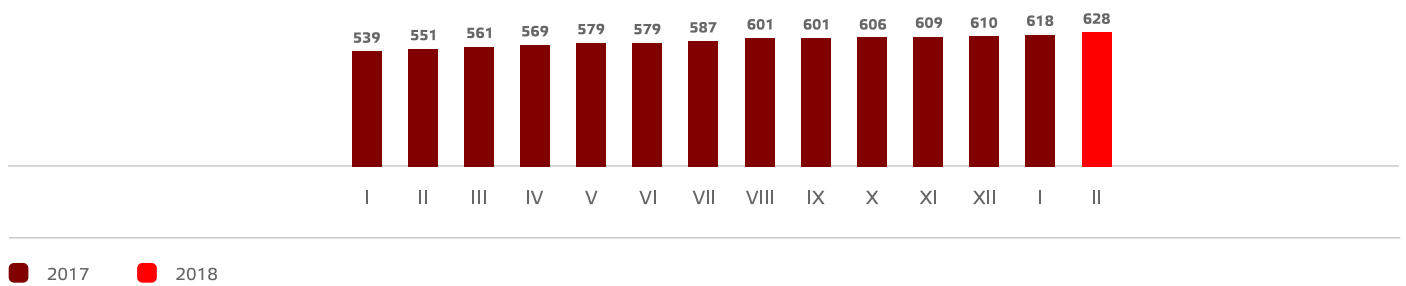
Kauguri, Jūrmala

In February 2018, the standard-type apartment prices in Kauguri increased by 1.4 %. The average price of one square meter of apartment grew up to 546 EUR/m². Since the beginning of 2018, apartment prices in general have increased by 4.3 % here. Apartment prices in Kauguri, compared to other places in the vicinity of Riga, have so far grown slower, but at the beginning of this year, the price growth rate has increased.

Salaspils

In February 2018, apartment prices in Salaspils grew by 1.6 %. The average price of a standard-type apartment has increased to 628 EUR/m². Like in Riga's largest housing estates, apartment prices in Salaspils continue to rise in 2018.

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

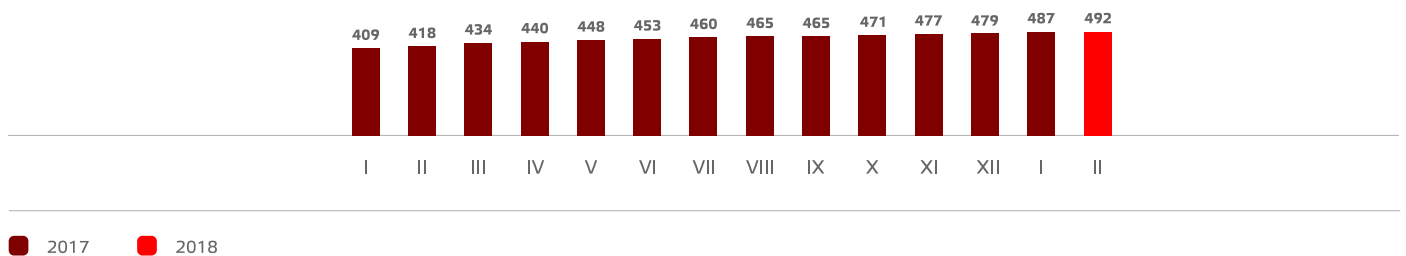


Source: ARCO REAL ESTATE

Jelgava

In February 2018, the prices of Jelgava apartments increased by 1 %, the average price of standard-type apartments reaching 492 EUR/m². Since the beginning of 2018, standard-type apartment prices in Jelgava have increased by 2.5 %.

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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