



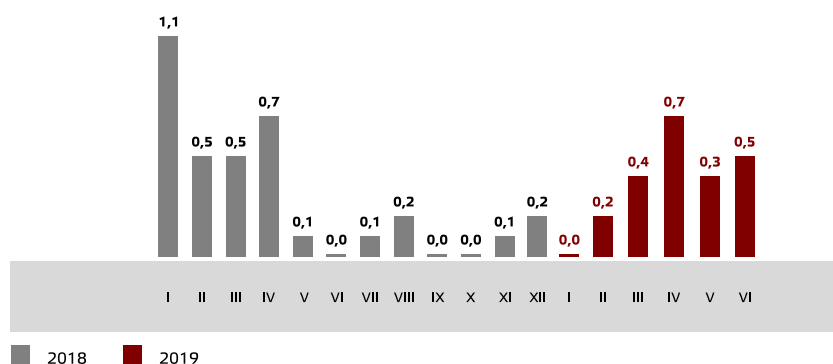
MARKET OVERVIEW

Standard-Type Apartments JUNE

Standard-Type Apartments, July 1, 2019

In June 2019, the prices of standard-type apartments continued to grow in the housing estates of Riga: they grew by 0.5 % during the month, reaching an average price of 814 EUR/m². Since early 2019, standard-type apartment prices have generally increased by 2.1 %.

Standard-type apartment price changes, %

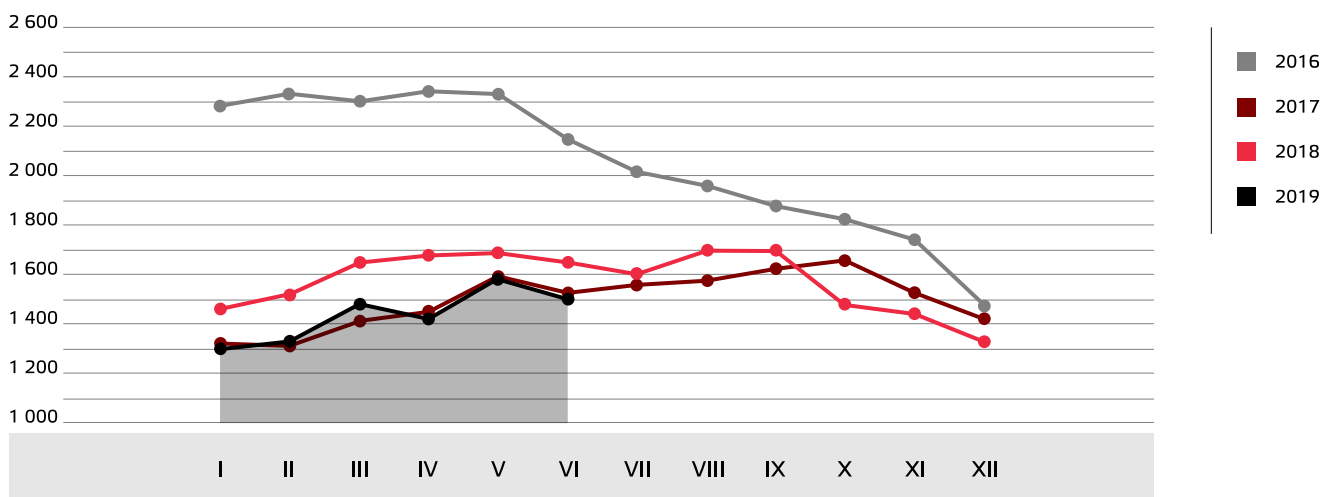


Source: ARCO REAL ESTATE

In the first half of 2019, prices for standard-type apartments increased by just over 2 %, which is roughly the same as in the first half of 2018. Thus, it can be concluded that apartment prices are rising fairly evenly. The highest price growth in the first half of the year was 0.7 % in April, but no price changes were observed in January.

Also in the vicinity of Riga, the price growth is continuing. In the first half of the year, prices increased the most in Ogre and Jurmala district Kauguri - in both places price increase reached 6 %. In the first half of 2019, the supply of apartments in the housing estates of Riga showed uneven tendencies - the supply in one month increased rapidly, while in the following month it decreased rapidly. Also after a sharp increase in supply in May, a fall was seen in June. The offer was still lower than in June last year (- 9 %).

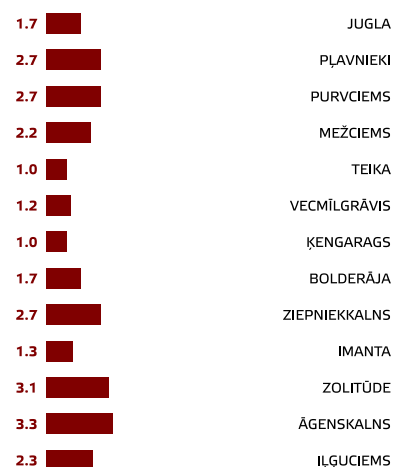
Dynamics of apartment supply in the largest housing estates of Riga



Source: ARCO REAL ESTATE

The largest increase in the average price of one square meter of apartments in Riga housing estates since the beginning of 2019 was observed in Āgenskalns (+ 3.3 %). Prices in other major housing estates in Riga have also increased since the beginning of the year. The smallest changes in the first four months of the year were observed in Ķengarags and Teika - the prices have increased by only 1 % since the beginning of the year.

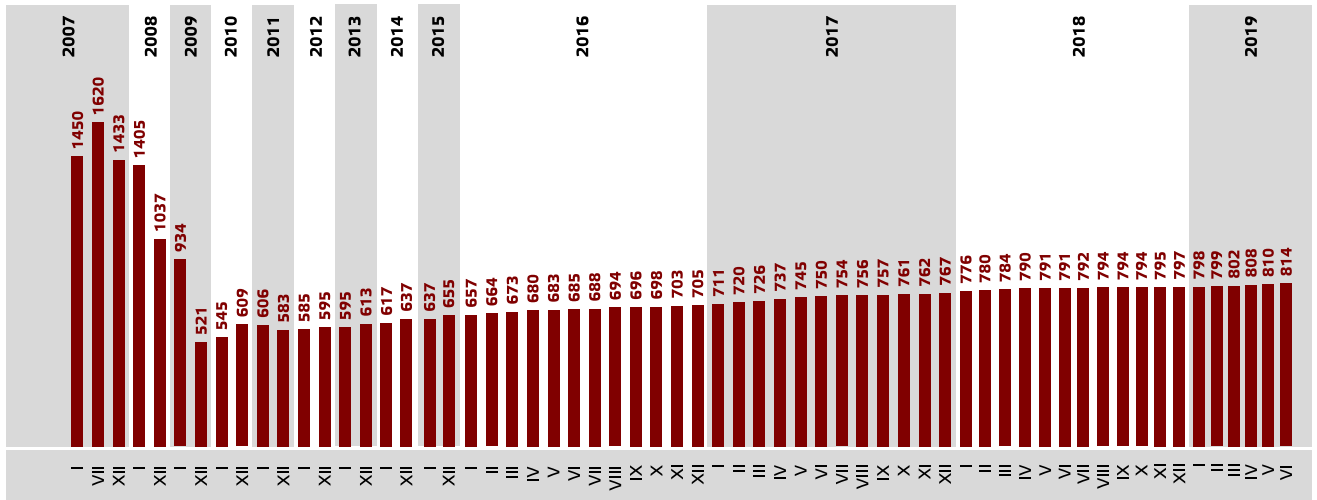
Price changes in the largest housing estates of Riga since January 1, 2019, %



Source: ARCO REAL ESTATE

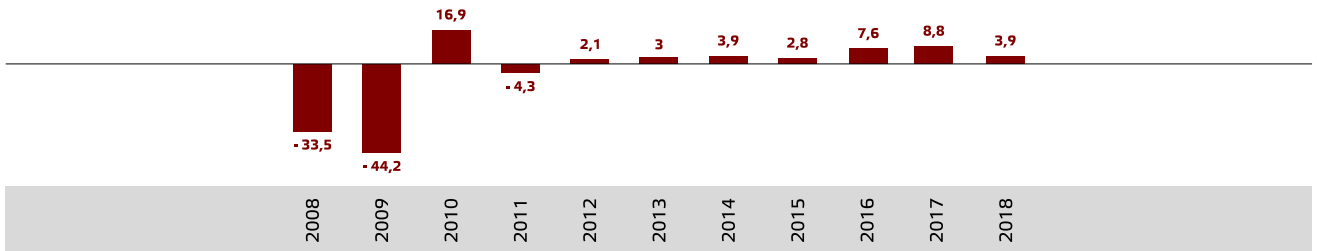
In June 2019, the average price of standard-type apartments increased slightly achieving the level of 814 EUR/m². The prices on average were by 50 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value - 1 620 EUR/m².

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, %



Source: ARCO REAL ESTATE

In June 2019, prices for apartments by the number of rooms slightly increased for all apartments. The average price per square meter of standard-type apartments increased for one-room (+ 0.6 %), two-room (+ 0.2 %), three-room (+ 0.5 %) and four-room (+ 0.4 %) apartments.

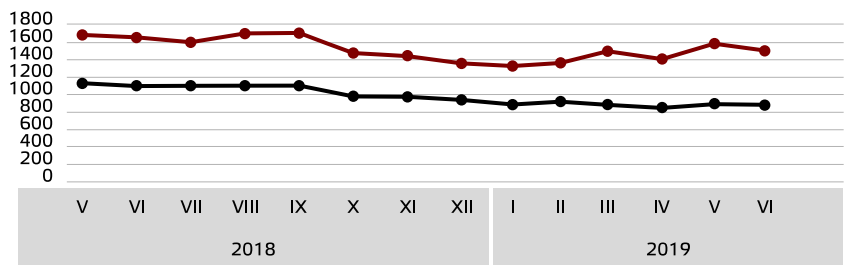
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2018												2019						
1 room	840	853	855	858	864	865	865	866	867	868	868	869	870	871	872	875	878	880	885
2 rooms	787	797	800	805	812	814	815	815	817	817	817	818	822	822	823	826	830	830	832
3 rooms	730	736	741	745	748	749	750	750	752	752	752	754	756	757	759	765	773	777	781
4 rooms	711	718	725	728	734	735	735	736	738	738	738	738	739	740	742	743	751	755	758
	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.

Source: ARCO REAL ESTATE

In June 2019, the total supply of apartments in Riga decreased by 4 % compared to the previous month. But the number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE decreased by 5 %. Compared to June 2018, the apartment supply in June 2019 was lesser: the total number of apartments offered for sale was by 14 % lower, but the number of apartments offered for sale in the largest housing estates was by 9 % lower.

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 CENTER OF RIGA, OLD RIGA

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 June was in Purvciems, while the lowest apartment supply was in Bolderāja.

Last month, the number of apartments offered for sale in the most of Riga's housing estates decreased. The number of supply of apartments in Vecmīlgrāvis decreased the most (- 32 %). By contrast, the supply of apartments increased the most in Zolitūde (+ 22 %).

When analyzing the number of apartments offered for sale in June in proportion to the size of the housing estate, 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 Pļavnieki.

In June 2019, positive changes in prices of standard-type apartments took place in the housing estates of Riga. In all largest and most popular housing estates, except Imanta, the prices increased slightly. The biggest price increase was observed in Mežciems, where prices rose by 1.2 % during the month. In Imanta, on the other hand, no price change was observed.

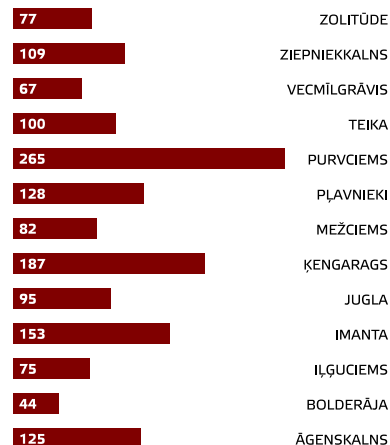
Average price changes of square meter of standard-type apartments in Riga housing estates, %

	The average value per 1 m ² on 01.07.2019.	The average value per 1 m ² on 01.06.2019.	Changes, %
Jugla	808	806	0.2 ↑
Pļavnieki	862	856	0.7 ↑
Purvciems	877	873	0.5 ↑
Mežciems	849	839	1.2 ↑
Teika	965	962	0.3 ↑
Vecmīlgrāvis	650	648	0.2 ↑
Ķengarags	762	759	0.4 ↑
Bolderāja	582	580	0.2 ➡
Ziepniekkalns	855	852	0.4 ↑
Imanta	855	855	0.0 ➡
Zolitūde	885	881	0.4 ↑
Āgenskalns	896	893	0.4 ↑
Ilģuciems	791	786	0.6 ↑

Source: ARCO REAL ESTATE

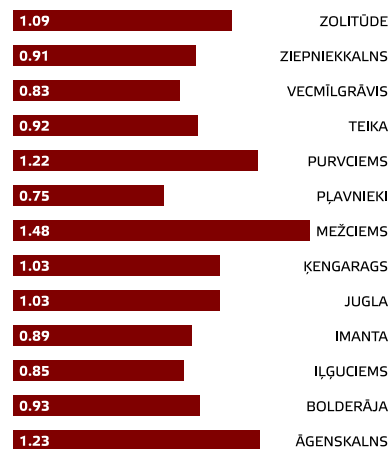
In June 2019, the standard-type apartment prices, compared with the beginning of 2018, were by 6 % higher. In turn, since the beginning of 2019, the prices have increased by 2 %.

Number of apartments offered for sale in Riga at the end of June 2019



Source: ARCO REAL ESTATE

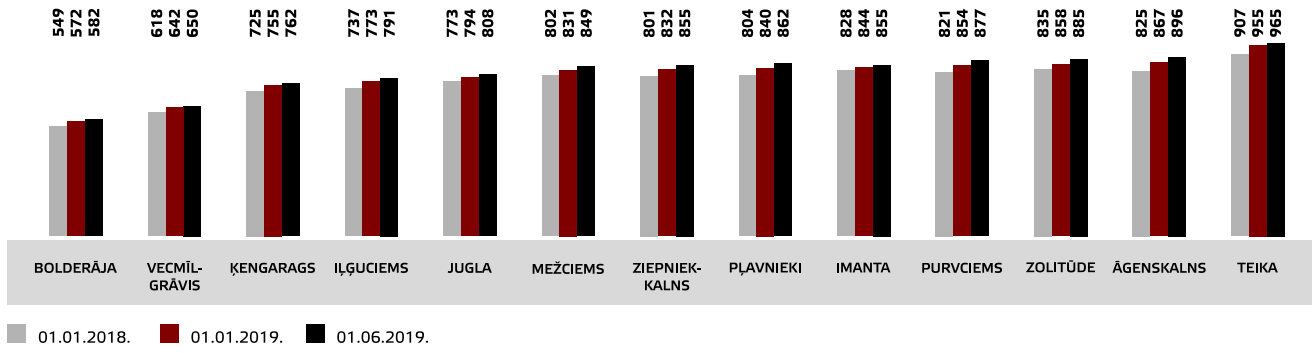
Number of apartments offered for sale in proportion to the size of the housing estates in Riga in June 2019



* 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

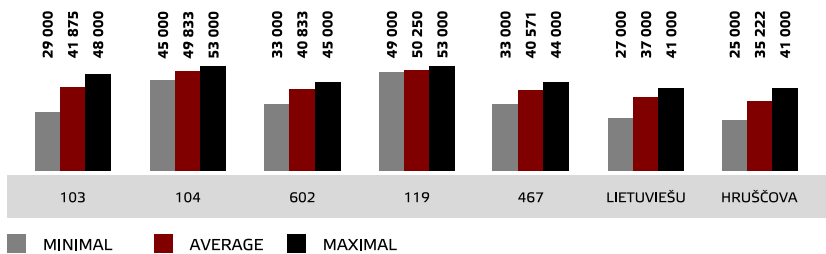


Source: ARCO REAL ESTATE

The highest prices for standard-type apartments in June remained in Teika, where the average price per square meter increased to 965 EUR/m². The lowest average price per square meter in June was in Bolderāja - 582 EUR/m².

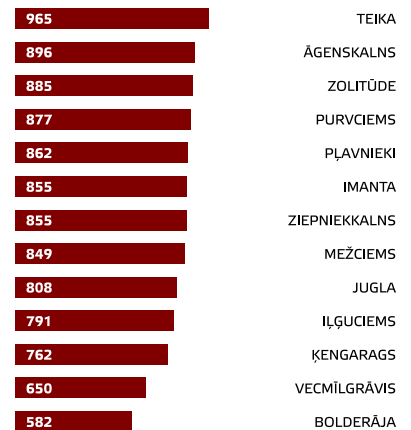
In June 2019, the most expensive apartments still were apartments in the houses of the series 119 and 104, where the price of 2-room apartments in a satisfactory condition varied from 45 000 to 53 000 EUR depending on the location. In turn, the so-called Lithuanian design were the cheapest ones, where the price of 2-room apartments varied from 27 000 to 41 000 EUR, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 25 000 to 41 000 EUR, depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in June 2019 (2-room apartments), EUR



Source: ARCO REAL ESTATE

Average standard-type apartment prices in housing estates of Riga as per July 1, 2019, EUR/m²



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

Ogre

In June 2019, standard-type apartment prices in Ogre increased by 2.4 %. The average price of apartments reached 637 EUR/m². In 2019, apartment prices in total in Ogre increased by 6 %.

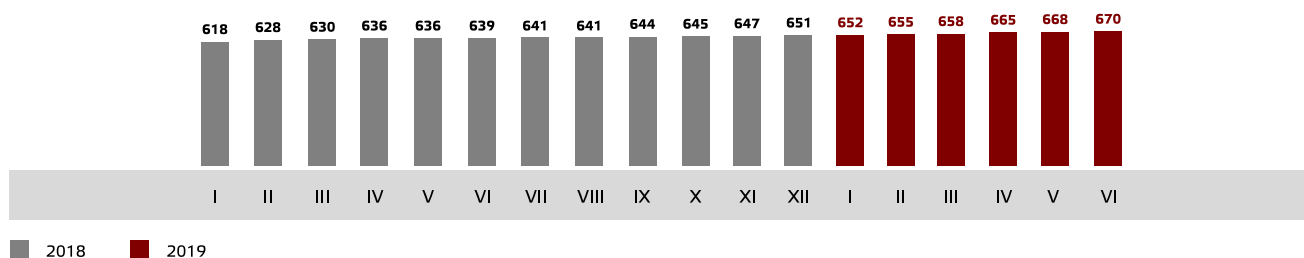
Kauguri, Jūrmala

In Kauguri in June 2019, standard-type apartment prices remained unchanged. The average price per square meter of apartments is 600 EUR/m². Since the beginning of 2019, apartment prices in Kauguri have generally increased by 6 %.

Salaspils

In June 2019, the apartment prices in Salaspils increased by 0.2 %. The average price of standard-type apartments in Salaspils has increased to 670 EUR/m². Since the beginning of 2019, standard-type apartment prices in Salaspils have increased by 3 %.

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

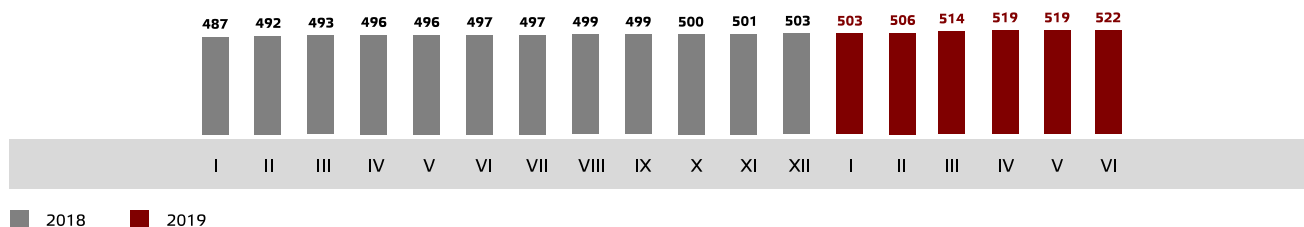


Source: ARCO REAL ESTATE

Jelgava

In June 2019, apartment prices in Jelgava increased by 0.6 %. The average price of standard-type apartments in June was 522 EUR/m². Since the beginning of 2019, the price of standard-type apartments in Jelgava increased by 4 %.

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 Riga, 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

