

MARKET OVERVIEW

Standard-Type Apartments AUGUST

RIGA
2018

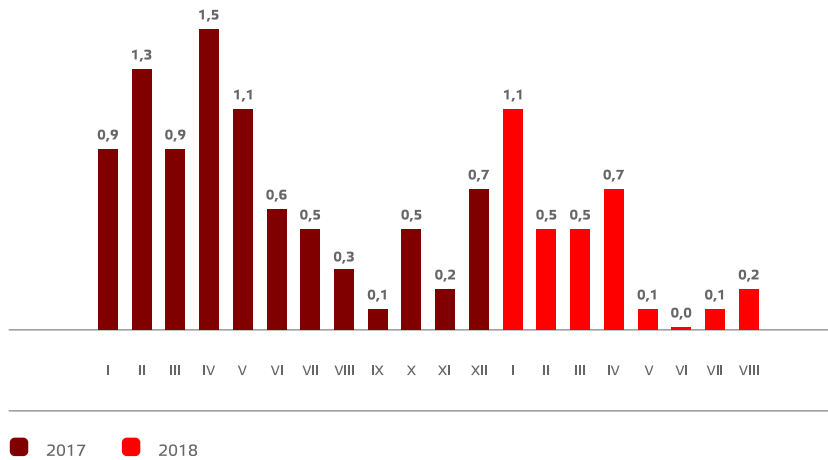


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, September 1, 2018

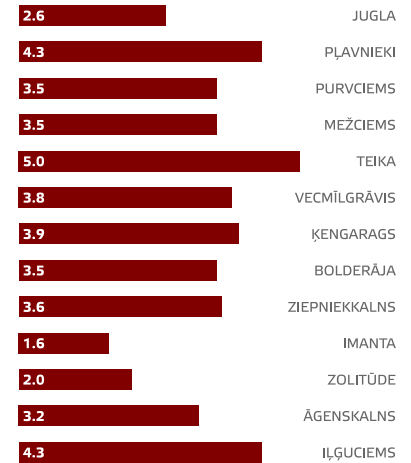
In August 2018, standard apartment prices in Riga housing estates increased slightly - by an average of 0.2 %. The average price of standard-type apartments in August increased to 794 EUR/m². Since the beginning of 2018, standard-type apartment prices have increased by 3.5 % overall.

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, %

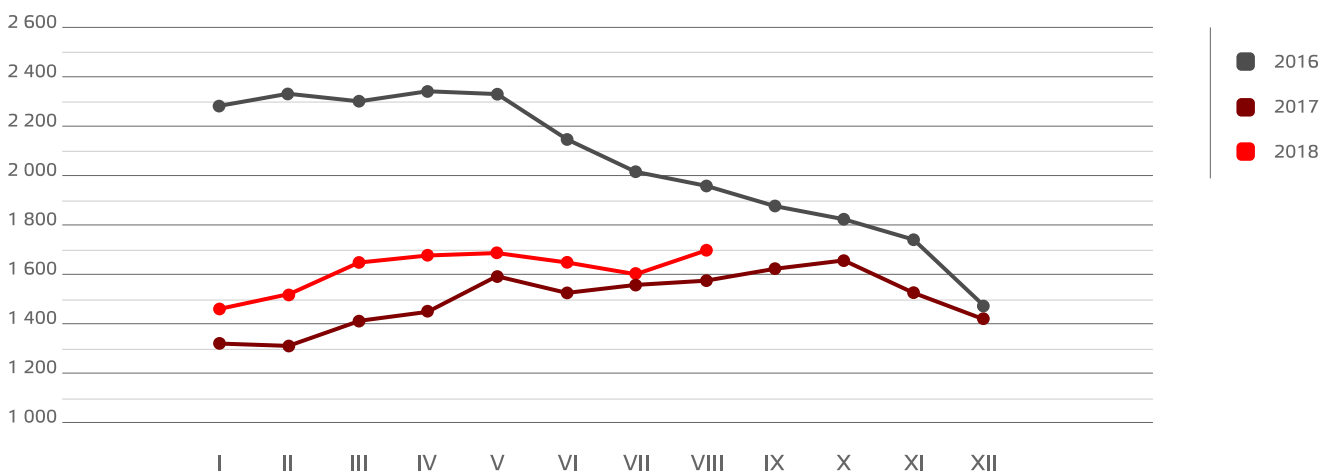


Source: ARCO REAL ESTATE

In August 2018, price growth remained low - no price changes were observed in several housing estates in Riga. It is projected that this year, the increase in standard-type apartment prices will not be as pronounced as in 2017. In several housing estates, the price increase has stopped for several months. In the vicinity of Riga, an increase in the price of apartments was observed both in Ogre and Jelgava, where prices increased by 0.5 % and 0.3 %, respectively.

The supply of apartments in Riga's housing estates was once again more convincing than last year. In September, there was a significant increase in supply.

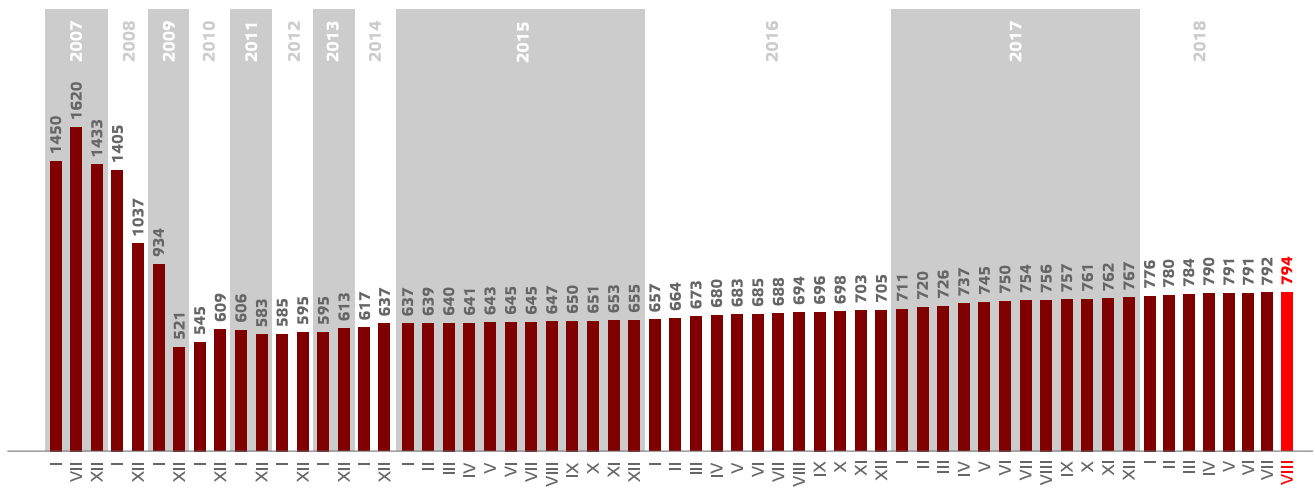
Dynamics of apartment supply in the largest housing estates of Riga



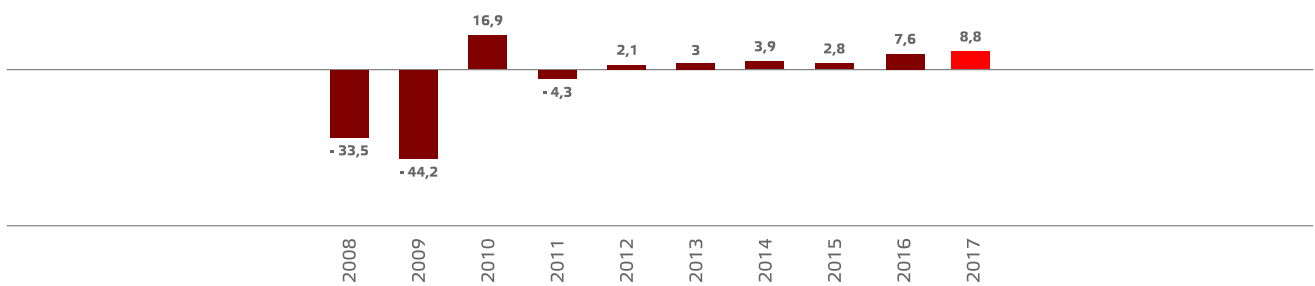
Source: ARCO REAL ESTATE

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 Teika (+ 5 %). Also in other major housing estates of Riga the prices increased this year. The slowest apartment price growth since the beginning of this year was observed in Imanta (+ 1.6 %).

In August 2018, the average price of a standard-type apartment increased to 794 EUR/m². The prices on average are by 51 % 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


Source: ARCO REAL ESTATE

Standard-type apartment price changes in Riga housing estates, %


Source: ARCO REAL ESTATE

In August 2018, the prices of all apartments, increased slightly irrespective of the number of rooms in an apartment. The average price of one square meter of standard type apartment increased for one-room (+ 0.1 %), two-room (+ 0.2 %), three-room (+ 0.3 %) and four-room (+ 0.3 %) apartments.

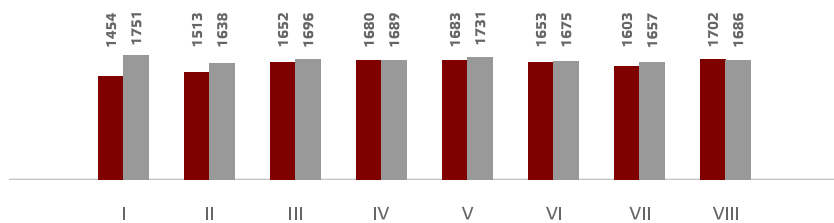
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2016							2017							2018													
1 room	754	755	757	765	768	771	775	779	784	795	799	811	819	821	829	830	831	836	837	840	853	855	858	864	865	865	866	867
2 rooms	702	704	706	711	712	715	721	723	731	740	748	761	767	770	773	774	775	778	780	787	797	800	805	812	814	815	815	817
3 rooms	651	653	656	661	662	666	667	668	674	683	689	701	710	715	717	719	720	723	725	730	736	741	745	748	749	750	750	752
4 rooms	626	630	632	641	641	642	649	649	655	663	669	674	684	693	697	702	703	705	708	711	718	725	728	734	735	735	736	738
	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.	01.04.	01.05.	01.06.	01.07.	01.08.	01.09.

Source: ARCO REAL ESTATE

In August 2018, the overall supply of apartments in Riga compared to the previous month increased by 4 %. But the number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE decreased by 6 %. Compared to August 2017, the apartment supply was higher: 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 8 % higher.

Dynamics of supply of apartments in Riga



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

■ 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 August was in Purvciems, but the lowest apartment supply was in Bolderāja.

Last month, the apartment supply in Riga housing estates was characterized by both an increase in the number and a decrease: the most significant increase in August was in Jugla (+ 30 %). But the most significant decrease was seen in Vecmīlgrāvis (- 7 %).

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

In August 2018, small-scale changes in standard-type apartment prices were observed in the largest housing estates in Riga. In most of the housing estates, prices increased slightly, but in some housing estates remained at the same level as in the previous month. In many housing estates prices have increased by 0.1 - 0.8 %. The largest price increase was observed in Mežciems, where housing prices increased by 0.8 % per month. On the other hand, no price changes were observed in Teika, Bolderāja, Imanta, Zolitūde and Ilģūciems.

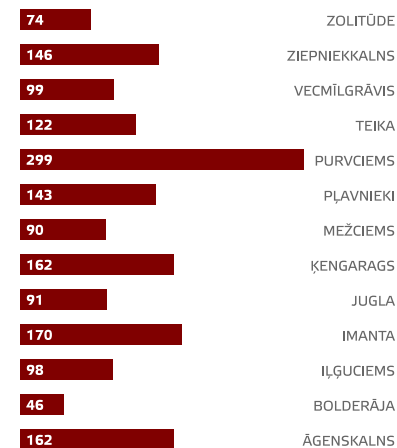
Changes in average standard-type apartment prices in Riga housing estates for 1 m², in %

	The average value per 1 m ² on 01.09.2018.	The average value per 1 m ² on 01.08.2018.	Changes, %
Jugla	793	791	0.3 ↑
Pļavnieki	838	834	0.5 ↑
Purvciems	850	849	0.2 ↑
Mežciems	830	823	0.8 ↑
Teika	952	952	0.0 →
Vecmīlgrāvis	641	640	0.1 ↑
Ķengarags	753	752	0.2 ↑
Bolderāja	569	569	0.0 →
Ziepniekkalns	831	831	0.1 ↑
Imanta	841	841	0.0 →
Zolitūde	851	851	0.0 →
Āgenskalns	852	848	0.5 ↑
Ilģūciems	769	769	0.0 →

Source: ARCO REAL ESTATE

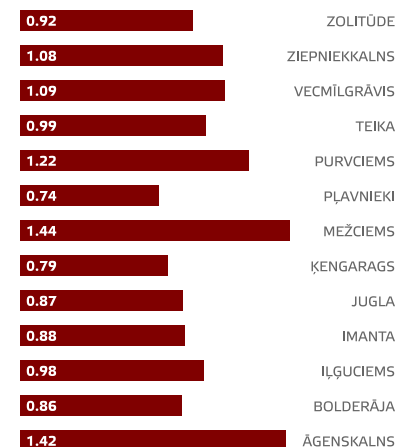
In August, standard-type apartment prices, compared with the beginning of 2017, were by 13 % higher. In turn, since the beginning of 2018, the prices have increased by 3 %.

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



Source: ARCO REAL ESTATE

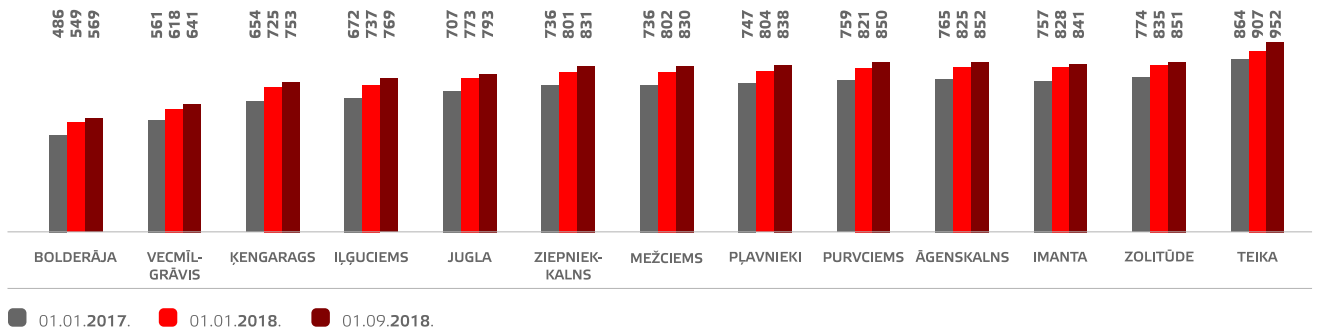
Number of apartments offered for sale in proportion to the size of the housing estates in Riga in August 2018



* 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

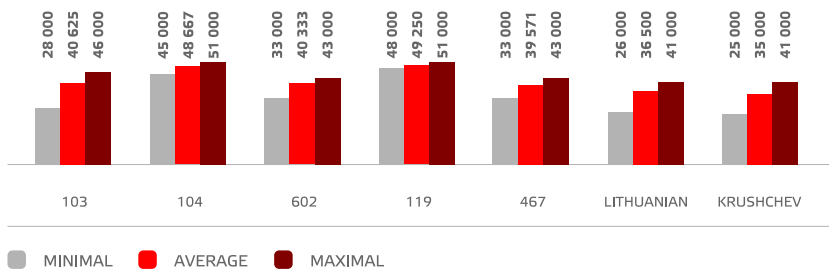


Source: ARCO REAL ESTATE

The highest prices of standard-type apartments remained in Teika in August 2018, where the average price per square meter remained unchanged at 952 EUR/m². The lowest price per square meter in August remained in Bolderāja – 569 EUR/m².

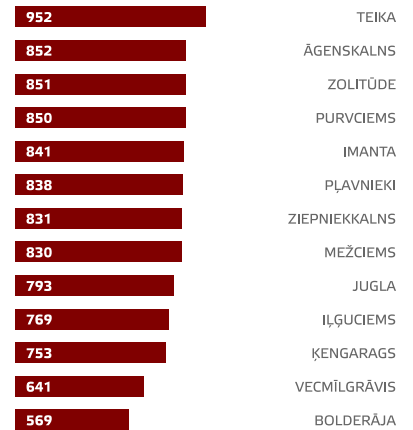
In August 2018, the most expensive apartments still were apartments in the houses of the 119th series and 104th series, where the price of 2-room apartments in a satisfactory condition varied from 45 000 to 51 000 EUR depending on the location. In turn, the so-called Lithuanian design were the cheapest ones, where the price of 2-room apartments varied from 26 000 to 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 August 2018 (2-room apartments), EUR



Source: ARCO REAL ESTATE

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



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

Ogre

In August 2018, standard-type apartment prices in Ogre increased by 0.5 %. The average price of apartments increased to 594 EUR/m². In 2018, apartment prices in total in Ogre increased by 6.3 %.

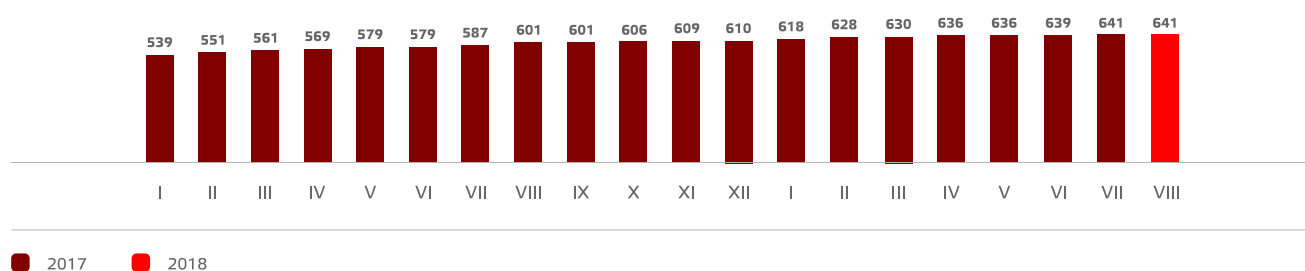
Kauguri, Jūrmala

In Kauguri, in August, standard-type apartment prices did not change. The average price of apartments per square meter was 564 EUR/m². Since the beginning of 2018, apartment prices in Kauguri have increased by 7.8 % overall. For three consecutive months no price changes have been observed there.

Salaspils

In August 2018, apartment prices in Salaspils remained unchanged. The average price of standard-type apartments in Salaspils remained at 641 EUR/m². Since the beginning of 2018, standard-type apartment prices in Salaspils have increased by 5.1 % overall. Also in Salaspils, as in Riga, apartment prices stabilized.

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

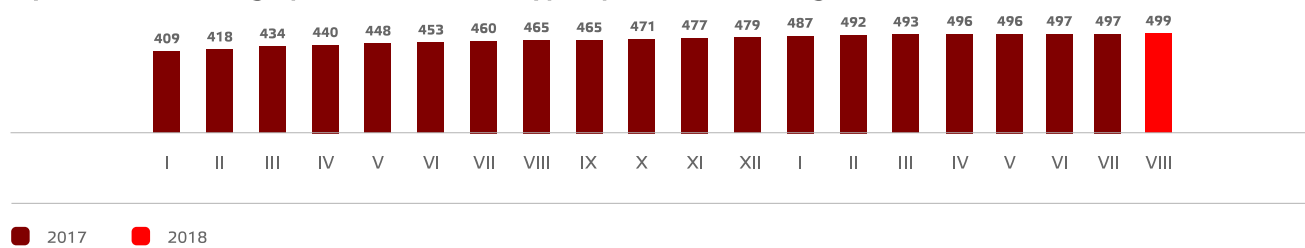


Source: ARCO REAL ESTATE

Jelgava

In August 2018, apartment prices in Jelgava increased by 0.3 %. The average price of standard type apartments is 499 EUR/m². Since the beginning of 2018, standard-type apartment prices in Jelgava increased by 4.1 %.

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.

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