

MARKET OVERVIEW

Standard-Type Apartments OCTOBER



RĪGA
2016



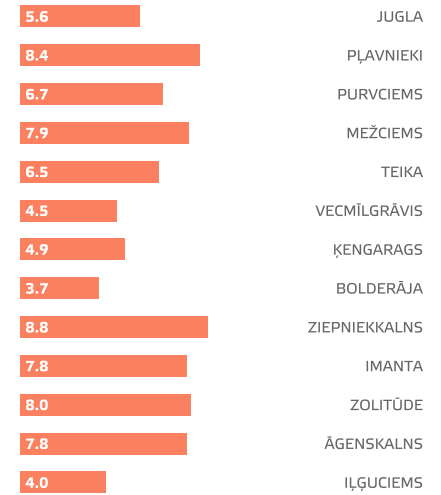
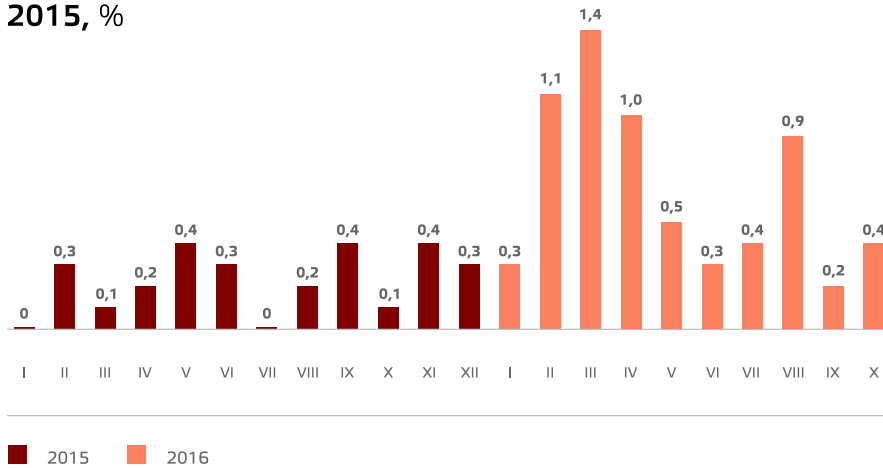
LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, November 1, 2016

In October 2016, the prices of standard-type apartments located in Riga housing estates increased by 0.4 %. The average standard-type apartment price in October increased to 698 EUR/m². Since the beginning of 2016, the standard-type apartment prices have grown by 6.4 % in total.

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

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



Source: ARCO REAL ESTATE

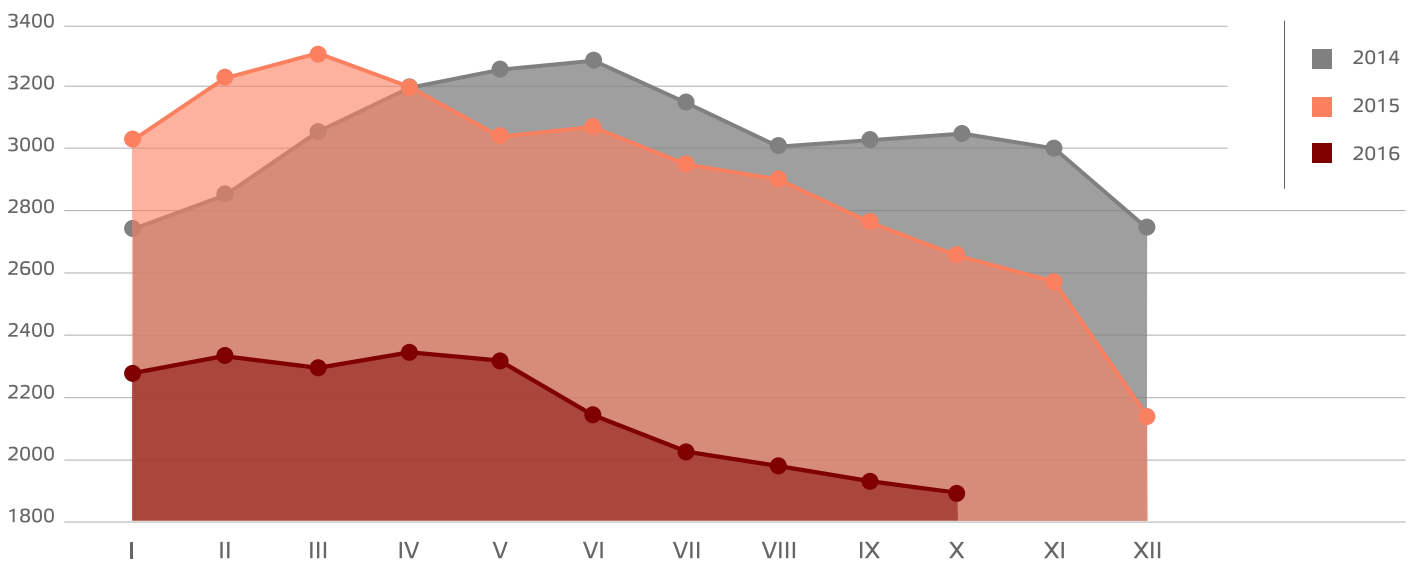
Source: ARCO REAL ESTATE

Apartment prices in Riga housing estates continued to grow, but the growth rate was slower than in the first half of the year. Standard-type apartment price per square metre approached the mark of 700 EUR, which most likely will be exceeded this year. The cause of the price increase still was the low level of supply, which continued to decline also in October. The largest price increase was seen in the most popular housing estates, such as Ziepniekkalns, Pļavnieki, Zolitūde, etc. where also the highest apartment prices were registered.

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 Ziepniekkalns (+ 8.8 %), 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 (+ 3.7 %).

In October 2016, the average price of a standard-type apartment increased to position of 698 EUR/m². The prices on average are by 56.9 % 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.

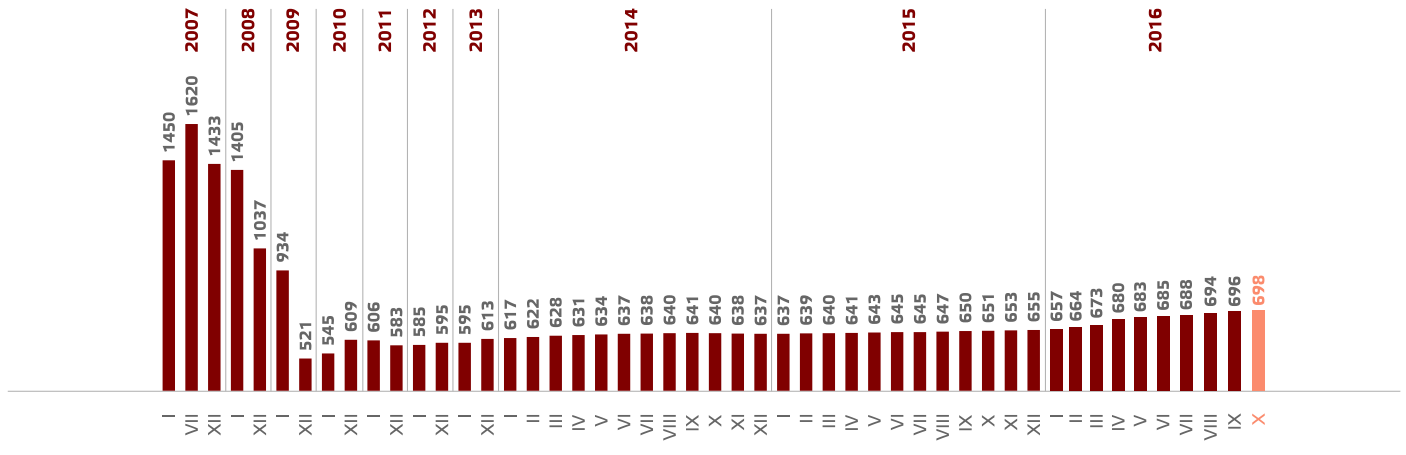
Dynamics of apartment supply in the largest housing estates of Riga, 2014 - 2016



Avots: ARCO REAL ESTATE

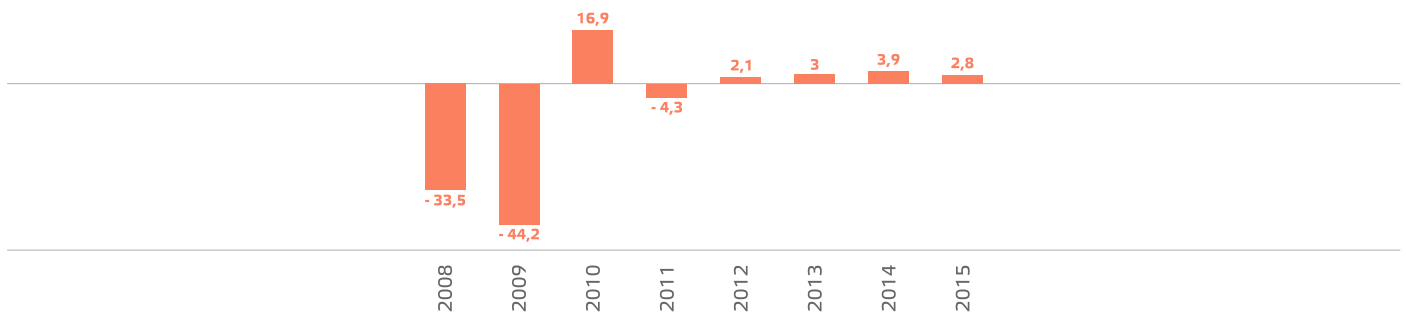
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Dynamics of average price of standard-type apartments in the largest housing estates of Riga, EUR/m²



Source: ARCO REAL ESTATE

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



Source: ARCO REAL ESTATE

In October 2016, the prices rated by number of rooms in apartment increased for 1 – 4-room apartments. The average price of one square metre of apartment increased for one-room apartments (+ 0.4 %), two-room apartments (+ 0.4 %), three-room apartments (+ 0.6 %) and four-room apartments (+ 0.2 %).

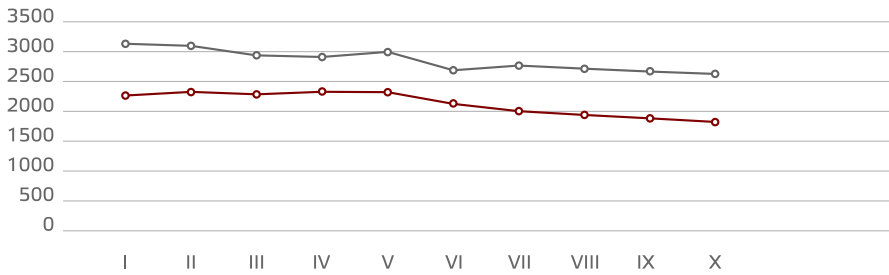
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

| | 2014 | | | | | | | | | | | | 2015 | | | | | | | | | | | | 2016 | | | | | | | | | | | |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|--|--|--|--|--|--|--|
| | 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. | 01.10. | 01.11. | | | | | | | | |
| 1 room | 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 | 771 | | | | | | | | |
| 2 rooms | 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 | 715 | | | | | | | | |
| 3 rooms | 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 | 666 | | | | | | | | |
| 4 rooms | 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 | 642 | | | | | | | | |

Source: ARCO REAL ESTATE

In October 2016, the total supply of apartments in Riga compared to the previous month decreased by 3.2 %. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE has decreased for the sixth month in a row - by 3.1 % in October. Compared to October 2015, the apartment supply was still significantly lower: the total number of apartments offered for sale in October of 2016 was by 25.3 % lower, but the number of apartments offered for sale in the largest housing estates was by 31.7 % 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 October was in Purvciems, Āgenskalns and Pļavnieki. But the lowest apartment supply was in Bolderāja and Vecmīlgrāvis.

In October, the number of apartments offered for sale decreased in most of Riga housing estates. In October, the most significant decrease of supply of apartments was seen in Teika (- 15.1 %). But the largest growth supply of apartments in October was observed in Zolitūde (+ 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 October. By contrast, the number of apartments offered for sale was proportionally lowest in Vecmīlgrāvis, Bolderāja and Ķengarags.

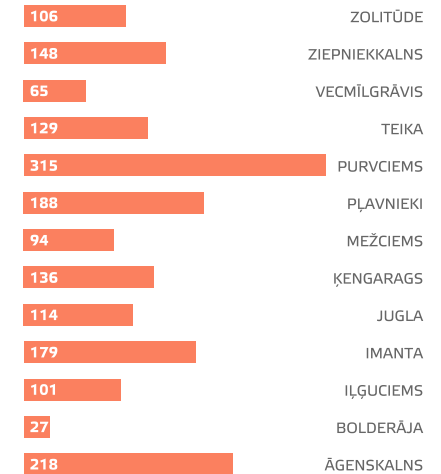
In October 2016, a growth in standard-type apartment prices was observed in most of Riga housing estates. The prices increased only slightly; only in Zolitūde the price change was not observed at all. The biggest price increase was established in Ķengarags, Ziepniekkalns and Āgenskalns where apartment prices rose by 0.9 % during the last month.

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

| | The average value per 1 m ² on 01.11.2016. | The average value per 1 m ² on 01.10.2016. | Changes, % |
|---------------|---|---|------------|
| Jugla | 702 | 702 | 0.4 ↑ |
| Pļavnieki | 743 | 741 | 0.3 ↑ |
| Purvciems | 755 | 753 | 0.2 ↑ |
| Mežciems | 730 | 729 | 0.2 ↑ |
| Teika | 859 | 857 | 0.2 ↑ |
| Vecmīlgrāvis | 560 | 558 | 0.3 ↑ |
| Ķengarags | 645 | 639 | 0.9 → |
| Bolderāja | 484 | 480 | 0.8 → |
| Ziepniekkalns | 730 | 723 | 0.9 ↑ |
| Imanta | 742 | 738 | 0.5 → |
| Zolitūde | 771 | 771 | 0.0 → |
| Āgenskalns | 760 | 753 | 0.9 ↑ |
| Iļģuciems | 658 | 654 | 0.6 → |

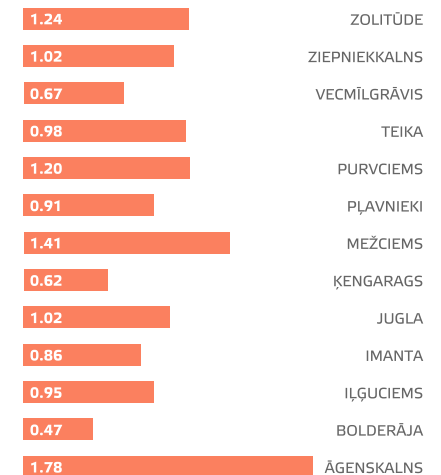
Source: ARCO REAL ESTATE

Number of apartments offered for sale in Riga in October 2016



Source: ARCO REAL ESTATE

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

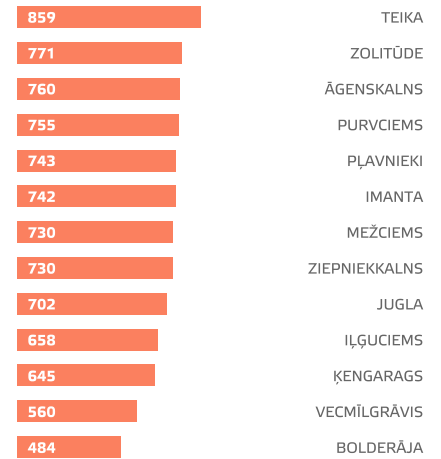
Source: ARCO REAL ESTATE

In October 2016, the standard-type apartment prices were by 13.59 % higher than the prices recorded in the beginning of 2014. But compared to the beginning of 2015, the prices have grown by 9.6 %. During 2016, the prices have increased by 6.6 %.

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

| | 01.01.2013. | 01.01.2014. | 01.01.2015. | 01.01.2016. | 01.11.2016. |
|---------------|-------------|-------------|-------------|-------------|-------------|
| Bolderāja | 473 | 450 | 454 | 467 | 484 |
| Vecmīlgrāvis | 514 | 524 | 531 | 536 | 560 |
| Ķengarags | 518 | 543 | 594 | 615 | 645 |
| Iļģuciems | 570 | 586 | 609 | 633 | 658 |
| Jugla | 583 | 610 | 639 | 664 | 702 |
| Ziepniekkalns | 613 | 626 | 643 | 671 | 730 |
| Mežciems | 624 | 637 | 662 | 677 | 730 |
| Imanta | 605 | 633 | 676 | 688 | 742 |
| Pļavnieki | 622 | 651 | 664 | 685 | 743 |
| Āgenskalns | 623 | 644 | 677 | 705 | 755 |
| Purvciems | 633 | 662 | 682 | 707 | 760 |
| Zolitūde | 644 | 663 | 697 | 714 | 771 |
| Teika | 757 | 787 | 798 | 806 | 859 |

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



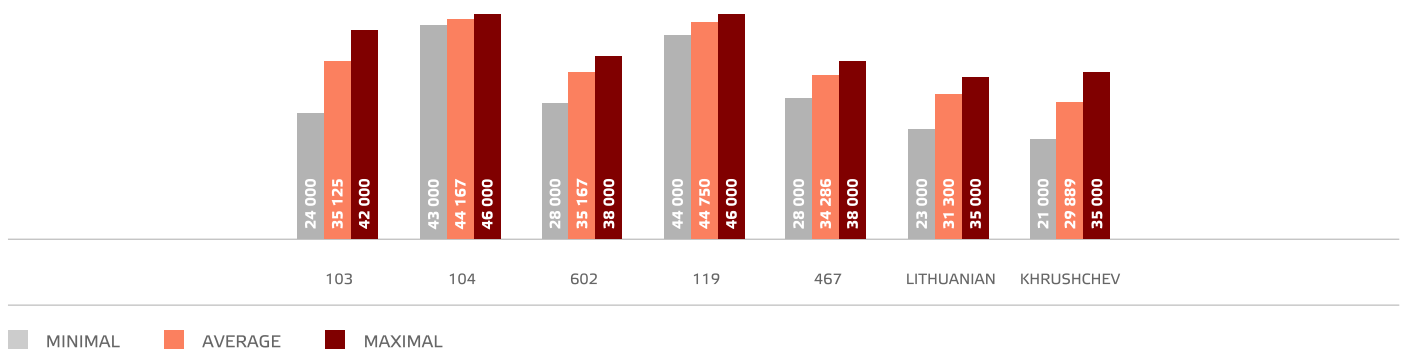
Source: ARCO REAL ESTATE

Source: ARCO REAL ESTATE

The highest standard-type apartment prices in October 2016 still were in Teika, where the average price of one square meter increased to 859 EUR/m². But the lowest average price of one square meter remained to be in Bolderāja, where it grew to the position of 484 EUR/m².

In October 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 43 000 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 October 2016 (2-room apartments), EUR



Source: ARCO REAL ESTATE

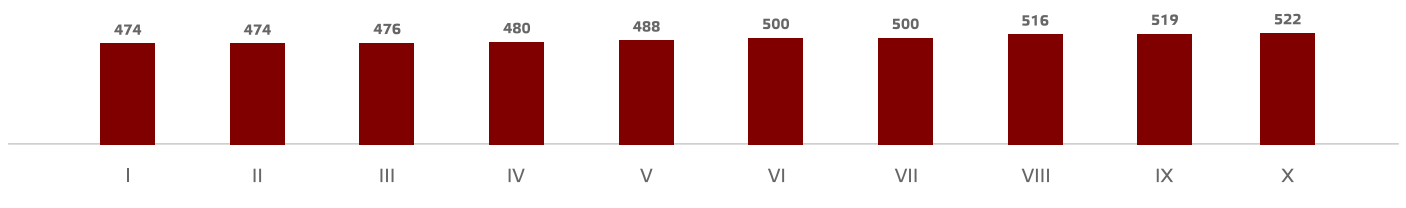
Apartment market in the vicinity of Riga

Ogre. In October 2016, the standard-type apartment prices in Ogre increased by 0.4 %. The average price of one square meter of apartment grew up to 475 EUR/m². In 2016, the apartment prices increased by 7.1 %, which was a slightly higher indicator than that observed in the largest housing estates of Riga. In October, the prices rose mainly for two-room and four-room apartments.

Kauguri, Jūrmala. In October 2016, the standard-type apartment prices in Kauguri increased by 0.6 %. The average price of one square meter of apartment grew up to 470 EUR/m². During 2016, the prices have already increased by 12.4 %. A stable apartment price rise has been seen in Kauguri every month throughout the year, and it was almost twice the price increase seen in the housing estates of Riga.

Salaspils. In October 2016, the standard-type apartment prices in Salaspils grew by 0.6 %. The average price of a standard-type apartment has increased to 522 EUR/m². Since the beginning of 2016, the average price of a standard-type apartment in Salaspils has grown by 10.8 % in total, and the price, like the in the housing estates of Riga, continued to rise. It was seen that in October there were a relatively low number of apartments offered for sale in Salaspils.

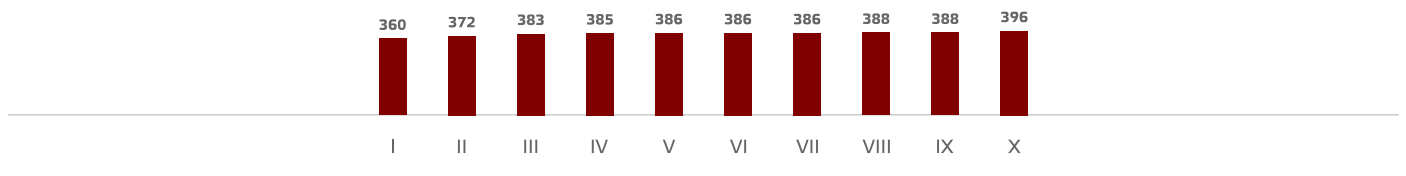
Dynamics of average price of standard-type apartments in Salaspils, EUR/m²



Source: ARCO REAL ESTATE

Jelgava. In October 2016, apartment prices in Jelgava resumed to rise, namely, during the month the prices increased by 2.1 %. The average price of standard-type apartment in October grew up to the position of 396 EUR/m². Since the beginning of 2016, the prices have increased by 8.4 % in Jelgava.

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



Source: ARCO REAL ESTATE

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Māris Laukalējs | Member of the Board
 Head of Valuation Department No. 1

maris.laukalejs@arcoreal.lv
 5a Blaumaņa Street, Riga
 LV-1011, Latvia
 Phone +371 6736 5555
 www.arcoreal.lv

