



MARKET OVERVIEW

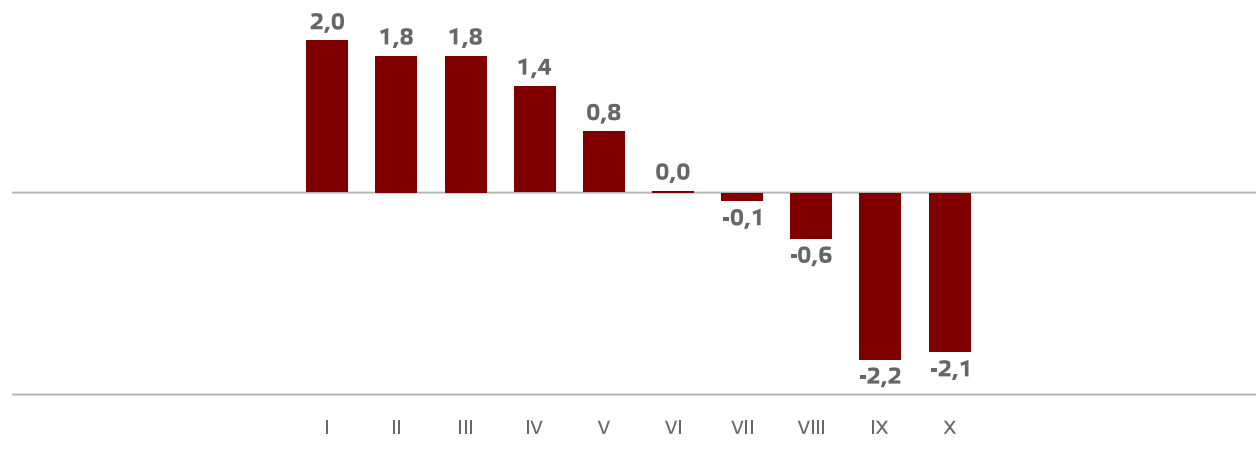
Standart-type apartments OCTOBER

ARCO REAL ESTATE is an international company with more than 20 years of experience in the Latvian real estate market. Since the establishment of the company in 1997, ARCO REAL ESTATE has been constantly developing and promoting the professional growth of its employees, thus increasing the quality of the services provided and becoming the leading service provider in the industry. Currently, the company, which employs more than 50 qualified specialists, provides services in Riga, Jūrmala, Saulkrasti, Daugavpils, Jelgava, as well as in Limbaži and elsewhere in Latvia, offering real estate brokerage, appraisal and consulting services to clients.

Standard-Type Apartments, November 1, 2022

In October 2022, there were significant changes in the prices of standard-type apartments in the housing estates of Riga - during the month, the average price of standard-type apartments decreased by 2 %. The average price of standard-type apartments dropped to 926 EUR/m². However, compared to the beginning of 2022, apartment prices were 3 % higher in October.

Standard-type apartment price changes since beginning of 2022, %

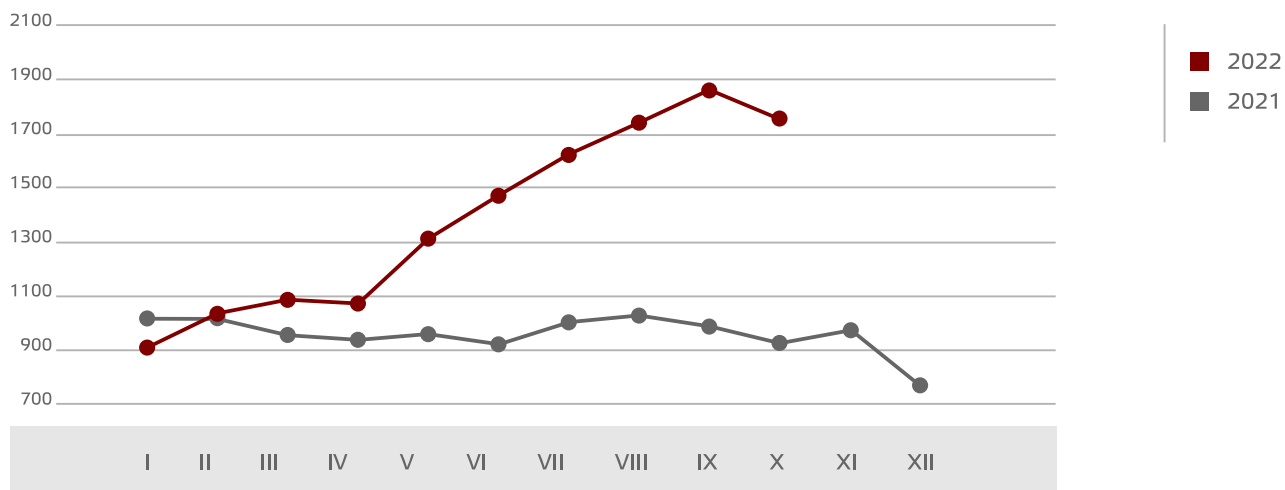


Source: ARCO REAL ESTATE

Negative price fluctuations were observed in Riga's largest housing estates in October. In October, the price drop was similar to September. In several housing estates, apartment prices decreased by more than 4 % during the month. The price level of standard-type apartments also decreased in the surroundings of Riga.

In the previous months, the number of apartments offered for sale in the largest housing estates of Riga increased rapidly, but it stopped in October. Last month, the number of apartments offered for sale fell below the indicator of 1,800. However, the level of supply in the largest housing estates of Riga was still much higher than a year ago (+90 %).

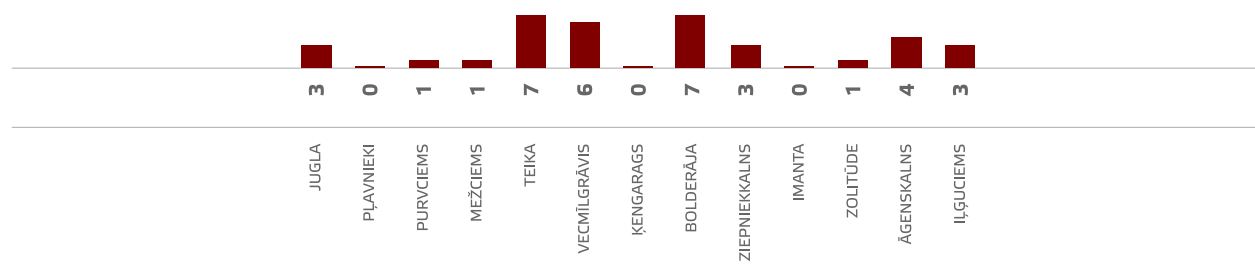
Dynamics of apartment supply in the largest housing estates of Riga



Source: ARCO REAL ESTATE

Since the beginning of 2022, the prices of apartments in all major housing estates of Riga have increased. The biggest price increase since the beginning of the year in Riga housing estates was observed in Bolderāja and Teika (+7 %). Compared to the beginning of the year, the prices in housing estates such as Pļavnieki, Ķengarags and Imanta were the same.

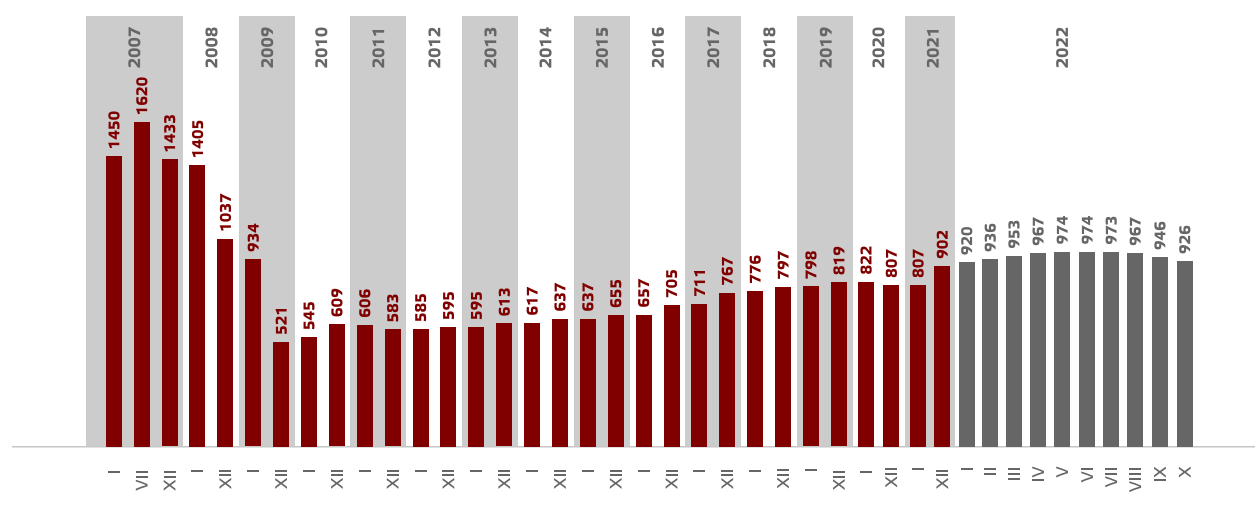
Price changes in the largest housing estates of Riga since January 1, 2022, %



Source: ARCO REAL ESTATE

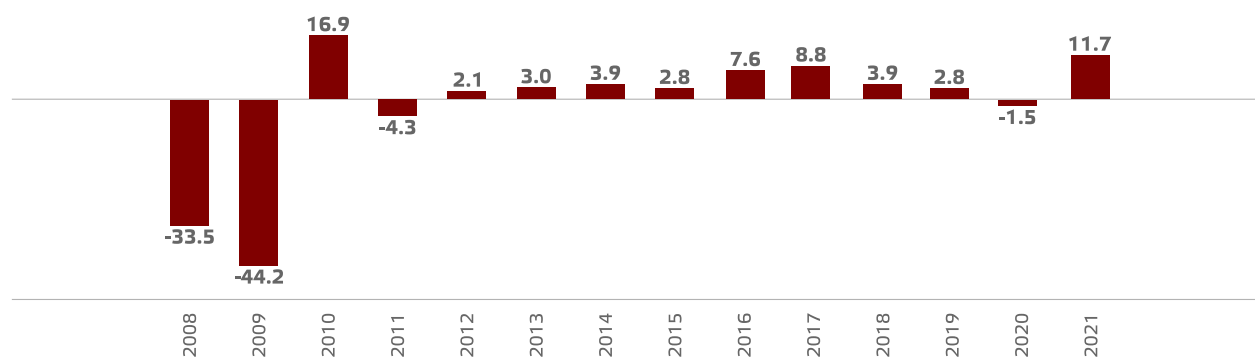
In October, the average price of standard-type apartments dropped to 926 EUR/m². The prices on average were by 43 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value – 1 620 EUR/m².

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



Source: ARCO REAL ESTATE

Changes in prices of standard-type apartments in Riga housing estates, %



Source: ARCO REAL ESTATE

In October, changes were found in apartment prices. The average price per square meter of standard-type apartments decreased for one-room (-2,5 %), two-room (-2 %) and three-room (-2,1 %) apartments. On the other hand, the average price per square meter for four-room apartments remained unchanged.

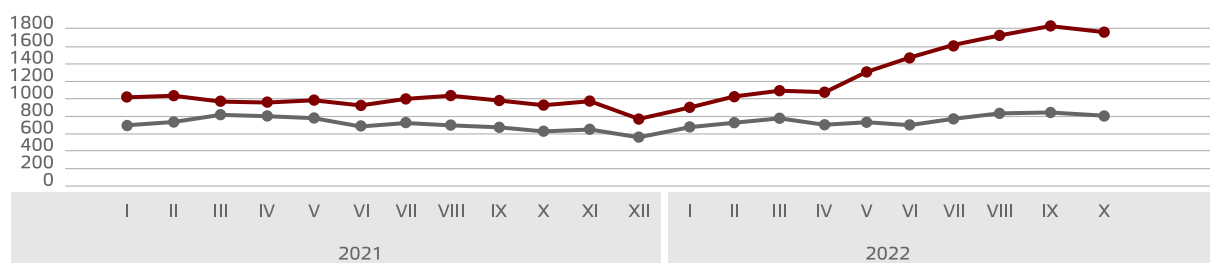
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

| | 2021 | | | | | | | | | | | | 2022 | | | | | | | | | | |
|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 room | 872 | 873 | 877 | 881 | 887 | 903 | 925 | 937 | 955 | 964 | 967 | 976 | 980 | 1004 | 1024 | 1047 | 1059 | 1069 | 1069 | 1069 | 1062 | 1043 | 1017 |
| 2 rooms | 820 | 820 | 824 | 827 | 830 | 850 | 864 | 873 | 889 | 899 | 903 | 909 | 913 | 935 | 948 | 963 | 979 | 984 | 984 | 982 | 976 | 954 | 935 |
| 3 rooms | 773 | 773 | 780 | 785 | 787 | 797 | 811 | 822 | 838 | 850 | 854 | 860 | 865 | 879 | 896 | 906 | 920 | 927 | 927 | 927 | 920 | 900 | 881 |
| 4 rooms | 762 | 763 | 772 | 775 | 777 | 787 | 803 | 812 | 826 | 833 | 834 | 839 | 848 | 861 | 876 | 895 | 910 | 917 | 917 | 915 | 911 | 885 | 871 |
| | 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. |

Source: ARCO REAL ESTATE

Compared to the previous month, the supply of apartments in Riga decreased by 4 % in October. The number of apartments offered for sale in the largest housing estates of Riga analysed by ARCO REAL ESTATE decreased by 6 %. Compared to October 2021, the number of apartments offered for sale was generally higher: the total number of apartments offered for sale was 65 % higher, while the supply of apartments in the largest housing estates was 90 % higher than a year ago.

Dynamics of supply of apartments in Riga



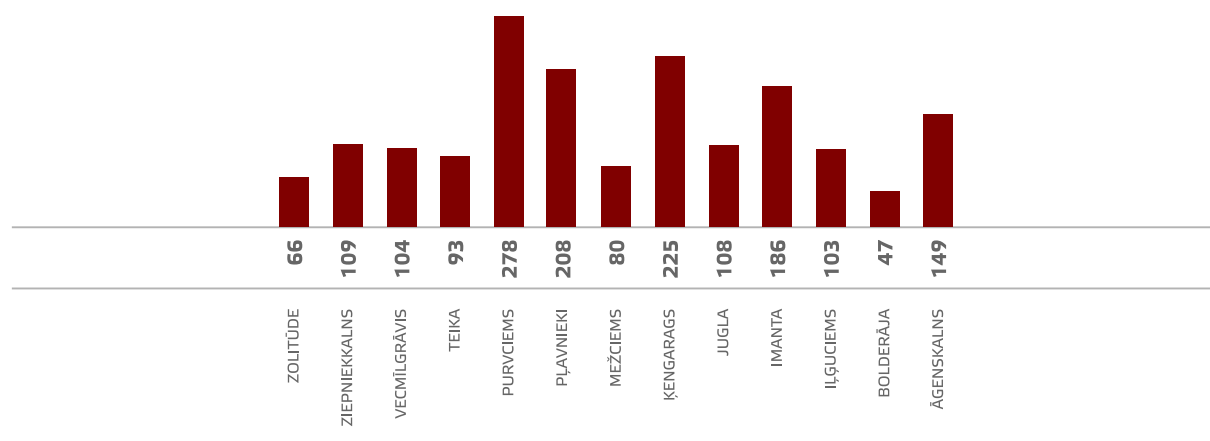
■ THE BIGGEST RESIDENTIAL AREAS (Jugla, Pļavnieki, Purvciems, Mežciems, Teika, Vecmīlgrāvis, Ķengarags, Bolderāja, Ziepniekkalna, Imanta, Zolitūde, Āgenskalns, Ilģuciems)

■ THE CENTER OF RIGA, OLD RIGA

Source: ARCO REAL ESTATE

Having summarized the number of apartments offered for sale in the housing estates of Riga, it can be concluded that the largest supply of apartments in October was in Purvciems, while the lowest - in Bolderāja.

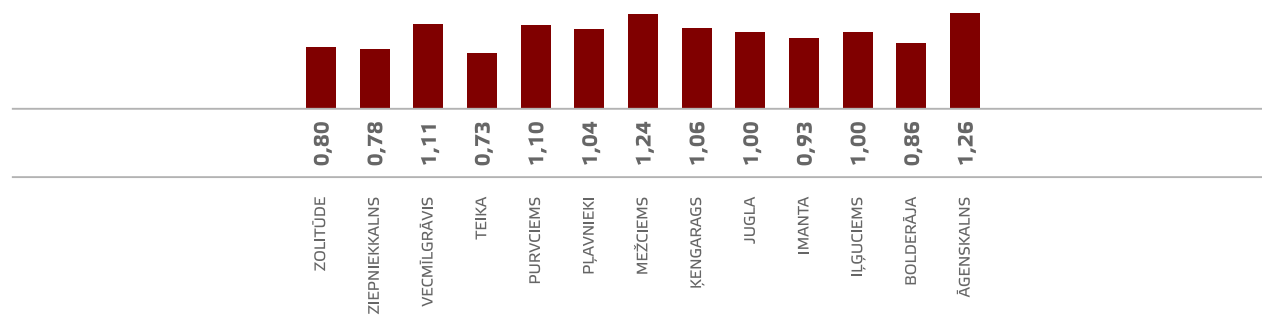
Number of apartments offered for sale in Riga at the end of October 2022



Source: ARCO REAL ESTATE

Last month, the number of apartments offered for sale decreased in almost all major housing estates of Riga. The number of apartments offered for sale decreased the most in Zolitūde (-18 %). The number of apartments offered for sale increased in October only in Bolderāja (+ 4 %) and Ilģuciems (+ 1 %). When analysing the supply of apartments in proportion to the size of the housing estate, i. e., by population, the largest supply in October was found in Āgenskalns. On the other hand, the number of apartments offered for sale was proportionally the lowest in Teika.

Number of apartments offered for sale in proportion to the size of the housing estates in Riga in October 2022



Source: ARCO REAL ESTATE

In October, there were changes in the prices of standard-type apartments in the housing estates of Riga. Negative price fluctuations were observed in all the largest housing estates of Riga. The most significant drop in prices was found in Bolderāja, where they decreased by 4.7 % during the month. The decrease in apartment prices had the least impact on Zolitūde – prices there fell by 0.5 % during the month.

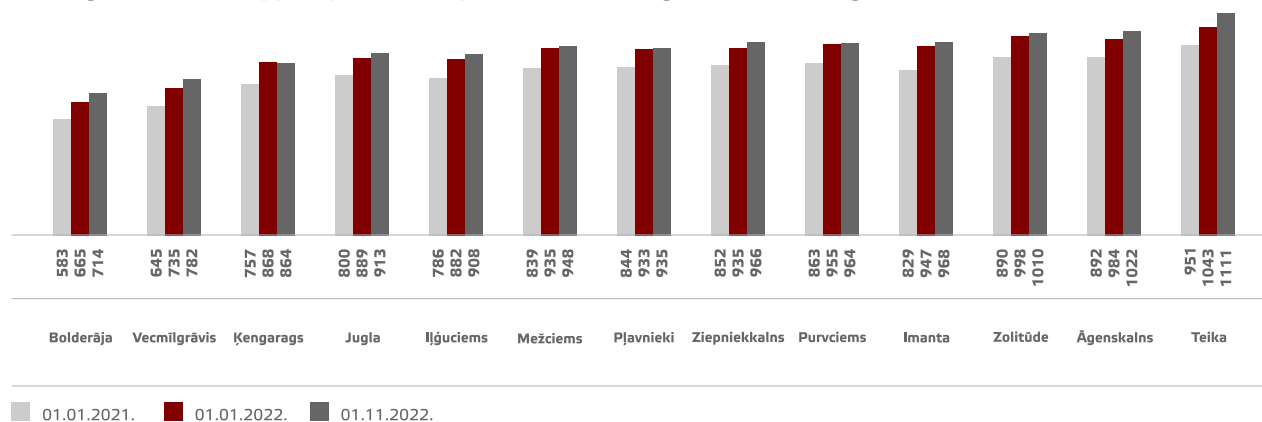
Average price changes of square meter of standard-type apartment in Riga housing estates, %

| Housing Estate | The average value per 1 m ² on 01.11.2020. | The average value per 1 m ² on 01.10.2020. | Changes, % |
|----------------|---|---|------------|
| Jugla | 913 | 935 | -2,3 |
| Plāvnīki | 935 | 953 | -1,9 |
| Purvciešs | 964 | 979 | -1,6 |
| Mežciems | 948 | 969 | -2,1 |
| Teika | 1111 | 1131 | -1,8 |
| Vecmīlgrāvis | 782 | 818 | -4,4 |
| Ķengarags | 864 | 901 | -4,2 |
| Bolderāja | 714 | 749 | -4,7 |
| Ziepniekkalns | 966 | 983 | -1,7 |
| Imanta | 968 | 987 | -1,9 |
| Zolitūde | 1010 | 1015 | -0,5 |
| Āgenskalns | 1022 | 1032 | -0,9 |
| Ilģuciems | 908 | 919 | -1,2 |

Source: ARCO REAL ESTATE

Compared to the beginning of 2021, in October 2022 the prices of standard-type apartments were higher by 15 %. But since the beginning of 2022, prices have risen by 3 %.

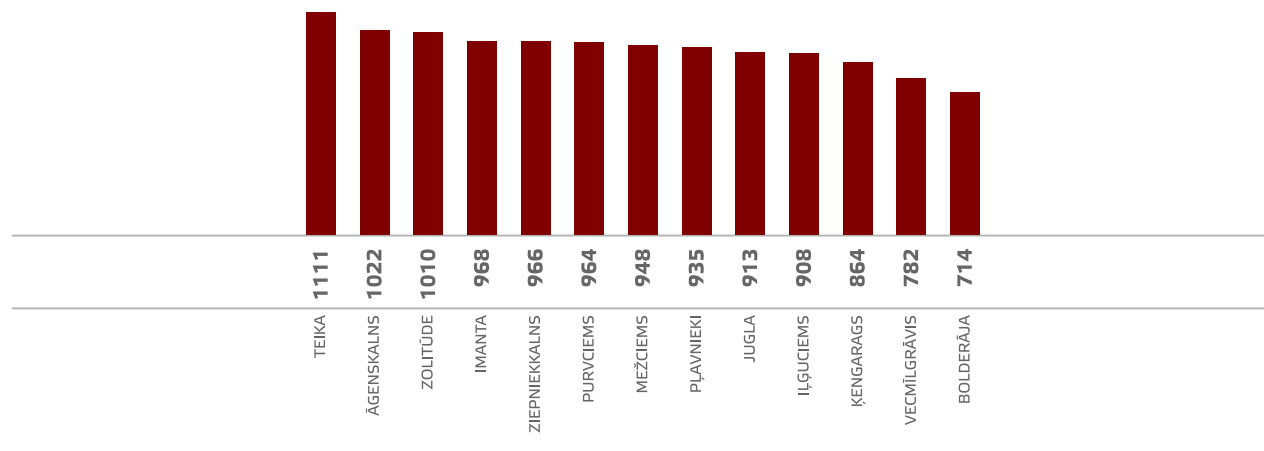
Average standard-type apartment prices in housing estates of Riga, EUR/m²



Source: ARCO REAL ESTATE

The highest prices of standard-type apartments remained in Teika in October, where the average price of one square meter decreased to 1 111 EUR/m². The lowest average price per square meter in October was in Bolderāja – 714 EUR/m², which also decreased during the month.

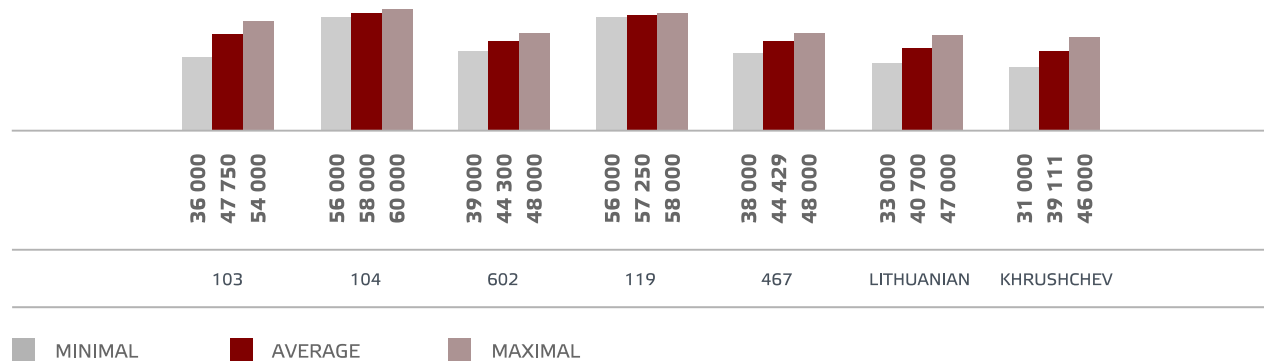
Average standard-type apartment prices in housing estates of Riga on November 1, 2022, EUR/m²



Source: ARCO REAL ESTATE

In October, 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 56 000 to 60 000 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 33 000 to 47 000 EUR, and the so-called Khrushchev-time houses, where the price of a 2-room apartment varied from 31 000 to 46 000 EUR depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in October 2022 (2-room apartments), EUR



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

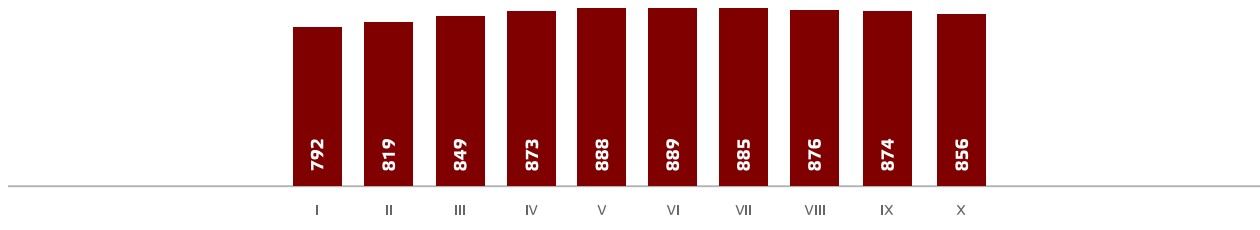
Ogre

In October, standard-type apartment prices in Ogre decreased by 0.4 %, the average price decreasing to 898 EUR/m². In general, apartment prices in Ogre increased by 12 % in 2022.

Kauguri, Jūrmala

In Kauguri, standard-type apartment prices decreased by 2 % in October. The average price per square meter of apartments fell to 874 EUR/m². In 2022, apartment prices in Kauguri increased by a total of 10 %.

Dynamics of the average price of standard-type apartments in Jūrmala, Kauguri, EUR/m²

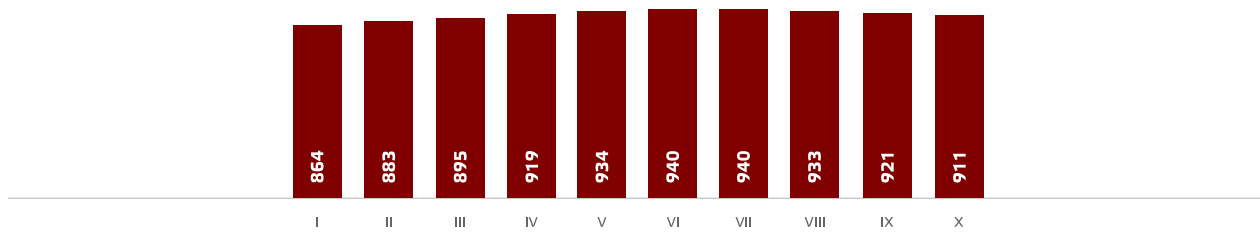


Source: ARCO REAL ESTATE

Salaspils

In October, apartment prices in Salaspils decreased by 1 %, the average price decreasing to 911 EUR/m². In October, standard-type apartment prices in Salaspils were 8 % higher than at the beginning of the year.

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

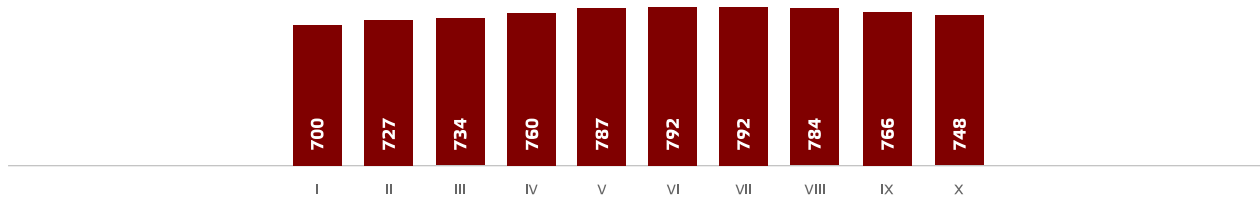


Source: ARCO REAL ESTATE

Jelgava

Apartment prices in Jelgava decreased by 2 %. The average price of standard-type apartments in October was 748 EUR/m². In 2022, the prices of standard-type apartments in Jelgava increased by 10 %.

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



Source: ARCO REAL ESTATE

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