

MARKET OVERVIEW

# Standard-Type Apartments FEBRUARY



RIGA  
2016

ISO 9001

BUREAU VERITAS  
Certification

N° LVRIG86613A

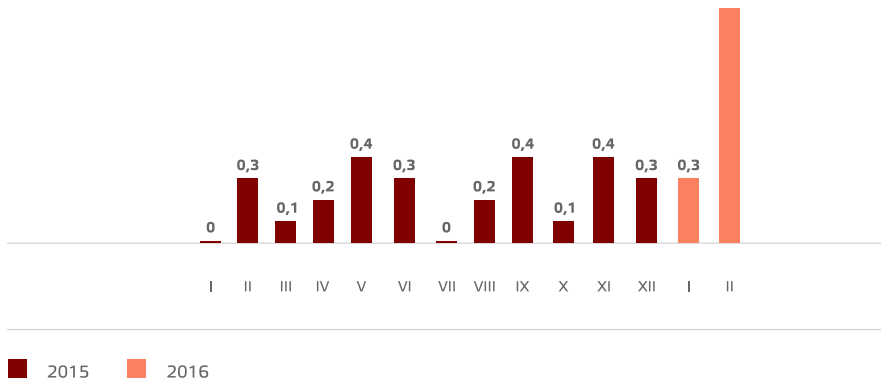


## Standard-Type Apartments, March 1, 2016

In February 2016, the prices of standard-type apartments located in Riga housing estates increased by 1.1 %. The average standard-type apartment price in February increased to 664 EUR/m<sup>2</sup>. Since the beginning of 2016, the standard-type apartment prices have grown by 1.4 %.

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

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



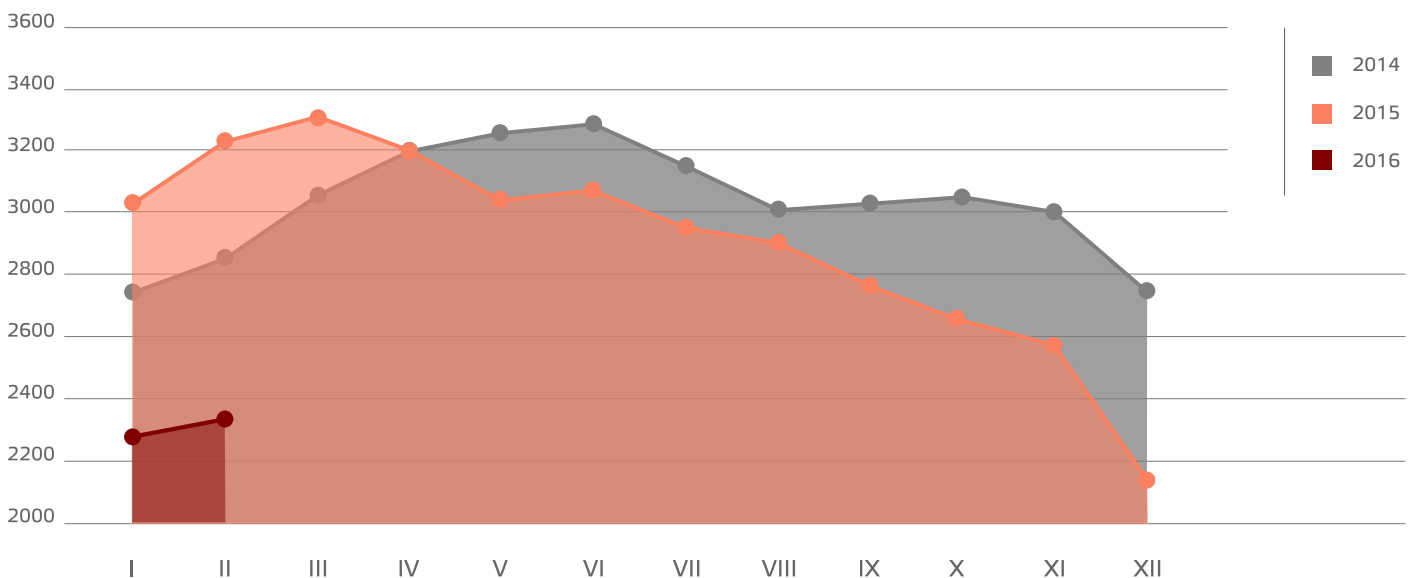
Source: ARCO REAL ESTATE

In the largest housing estates of Riga the apartment prices continued to rise in February 2016. The growth of the average price of standard-type apartments last month was the highest in recent years.

Source: ARCO REAL ESTATE

The relatively small supply of apartments and the current rise in prices created a basis for price hike. In the most expensive housing estates of Riga the prices in February rose by 1.1 - 2.2 %. For example, at Teika, where the highest rise in prices was recorded last month, the average price of apartments reached 828 EUR/m<sup>2</sup>. In cheaper housing estates, the price increase was not so significant, taking into consideration that also the demand was lower.

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



Avots: ARCO REAL ESTATE



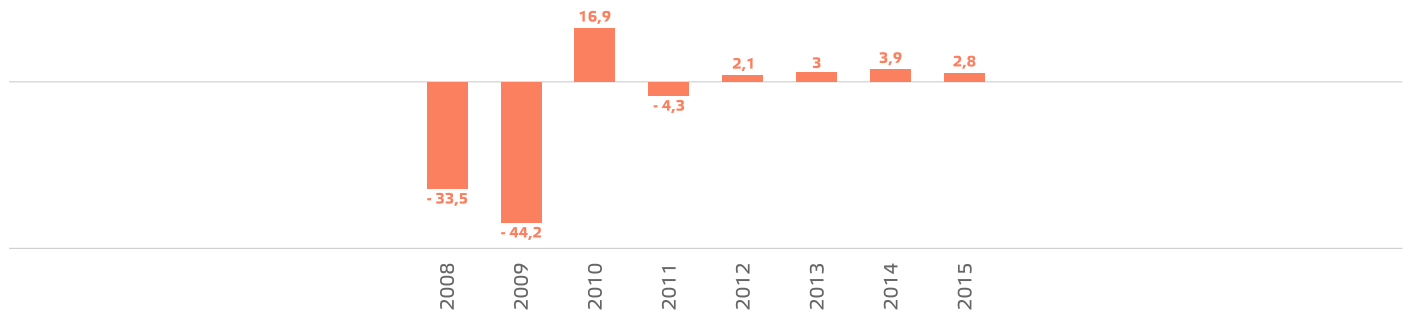
In case of quoting or republishing, consent of ARCO REAL ESTATE is mandatory

The most significant price growth in February was registered for the most demanded apartments – one-room and two-room apartments in all major housing estates of Riga. Although the supply of standard-type apartments in February tended to increase slightly (+ 2 %), it was still at a low level compared to 2014 or 2015. In February 2015, the supply was by almost 30 % higher.

The largest growth of the average one square metre price of an apartment in the housing estates of Riga since the beginning of 2016 was observed in Teika and Ziepniekkalns (+ 5.2 %). Also in other housing estates of Riga the prices tended to increase this year. The slowest apartment price growth since the beginning of the last year was observed in Bolderāja and Vecmīlgrāvis (+ 0.5 %) as well as in Zolitūde and Iļģuciems (+ 0.6 %).

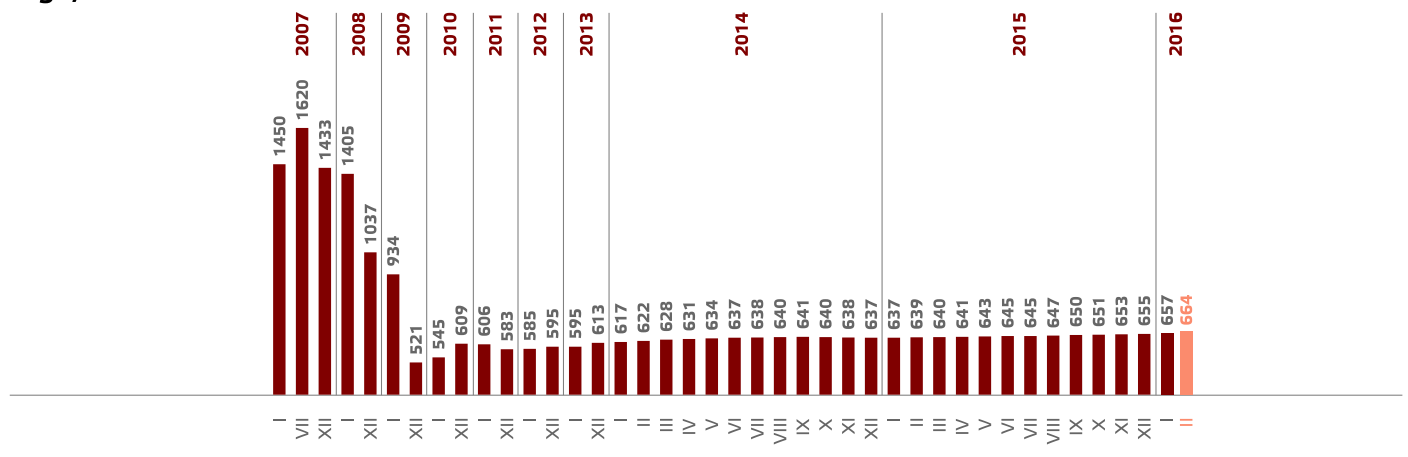
In February 2016, the average price of a standard type apartment increased to 664 EUR/m<sup>2</sup>. The prices in average were by 59 % lower than on July 1, 2007, when average price of a non renovated standard-type apartment had reached the highest ever value - 1 620 EUR/m<sup>2</sup>.

## Changes in standard-type apartment prices, 2008 – 2015



Source: ARCO REAL ESTATE

## Dynamic of average price of standard-type apartments in the largest housing estates of Riga, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

In February 2016, the average price of one square metre of apartment if categorized by number of rooms, increased for one-room apartments (+ 1.4 %), two-room apartments (+ 1.2 %), three-room apartments (+ 0.8 %) and four-room apartments (+ 0.7 %).

## Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m<sup>2</sup>

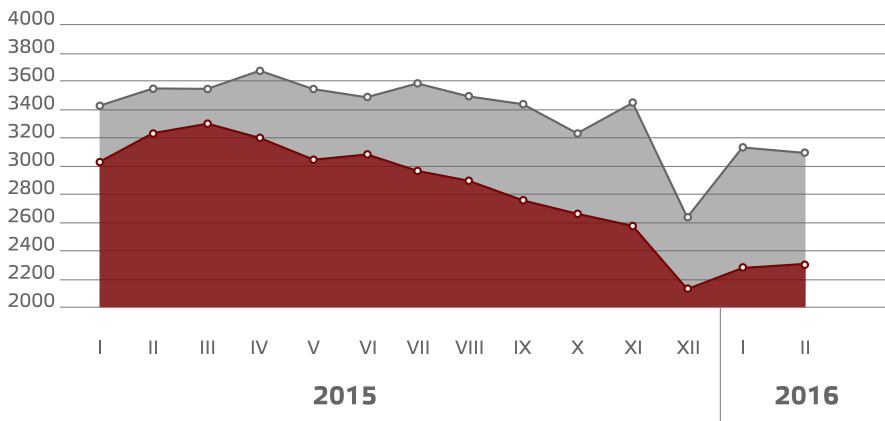
	2014												2015												2016		
<b>1 room</b>	666	671	681	689	692	697	701	699	703	704	702	702	703	698	700	702	703	708	708	710	712	718	718	722	722	728	738
<b>2 rooms</b>	625	628	631	638	641	645	649	650	652	654	651	647	644	644	645	647	650	652	656	656	659	663	664	667	667	673	681
<b>3 rooms</b>	588	592	596	600	602	604	609	610	611	612	613	611	607	609	612	614	615	616	617	618	619	621	621	622	622	626	631
<b>4 rooms</b>	573	577	581	586	588	590	592	594	594	592	594	595	593	596	597	596	597	598	598	596	596	598	599	602	602	603	607
	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 2016, the supply of apartments in Riga remained broadly unchanged. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE increased only by 2 %. Compared to February 2015, the apartment supply was significantly lower this year: the total number of apartments offered for sale was by 20.1 % lower, but the decrease of number of apartments offered for sale in the largest housing estates was even bigger - by 28.2 %.



## Apartment supply movements in Riga, 2015 - 2016



- 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 for sale in the largest housing estates of Riga, it can be concluded that the largest offer of apartments in February was in Purvciems, Pļavnieki and Āgenskalns. But the lowest apartment supply was observed in Bolderāja and Vecmīlgrāvis.

Number of apartments offered for sale in the largest housing estates of Riga largely increased in February. In February, the most significant growth of supply of apartments was seen in Zolitūde (+ 14.4 %) but the most significant decrease in supply of apartments was seen in Teika - by 11.9 %.

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

In February 2016, the standard-apartment prices grew in most of the housing estates of Riga. The largest apartment price increase was seen in Teika, where the prices grew by 2.2%. At the same time, no price changes were seen in Bolderāja, where the lowest apartment prices were recorded.

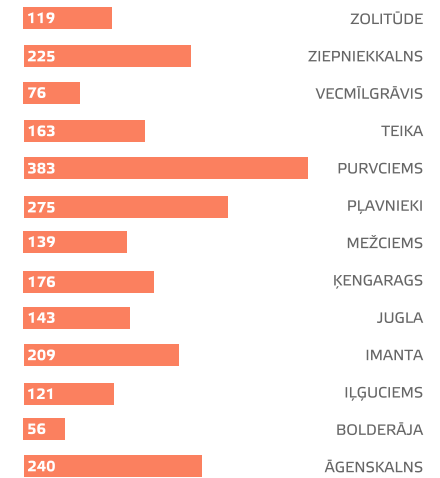
## Changes in average standard-type apartment prices in Riga housing estates, %

	The average value per 1 m <sup>2</sup> on 01.03.2016.	The average value per 1 m <sup>2</sup> on 01.02.2016.	Changes, %
Jugla	<b>677</b>	664	1,9 ↑
Pļavnieki	<b>697</b>	690	1,1 ↑
Purvciems	<b>723</b>	712	1,5 ↑
Mežciems	<b>689</b>	678	1,5 ↑
Teika	<b>828</b>	810	2,2 ↑
Vecmīlgrāvis	<b>539</b>	537	0,3 ↑
Ķengarags	<b>620</b>	617	0,4 ↑
Bolderāja	<b>469</b>	469	0 →
Ziepniekkalns	<b>689</b>	677	1,8 ↑
Imanta	<b>704</b>	692	1,8 ↑
Zolitūde	<b>718</b>	714	0,6 ↑
Āgenskalns	<b>713</b>	711	0,2 ↑
Ilģuciems	<b>637</b>	633	0,6 ↑

Source: ARCO REAL ESTATE

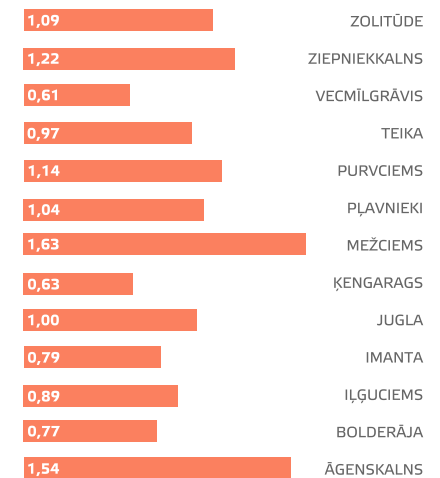


## Number of apartments offered for sale in Riga in February 2016



Source: ARCO REAL ESTATE

## Apartments offered for sale in proportion to the size of the housing estates in Riga in February 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 case of quoting or republishing, consent of ARCO REAL ESTATE is mandatory

In February 2016, the standard-type apartment prices were by 8.4 % higher than the prices observed in the beginning of 2014. But compared to the beginning of 2015, the prices have grown by 4.3 %. During 2016, the prices have increased by 1.4 %.

## Average standard-type apartment prices in housing estates of Riga, EUR/m<sup>2</sup>

	01.01.2012.	01.01.2013.	01.01.2014.	01.01.2015.	01.03.2016.
Bolderāja	477	473	450	454	<b>469</b>
Vecmīlgrāvis	508	514	524	531	<b>539</b>
Ķengarags	510	518	543	594	<b>620</b>
Iļģuciems	566	570	586	609	<b>637</b>
Ziepniekkalns	602	613	626	643	<b>677</b>
Jugla	556	583	610	639	<b>689</b>
Pļavnieki	603	622	651	664	<b>689</b>
Imanta	592	605	633	676	<b>697</b>
Mežciems	612	624	637	662	<b>704</b>
Purvciems	615	633	662	682	<b>713</b>
Āgenskalns	606	623	644	677	<b>718</b>
Zolitūde	640	644	663	697	<b>723</b>
Teika	728	757	787	798	<b>828</b>

## Average standard-type apartment prices in housing estates of Riga as per March 1, 2016, EUR/m<sup>2</sup>



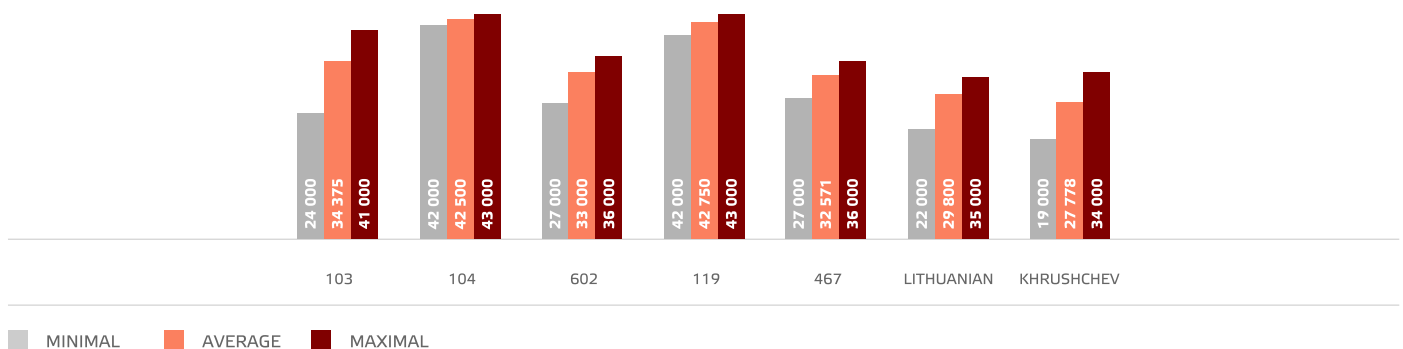
Source: ARCO REAL ESTATE

Source: ARCO REAL ESTATE

The highest standard-type apartment prices in February 2016 still were in Teika, where the average price of one square metre increased to 828 EUR/m<sup>2</sup>. But the lowest average price of one square metre remained in Bolderāja - 469 EUR/m<sup>2</sup>.

In February 2016, the most expensive apartments still were apartments in the houses of the 119<sup>th</sup> series and 104<sup>th</sup> series, where the price of 2-room apartments in satisfactory condition varied from 42 000 to 43 000 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 22 000 to 35 000 EUR, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 19 000 to 34 000 EUR, depending on the housing estate.

## Standard-type apartment prices by series in Riga housing estates in February 2016 (2-room apartments), EUR



Source: ARCO REAL ESTATE

## Apartment market in the vicinity of Riga

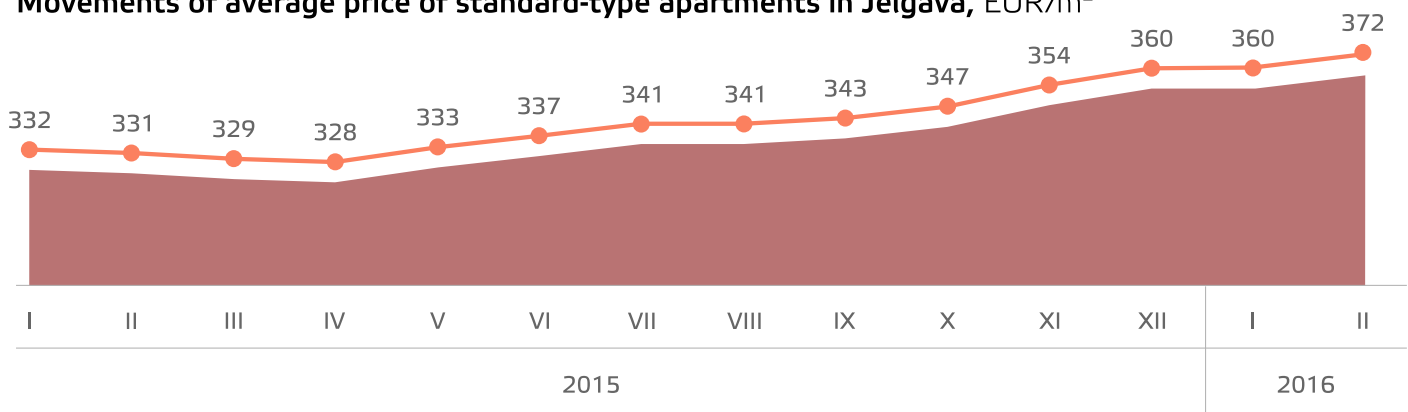
**Ogre.** In February 2016, the standard-type apartment prices in Ogre remained unchanged. The average price remained to be 445 EUR/m<sup>2</sup>. In 2015, the prices grew by 4.5 % in total. In 2016, apartment prices in Ogre are to be considered stable and within two months of this year have increased only by 0.4 %.

**Kauguri, Jūrmala.** In February 2016, the standard-type apartment prices in Kauguri increased by 1.8 %. The average price of one square metre of apartment grew up to 426 EUR/m<sup>2</sup>. In the second half of 2015, the price changes in Kauguri were minimal: in February the activity of housing market increased, and there have been positive price fluctuations. In Kauguri which is a district of Jūrmala, the prices increased by 5,6 % in 2015.

**Salaspils.** In February 2016, the standard-type apartment prices in Salaspils remained unchanged. The average price of a standard-type apartment remained to be 474 EUR/m<sup>2</sup>. Since the beginning of 2015, the average price of a standard-type apartment in Salaspils has grown by 0.7 %. Apartment prices in Salaspils were affected by changes in prices of apartments in Riga, however, it may be concluded that in Riga the standard-type apartment prices grew faster last year and are continuing to grow.

**Jelgava.** Apartment prices started to grow again in Jelgava in February 2016. The average price of a standard-type apartment increased in February to 372 EUR/m<sup>2</sup>. Since December 2014, the standard-type apartment price in Jelgava has increased by 7.1 %. In February 2016, the apartment prices in Jelgava increased by 3.3 %, and this is the highest increase in prices per month which has been recently registered.

### Movements of average price of standard-type apartments in Jelgava, EUR/m<sup>2</sup>



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.

**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

Follow us:

