

MARKET OVERVIEW

Standard-Type Apartments FEBRUARY



RIGA
2017

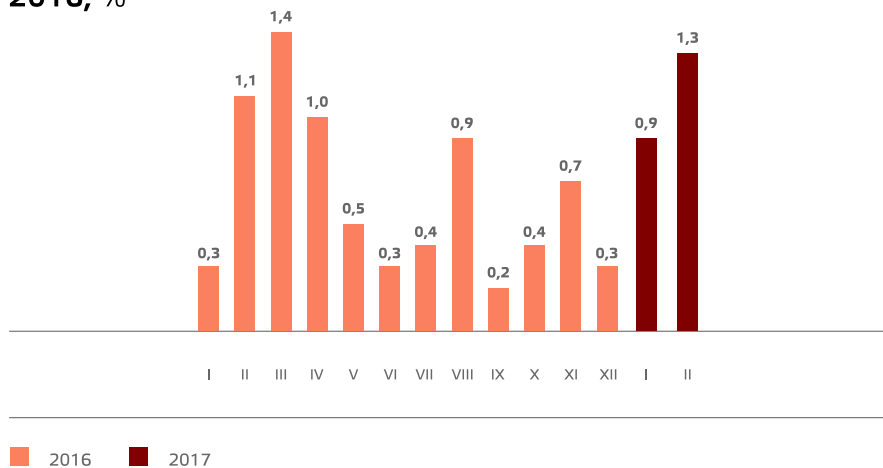


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, March 1, 2017

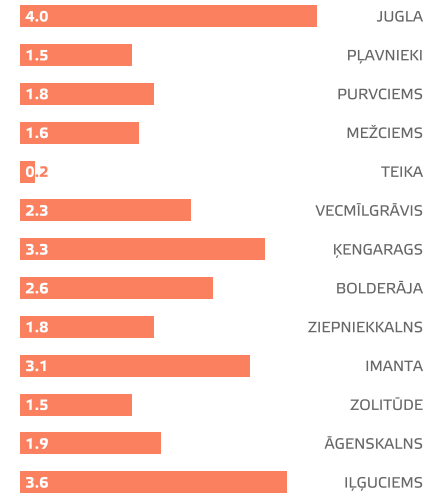
In February 2017, the prices of standard-type apartments located in Riga housing estates increased by 1.3 %. The average standard-type apartment price in February increased to 720 EUR/m². Since the beginning of 2017, the standard-type apartment prices have grown by 2.2 % in total.

Standard-type apartment price changes since beginning of 2016, %



Source: ARCO REAL ESTATE

Price changes in the largest housing estates of Riga since January 1, 2017, %



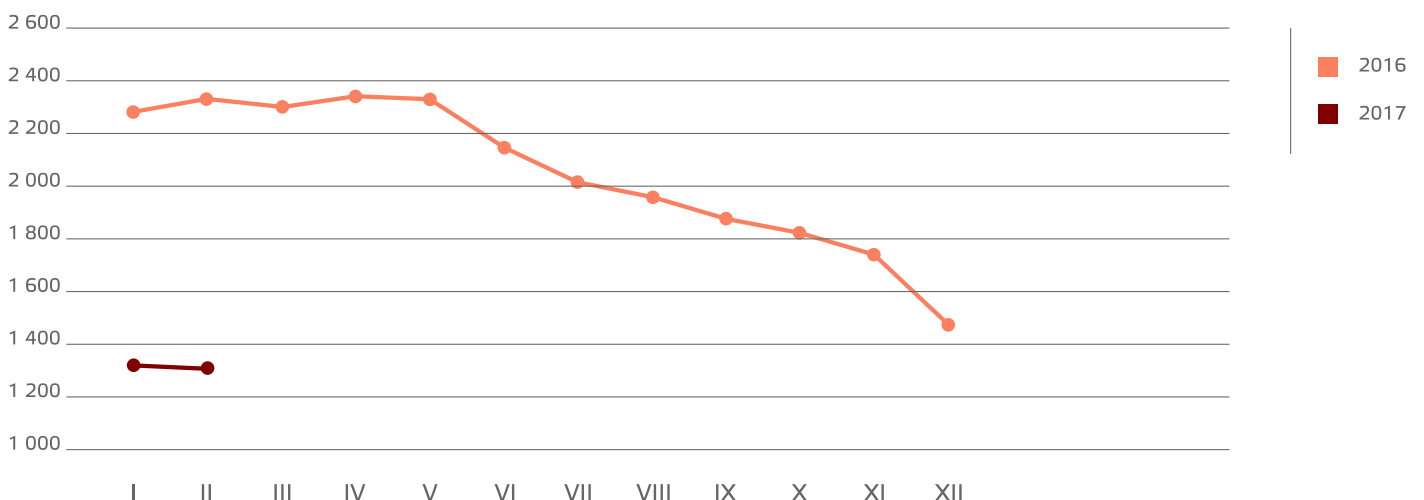
Source: ARCO REAL ESTATE

Apartment prices in Riga housing estates in February continued to grow, but the growth rate in the first months of the year was a bit higher than during the last year. At the beginning of the year a bigger price growth was observed in lower price housing estates, but in locations with more expensive apartments, the price growth was lower. An exception was Imanta where apartment prices were comparatively high, and in this housing estate they are still determinedly growing, namely, during this year, the prices have increased by more than 3 %. In Imanta, the apartment prices have grown to the price level of Āgenskalns, which has always been comparatively high.

The biggest price growth has been registered for one-room apartment prices: average price of a non-renovated one-room apartment reached the position of 800 EUR/m². Supply of apartments in the beginning of the year was low, but taking into consideration the tendency observed during the previous years, it is expected that the supply will rise gradually during the coming months. In contrast to the previous years, in February 2017, the number of apartments in the largest housing estates of Riga slightly decreased.

The largest growth of the average one square meter price of an apartment in the housing estates of Riga since the beginning of 2017 was observed in Jugla, one of the most popular, but not very expensive housing estates (+ 4 %). Also in other biggest housing estates of Riga the prices have increased this year. The slowest apartment price growth since the beginning of the year was observed in Teika (+ 0.2 %).

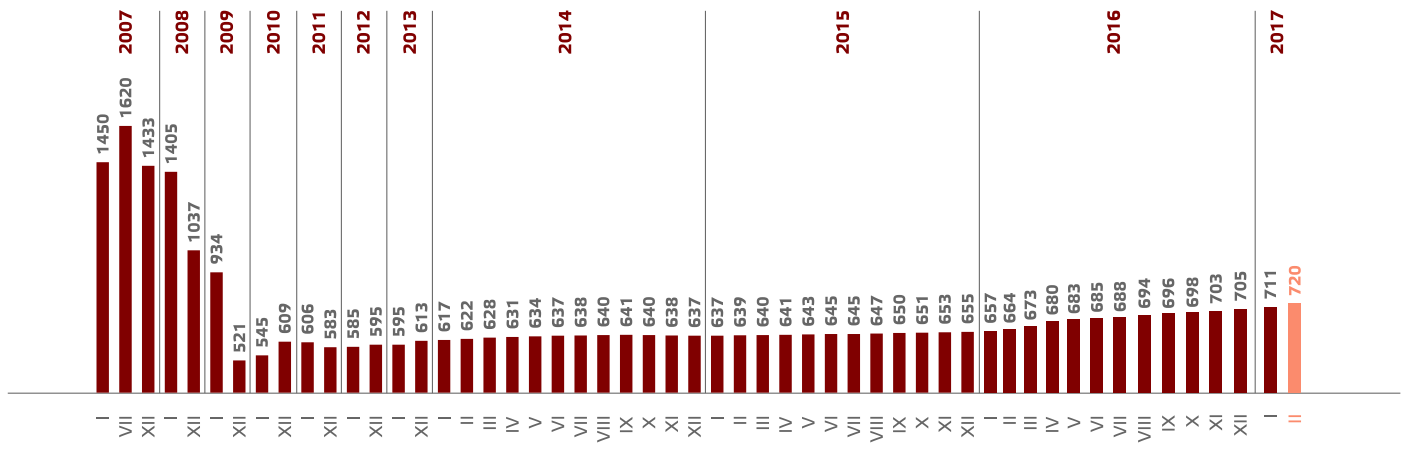
Dynamics of apartment supply in the largest housing estates of Riga, 2016 - 2017



Source: ARCO REAL ESTATE

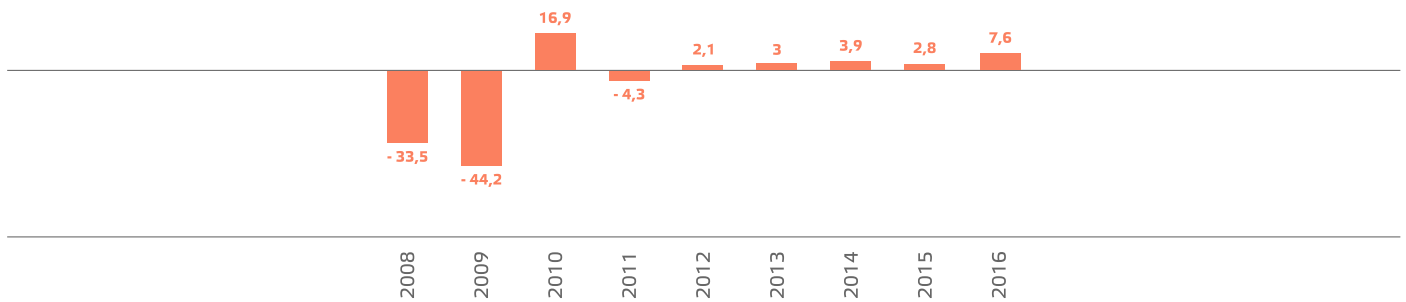
In February 2017, the average price of a standard-type apartment increased to the position of 720 EUR/m². The prices on average were by 55.5 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value – 1 620 EUR/m².

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, 2008 - 2016, %



Source: ARCO REAL ESTATE

In February 2017, the prices rated by number of rooms in apartment, increased for 1 – 4-room apartments. The average price of one square metre of a standard-type apartment increased as follows: for one-room apartments (+ 1.4 %), two-room apartments (+ 1.2 %), three-room apartments (+ 1.3 %) and four-room apartments (+ 1.2 %).

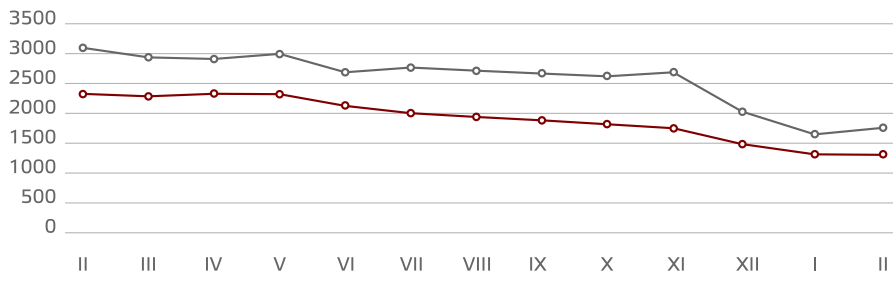
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2015												2016												2017		
1 ROOM	703	698	700	702	703	708	708	710	712	718	718	722	722	728	738	744	752	754	755	757	765	768	771	775	779	784	795
2 ROOMS	644	644	645	647	650	652	656	656	659	663	664	667	667	673	681	693	699	702	704	706	711	712	715	721	723	731	740
3 ROOMS	607	609	612	614	615	616	617	618	619	621	621	622	622	626	631	641	647	651	653	656	661	662	666	667	668	674	683
4 ROOMS	593	596	597	596	597	598	598	596	596	598	599	602	602	603	607	614	620	626	630	632	641	641	642	649	649	655	663
	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 2017, the total supply of apartments in Riga compared to the previous month slightly increased, i. e., by 3.4 %. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE has decreased for the tenth month in a row: in February it was found that the supply had decreased by more 0.8 %. Compared to February 2016, the apartment supply was still significantly lower: the total number of apartments offered for sale was by 44.9 % lower, but the number of apartments offered for sale in the largest housing estates was by 43.2 % lower.

Dynamics of supply of apartments in Riga, 2016 - 2017



■ 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 February was in Purvciems, Pļavnieki, Ķengarags, Imanta and Āgenskalns, but the lowest apartment supply was in Bolderāja.

During the last month, the number of apartments offered for sale increased in most of Riga housing estates. The most significant increase of supply of apartments in February was seen in Vecmīlgrāvis (+ 20 %), but the most significant decrease in Zolitūde (- 14 %).

Having analyzed 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 February. By contrast, the number of apartments offered for sale was proportionally lowest in Bolderāja.

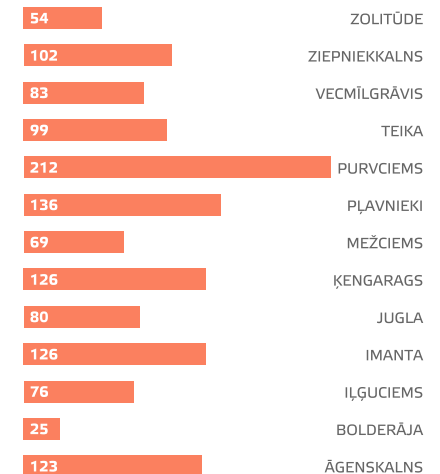
In February 2017, a growth in standard-type apartment prices was observed in most of the largest Riga housing estates: the prices increased by 0.2 – 2 %. The biggest price increase was registered in Bolderāja where apartment prices rose by 2 % during the month. But the smallest changes were observed in Teika, where they increased only by 0.2 %.

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

	The average value per 1 m ² on 01.03.2017.	The average value per 1 m ² on 01.02.2017.	Changes, %
Jugla	735	724	1.5 ↑
Pļavnieki	758	756	0.4 ↑
Purvciems	773	766	0.8 ↑
Mežciems	748	738	1.4 ↑
Teika	866	864	0.2 ↑
Vecmīlgrāvis	574	568	1.0 ↑
Ķengarags	676	663	1.9 ↑
Bolderāja	499	489	2.0 ↑
Ziepniekkalns	750	738	1.6 ↑
Imanta	780	767	1.8 ↑
Zolitūde	786	774	1.5 ↑
Āgenskalns	780	772	1.0 ↑
Iļģuciems	696	683	2.0 ↑

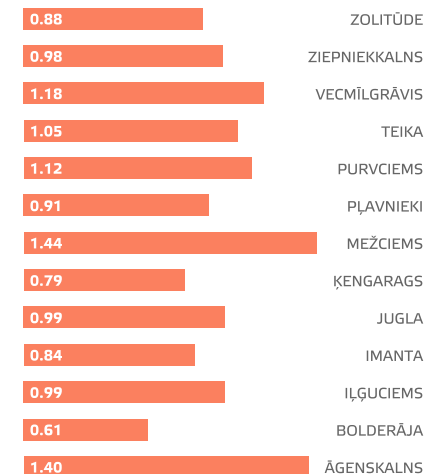
Source: ARCO REAL ESTATE

Number of apartments offered for sale in Riga in February 2017



Source: ARCO REAL ESTATE

Number of apartments offered for sale in proportion to the size of the housing estates in Riga in February 2017



* 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

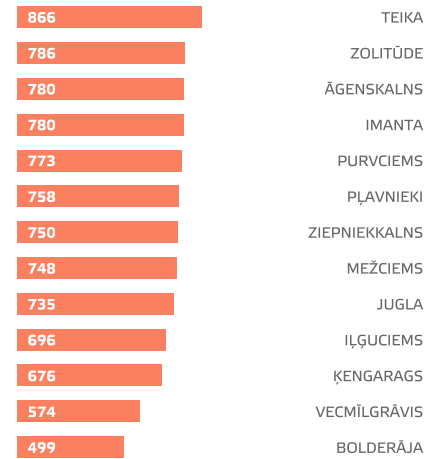
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In February 2017, the standard-type apartment prices in comparison with 2015 were by 13.1 % higher. But compared to the beginning of 2016, the prices have grown by 10 %. During 2016, the prices increased by 7.6 % but this year – by 2.2 %.

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

	01.01.2014.	01.01.2015.	01.01.2016.	01.01.2017.	01.02.2017.
Bolderāja	450	454	467	486	499
Vecmīlgrāvis	524	531	536	561	574
Ķengarags	543	594	615	654	676
Iļģuciems	586	609	633	672	696
Jugla	610	639	664	707	735
Mežciems	637	662	677	736	748
Ziepniekkalns	626	643	671	736	750
Pļavnieki	651	664	685	747	758
Purvciems	662	682	707	759	773
Imanta	633	676	688	757	780
Āgenskalns	644	677	705	765	780
Zolitūde	663	697	714	774	786
Teika	787	798	806	864	866

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



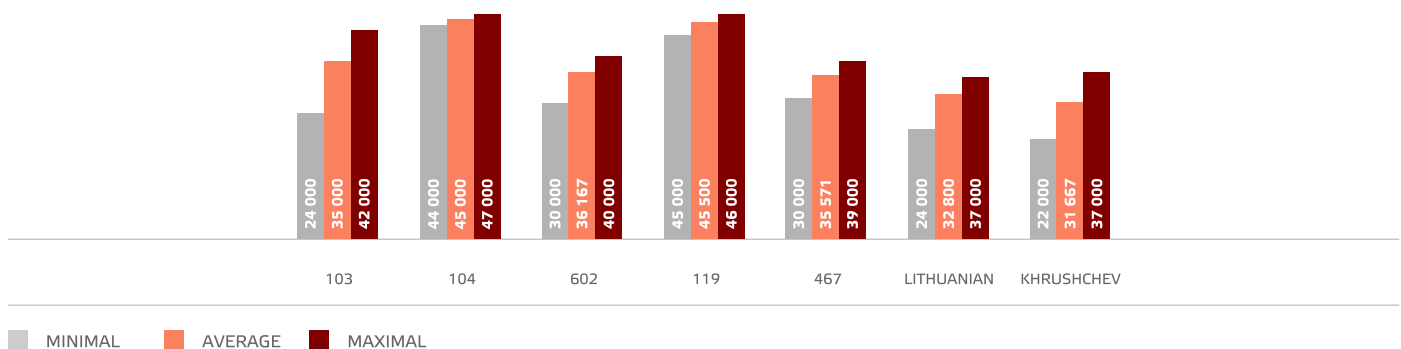
Source: ARCO REAL ESTATE

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The highest standard-type apartment prices in February 2017 still were in Teika, where the average price of one square meter was 866 EUR/m². The lowest average price of one square meter in February remained to be in Bolderāja where it has increased to the position of 499 EUR/m².

In February 2017, 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 44 000 to 47 000 EUR depending on the location. In turn, the cheapest ones have been the so-called Lithuanian design houses, where the price of 2-room apartments varied from 24 000 to 37 000 EUR depending on the housing estate, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 22 000 to 37 000 EUR depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in February 2017 (2-room apartments), EUR



Source: ARCO REAL ESTATE

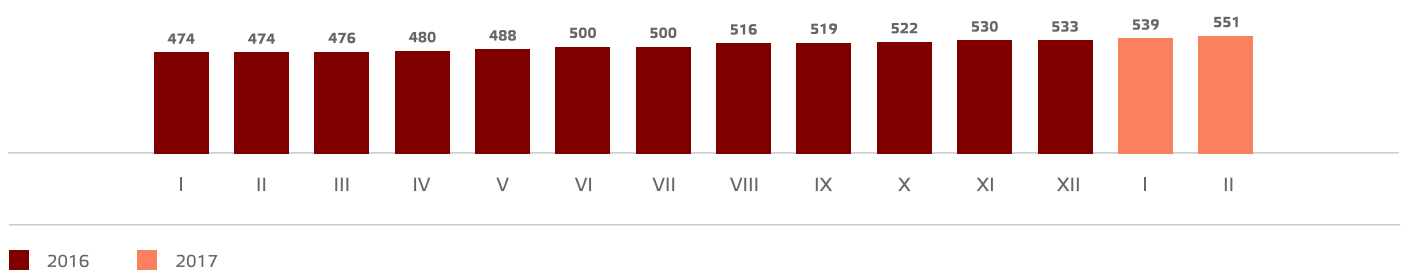
Apartment market in the vicinity of Riga

Ogre. In February 2017, the standard-type apartment prices in Ogre increased by 2.4 %. The average price of one square meter of apartment grew up to 496 EUR/m². In 2017, the apartment prices have increased already by 3.6 %. In February, the prices rose for 1 – 3-room apartments. A relatively low apartment supply has been observed in Ogre, and this can be considered as one of the main reasons of the price increase.

Kauguri, Jūrmala. In February 2017, the standard-type apartment prices in Kauguri increased by 1.6 %. The average price of one square meter of apartment grew up to 482 EUR/m². Since the beginning of 2017, the prices in Kauguri have increased by 2.7 %. Apartment prices in January and February, similarly as in Riga housing estates and other places nearby Riga, continued to increase.

Salaspils. In February 2017, the standard-type apartment prices in Salaspils grew by 2.4 %. The average price of a standard-type apartment has increased to 551 EUR/m². Since the beginning of 2017, the average price of a standard-type apartment in Salaspils has grown by 3.4 %. Prices, like in the housing estates of Riga, continue to rise.

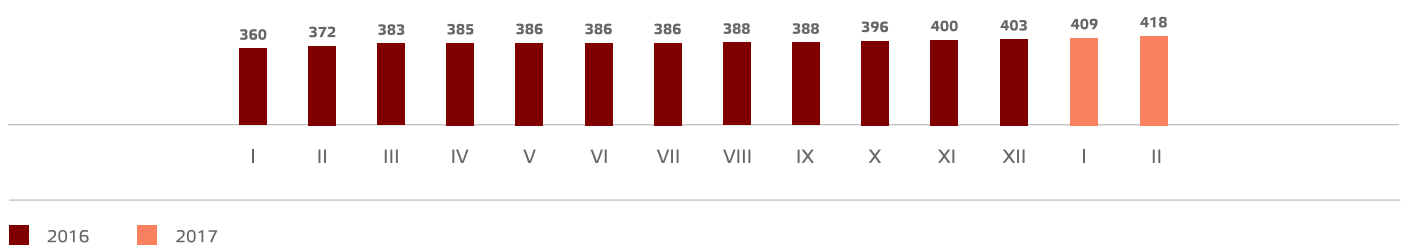
Dynamics of average price of standard-type apartments in Salaspils, EUR/m²



Source: ARCO REAL ESTATE

Jelgava. In February 2017, apartment prices in Jelgava continued to grow: during the month the prices increased by 2.2 %. The average price of standard-type apartment in February grew up to 418 EUR/m². Since the beginning of 2017, the prices have increased by 3.7 % in Jelgava.

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 Rīga, 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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