

MARKET OVERVIEW

Standard-Type Apartments APRIL



RIGA
2016

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Certification

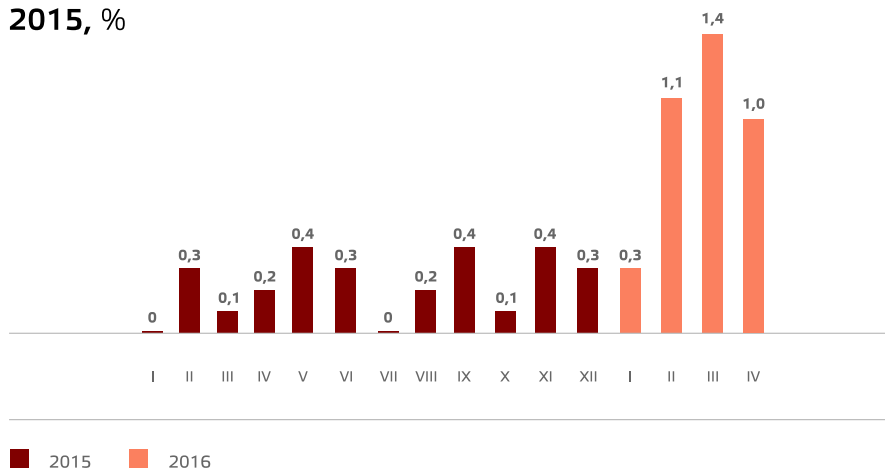


N° LVRIG86613A

Standard-Type Apartments, May 1, 2016

In April 2016, the prices of standard-type apartments located in Riga housing estates increased by 1 %. The average standard-type apartment price in April increased to 680 EUR/m². Since the beginning of 2016, the standard-type apartment prices have grown by 3.8 %.

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



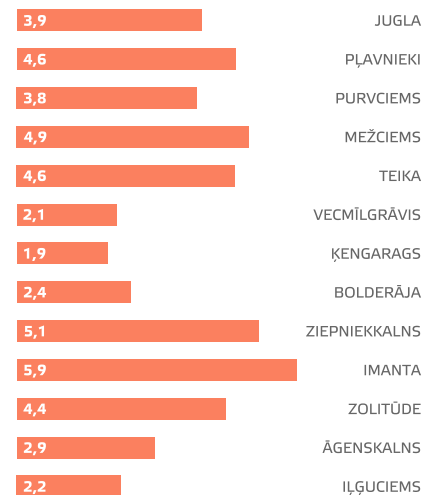
Source: ARCO REAL ESTATE

In the largest housing estates of Riga the apartment prices continued to rise in April 2016. The price growth in this year has already in total exceeded the growth of year 2015 (+ 2.8 %), and most probably will exceed also the growth of 2014 (+ 3.9 %).

Thus it is expected, that this year the growth of the average price of standard-type apartments will be the highest in five recent years. For example, the biggest apartment price growth this year was established in Imanta (+ 5.9 %) and the prices of standard-type apartments in this community exceeded apartment prices in Āgenskalns. Prices continue to grow in the most expensive Riga housing estates - Teika - where non-renovated apartment average price approached 850 EUR/m².

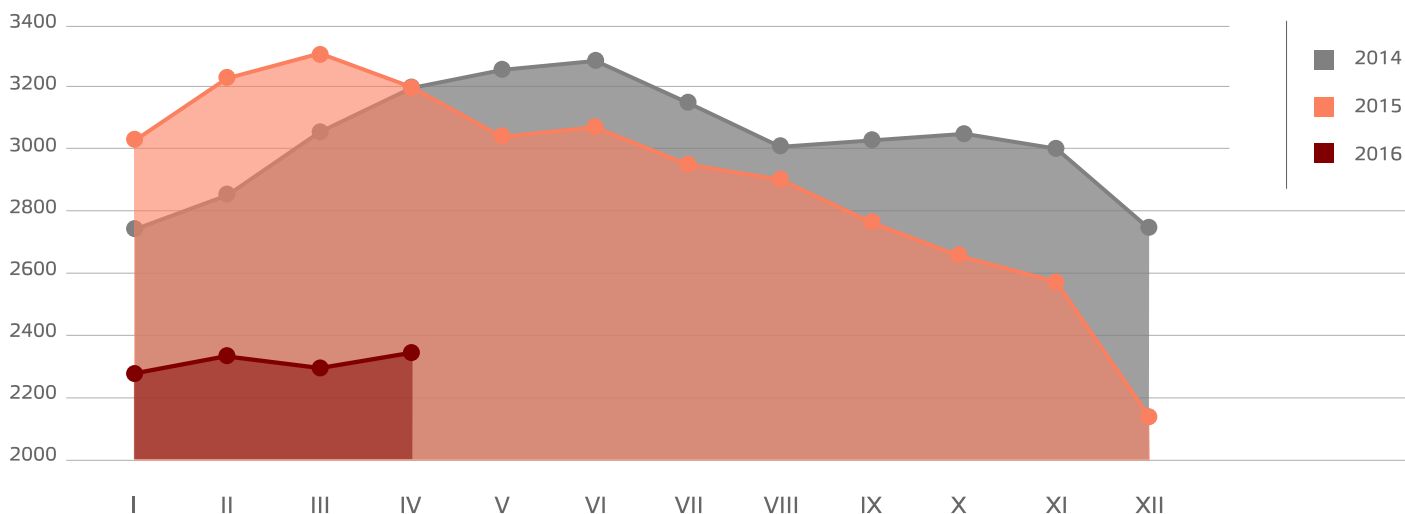
The apartment supply level in comparison with previous years remains low – it has no tendency to rise, but instead to stabilize at the current levels. The relatively low supply level has created the basis of the housing price growth.

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



Source: ARCO REAL ESTATE

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



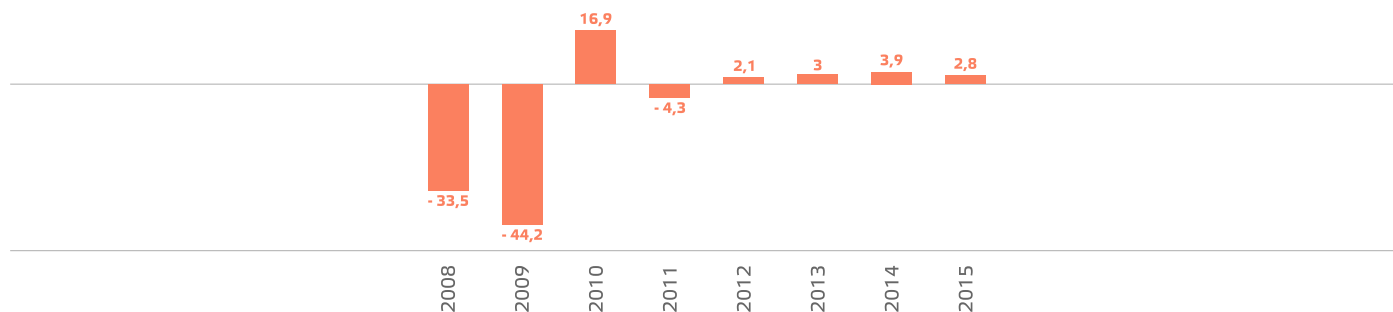
Source: ARCO REAL ESTATE



The largest growth of the average one square meter price of an apartment in the housing estates of Riga since the beginning of 2016 was observed in Imanta (+ 5.9 %). Also in other biggest housing estates of Riga the prices tended to increase this year. The slowest apartment price growth since the beginning of the year was observed in Ķengarags (+ 1.9 %).

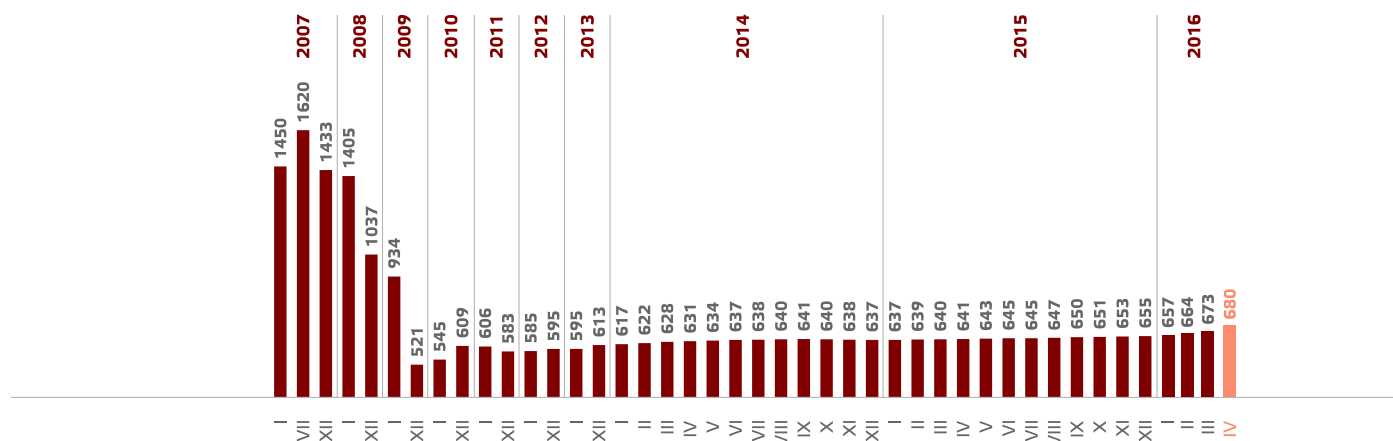
In April 2016, the average price of a standard-type apartment increased to position of 680 EUR/m². The prices on average are by 58 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value - 1 620 EUR/m².

Standard-type apartment price changes, 2008 - 2015



Source: ARCO REAL ESTATE

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



Source: ARCO REAL ESTATE

In April 2016, the prices rated by number of rooms in apartment grow comparatively steady. The average price of one square meter of apartment if categorized by number of rooms, increased for one-room apartments (+ 1.1 %), two-room apartments (+ 0.9 %), three-room apartments (+ 0.9 %) and four-room apartments (+ 1 %).

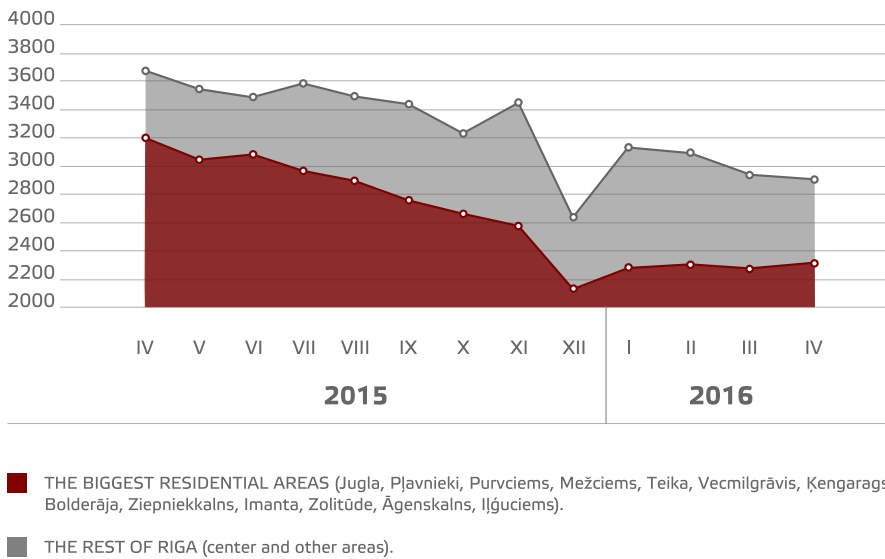
Average prices of standard-type apartments in Riga housing estates (breakdown by number of rooms), EUR/m²

	2014												2015												2016				
1 room	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	744	752	
2 rooms	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	693	699	
3 rooms	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	641	647	
4 rooms	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	614	620	
	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.	01.04.	01.05.	

Source: ARCO REAL ESTATE

In April 2016, the supply of apartments compared to the previous month, in Riga remained unchanged. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE increased by 1.7 %. Compared to April 2015, the apartment supply was significantly lower: the total number of apartments offered for sale in April was by 23.5 % lower, but the number of apartments offered for sale in the largest housing estates was by 27 % lower.

Apartment supply movements in Riga, 2015 - 2016



Source: ARCO REAL ESTATE

Having summarized the number of apartments offered in the housing estates of Riga, it can be concluded that the largest offer of apartments in April was in Purvciems, Pļavnieki and Āgenskalns. But the lowest apartment supply was in Bolderāja and Vecmīlgrāvis.

Number of apartments offered for sale in the largest housing estates of Riga both increased and decreased. In April, the most significant increase of supply of apartments was seen in Mežciems (+ 27.5 %). But the most significant growth of supply of apartments was seen in Iļģuciems (+ 9.9 %).

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 April 2016, the standard-apartment prices grew almost in all of the largest housing estates of Riga. The largest apartment price increase was seen in Imanta, where the prices grew by 2 %. Only in Ķengarags during the last month the prices remained stable, changes were not observed.

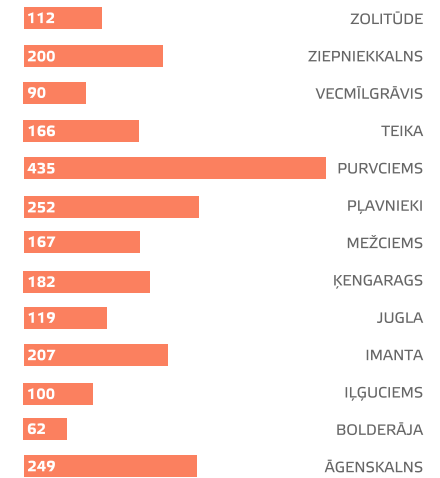
Changes in average standard-type apartment prices in Riga housing estates, %

	The average value per 1 m ² on 01.05.2016.	The average value per 1 m ² on 01.04.2016.	Changes, %
Jugla	690	648	0,9 ↑
Pļavnieki	717	709	1,1 ↑
Purvciems	734	731	0,5 ↑
Mežciems	710	704	0,9 ↑
Teika	843	835	1 ↑
Vecmīlgrāvis	548	546	0,3 ↑
Ķengarags	627	627	0 ➡
Bolderāja	478	476	0,4 ↑
Ziepniekkalns	705	698	1 ↑
Imanta	729	714	2 ↑
Zolitūde	745	732	1,8 ↑
Āgenskalns	725	723	0,4 ↑
Iļģuciems	647	638	1,4 ↑

Source: ARCO REAL ESTATE

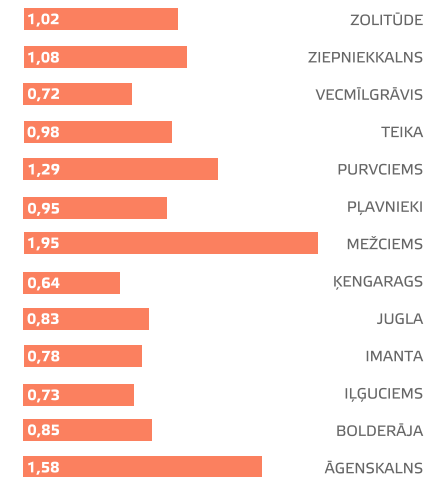


Number of apartments offered for sale in Riga in April 2016



Source: ARCO REAL ESTATE

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

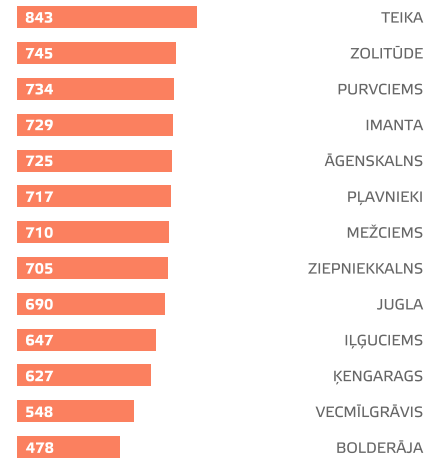
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In April 2016, the standard-type apartment prices were by 10.9 % higher than the prices recorded in the beginning of 2014. But compared to the beginning of 2015, the prices have grown by 6.7 %. During 2016, the prices have increased by 3.8 %.

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

	01.01.2013.	01.01.2014.	01.01.2015.	01.01.2016.	01.05.2016.
Bolderāja	473	450	454	467	478
Vecmīlgrāvis	514	524	531	536	548
Ķengarags	518	543	594	615	627
Iļģuciems	570	586	609	633	647
Ziepniekkalns	613	626	643	664	690
Jugla	583	610	639	671	705
Pļavnieki	622	651	664	677	710
Imanta	605	633	676	685	717
Mežciems	624	637	662	705	725
Purvciems	633	662	682	688	729
Āgenskalns	623	644	677	707	734
Zolitūde	644	663	697	714	745
Teika	757	787	798	806	843

Average standard-type apartment prices in housing estates of Riga as per May 1, 2016



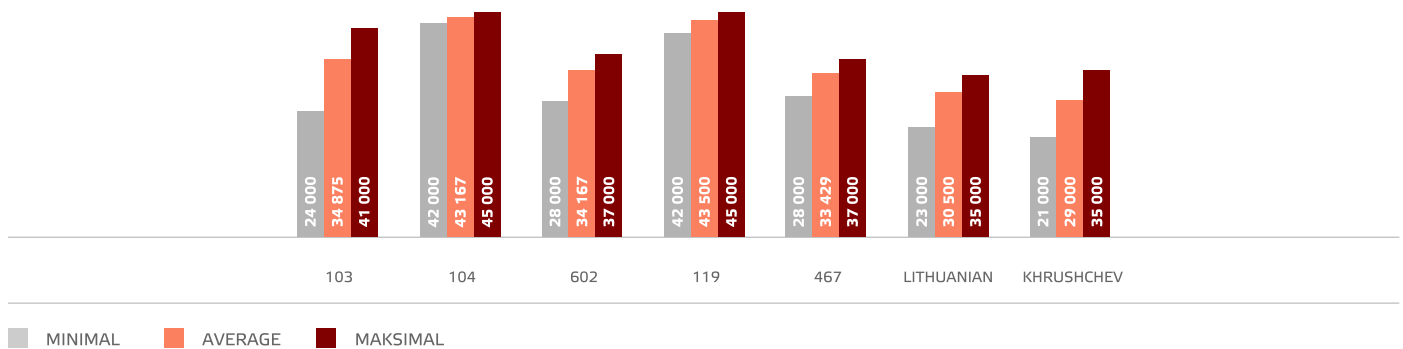
Source: ARCO REAL ESTATE

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The highest standard-type apartment prices in April 2016 still were in Teika, where the average price of one square meter increased to 843 EUR/m². But the lowest average price of one square meter remained in Bolderāja where it grew to 478 EUR/m².

In April 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 42 000 to 45 000 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 April 2016 (2-room apartments), EUR



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

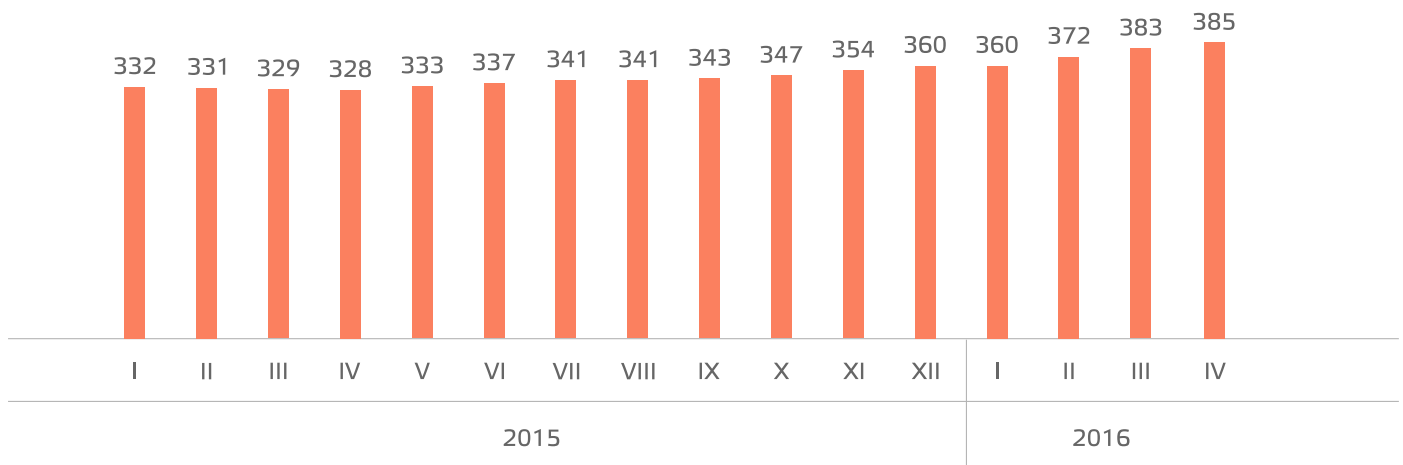
Ogre. In April 2016, the standard-type apartment prices in Ogre increased by 2.4 %, the average price reached 465 EUR/m². In 2015, the prices grew by 4.5 % in total. In 2016, apartment prices in Ogre continued to grow and since the beginning of the year have grown by 4.9 %.

Kauguri, Jūrmala. In April 2016, the standard-type apartment prices in Kauguri increased by 2.2 %. The average price of one square meter of apartment grew up to 439 EUR/m². Price rise has been recorded in Kauguri for the third consecutive month, besides in April, the price growth was more essential than before. In 2016, the apartment prices in overall have grown by 5 %.

Salaspils. In April 2016, the standard-type apartment prices in Salaspils grew by 0.9 %. The average price of a standard-type apartment has increased slightly achieving the position of 480 EUR/m². Since the beginning of 2016, the average price of a standard-type apartment in Salaspils has grown by 1.9 %. In the first quarter of this year the apartment prices in Salaspils were considered as stable and no significant changes were observed.

Jelgava. Apartment prices continued to grow in Jelgava in April 2016, though the growth was not as rapid as during the previous months. The average price of a standard-type apartment increased in April to 385 EUR/m², which is by 4.9 % higher than in March. Since beginning of 2016, the standard-type apartment prices in Jelgava increased by 6.9 %. Since the beginning of 2015, the prices in Jelgava increased by 16 %.

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



Source: ARCO REAL ESTATE

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