

MARKET OVERVIEW

Standard-Type Apartments APRIL



RIGA
2017

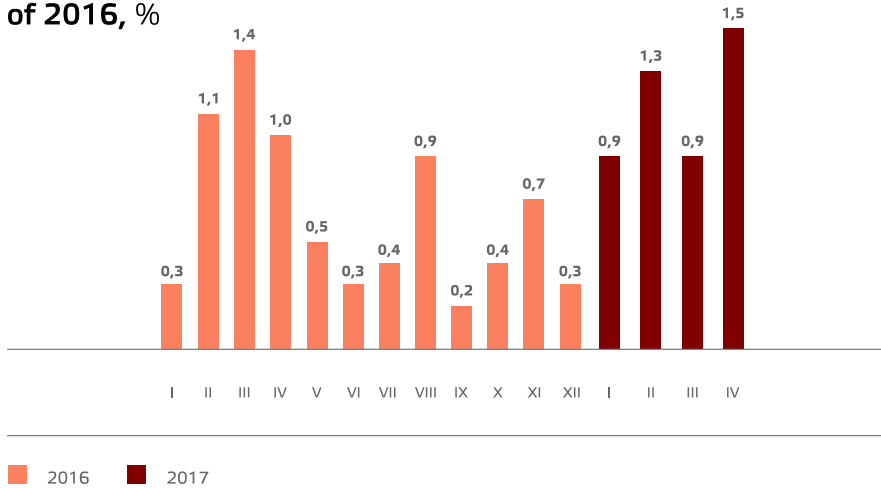


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, May 1, 2017

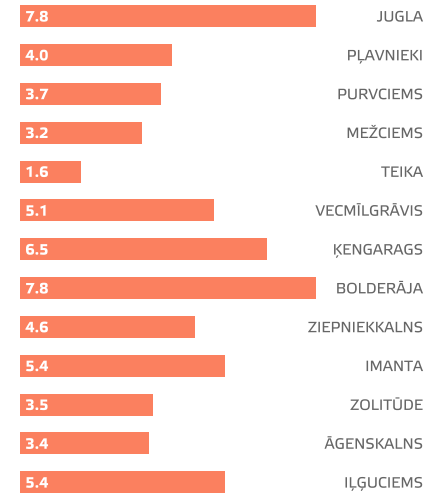
In April 2017, the prices of standard-type apartments located in Riga housing estates increased by 1.5 %. The average standard-type apartment price during the last month increased to 737 EUR/m². Since the beginning of 2017, the standard-type apartment prices have grown by 4.5 % in total.

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, %



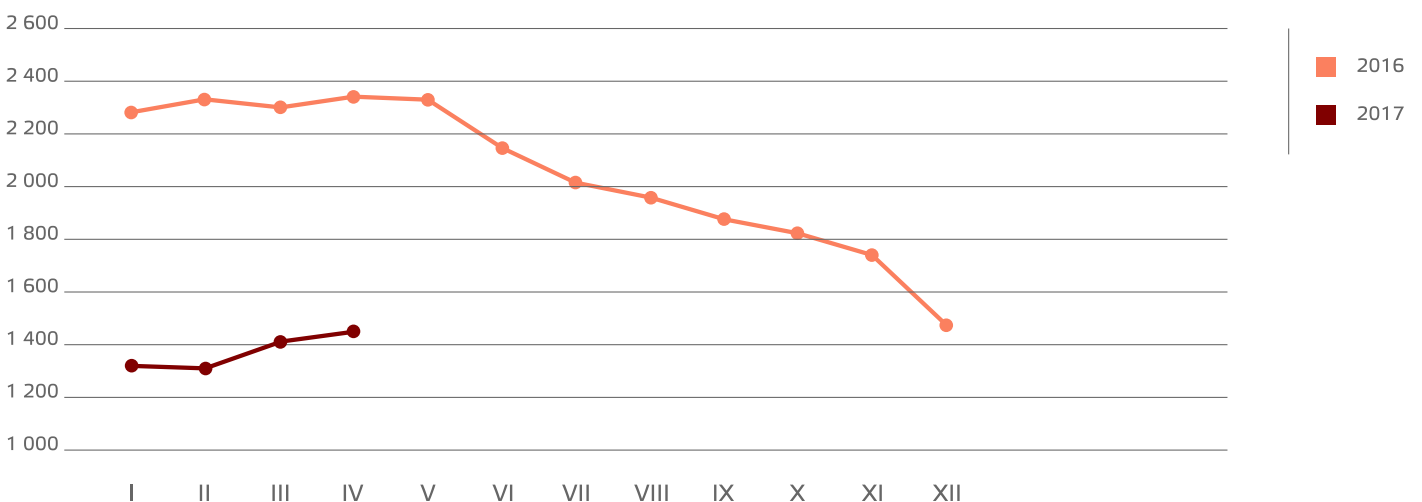
Source: ARCO REAL ESTATE

Standard-type apartment prices continued to rise: the price increase seen in April was the highest in recent years. Overall, in the largest housing estates of Riga, the largest growth was seen in the sector of the most demanded one-room and two-room apartments. The average price of one square metre of one-room apartment in April exceeded the limit of 800 EUR, and the highest prices for non-renovated one-room apartments reached 1 000 EUR/m². The highest price increase for the second consecutive month was seen in Bolderāja, where housing prices during the month increased by 3.5 %.

Supply of apartments in April as a whole decreased, and it was mostly due to a substantial reduction in the supply in the Riga City centre. In turn, in Riga housing estates, a slight increase in the supply was observed.

The largest growth of the average one square metre price of an apartment in the housing estates of Riga since the beginning of 2017 was observed in Jugla and Bolderāja (+ 7.8 %). Also in other major 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 (+ 1.6 %).

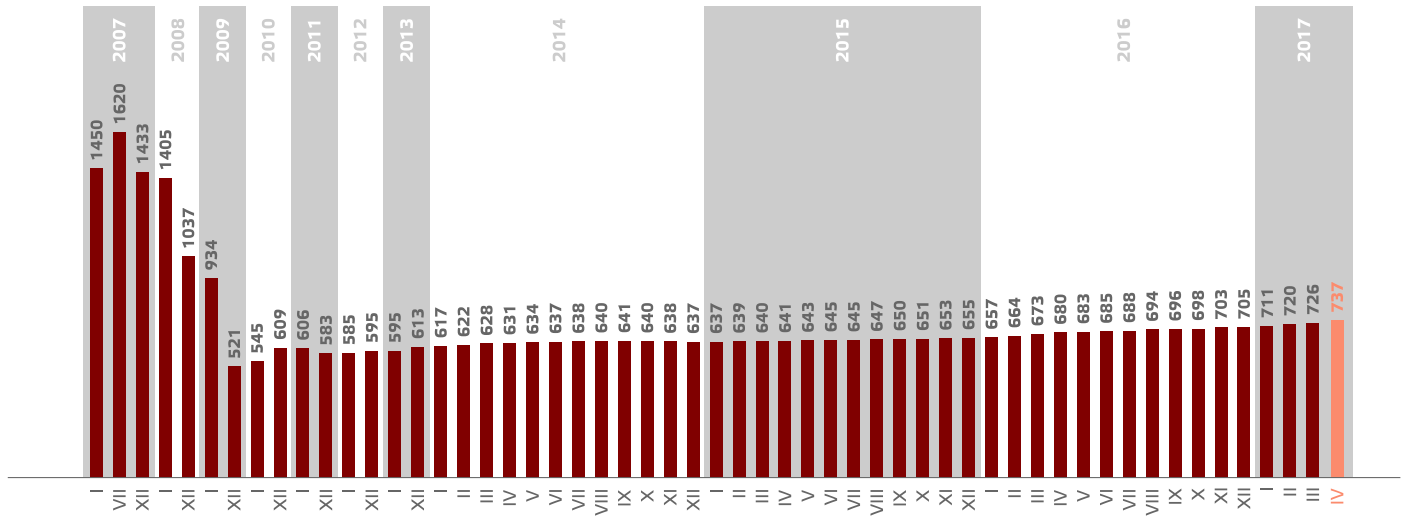
Dynamics of apartment supply in the largest housing estates of Riga, 2016 - 2017



Source: ARCO REAL ESTATE

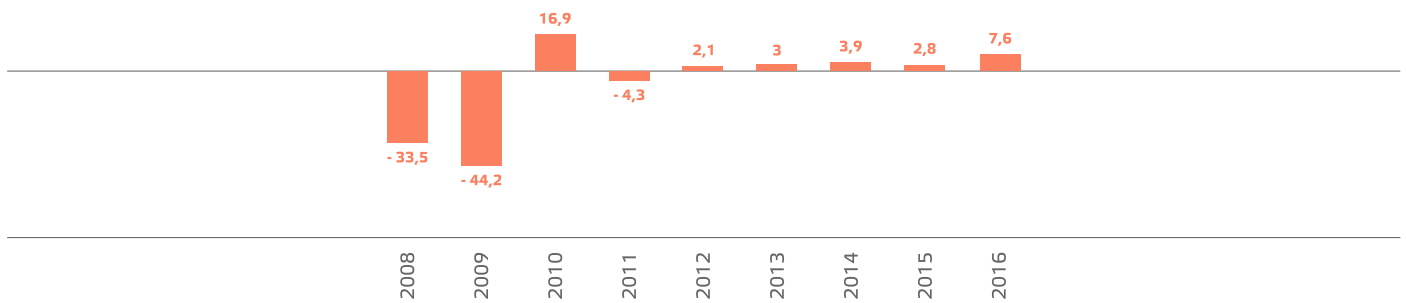
In April 2017, the average price of a standard-type apartment increased to the position of 737 EUR/m². The prices on average are by 54.5 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value - 1 620 EUR/m².

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 in Riga housing estates, 2008 - 2016, %



Source: ARCO REAL ESTATE

In April 2017, the prices rated by number of rooms in apartment, increased for 1 – 4-room apartments. The average price of one square metre of standard-type apartment increased for one-room apartments (+ 1.5 %), two-room apartments (+ 1.7 %), three-room apartments (+ 1.7 %) and four-room apartments (+ 0,7 %).

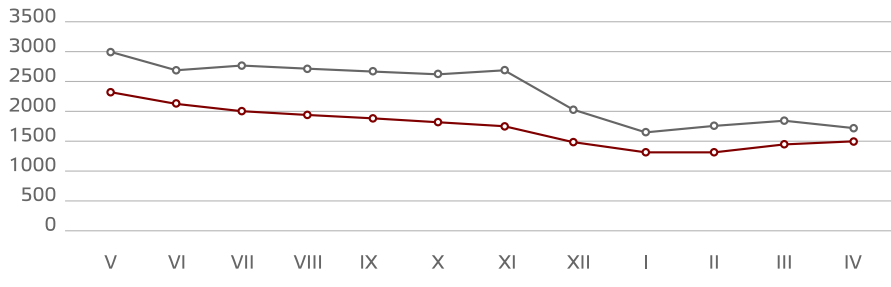
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2015												2016												2017				
1 istaba	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	799	811		
2 istabas	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	748	761		
3 istabas	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	689	701		
4 istabas	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	669	674		
	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 2017, the total supply of apartments in Riga decreased by 2.7 % compared to the previous month. But the number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE even increased slightly in April. Compared to April 2016, the apartment supply was still significantly lower: the total number of apartments offered for sale was by 39.3 % lower, but the number of apartments offered for sale in the largest housing estates was by 37.2 % 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, Ilģūciems).

■ 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 April was in Purvciems, Pļavnieki, Imanta, Ķengarags 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 April was seen in Vecmīlgrāvis and Jugla (+ 20 %), while the offer most significantly decreased in Ķengarags (- 8.4 %).

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 still seen in Āgenskalns and Mežciems also in April. By contrast, the number of apartments offered for sale was proportionally lowest in Bolderāja.

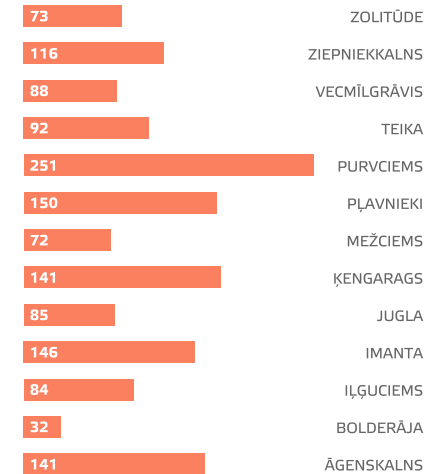
In April 2017, a growth in standard-type apartment prices was observed in all of the largest Riga housing estates. The prices increased by 0.7 - 3.5 %. The biggest price increase was registered in Bolderāja where apartment prices rose by 3.5 % during the month. In turn, the smallest price changes in March were observed in Zolitūde and Ilģūciems - the prices increased only by 0,7 %.

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

	The average value per 1 m ² on 01.05.2017.	The average value per 1 m ² on 01.04.2017.	Changes, %
Jugla	762	742	2.7 ↑
Pļavnieki	777	764	1.7 ↑
Purvciems	787	777	1.3 ↑
Mežciems	760	752	1.0 ↑
Teika	878	867	1.2 ↑
Vecmīlgrāvis	590	578	2.0 ↑
Ķengarags	697	683	2.1 ↑
Bolderāja	524	506	3.5 ↑
Ziepniekkalns	770	755	2.0 ↑
Imanta	798	790	1.1 ↑
Zolitūde	801	796	0.7 ↑
Āgenskalns	791	782	1.2 ↑
Ilģūciems	709	704	0.7 ↑

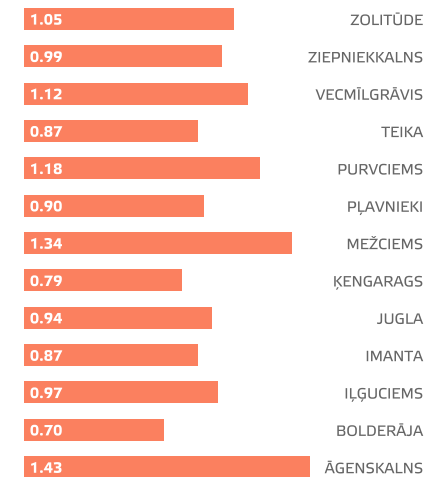
Source: ARCO REAL ESTATE

Number of apartments offered for sale in Riga, end of April, 2017



Source: ARCO REAL ESTATE

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

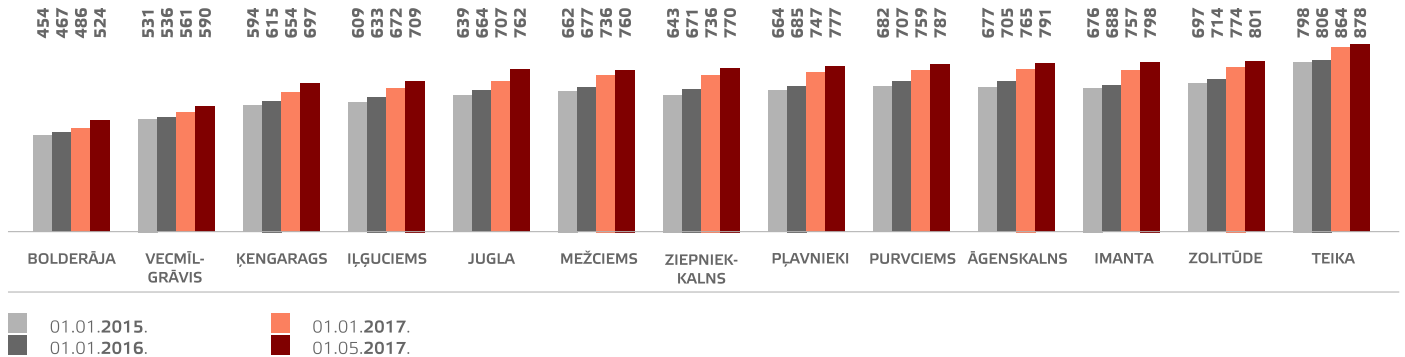


* If the coefficient is **greater than 1**, the relation of the supply of apartments in the specific housing estate to the number of population in that housing estate is higher.
If the coefficient is **less than 1**, the relation of the supply of apartments in the specific housing estate to the number of population in that housing estate is lower.

Source: ARCO REAL ESTATE

In April 2017, the standard-type apartment prices were by 15.7 % higher than the prices recorded in the beginning of 2015. But since the beginning of 2016, the prices have grown by 12.5 %. In 2017 prices have grown by 4.5 %.

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

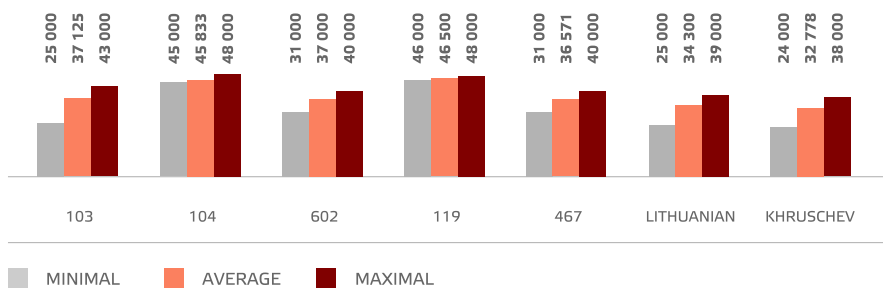


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in April 2017 still were in Teika, where the average price of one square metre increased to 878 EUR/m². The lowest average price of one square metre remained to be in Bolderāja where it has increased to the position of 524 EUR/m².

In April 2017, the most expensive apartments still were apartments in the houses of the 119th and 104th series, where the price of 2-room apartments in a satisfactory condition varied from 45 000 to 48 000 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 25 000 to 39 000 EUR depending on the housing estate, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 24 000 to 38 000 EUR depending on the housing estate.

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



Source: ARCO REAL ESTATE

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



Source: ARCO REAL ESTATE

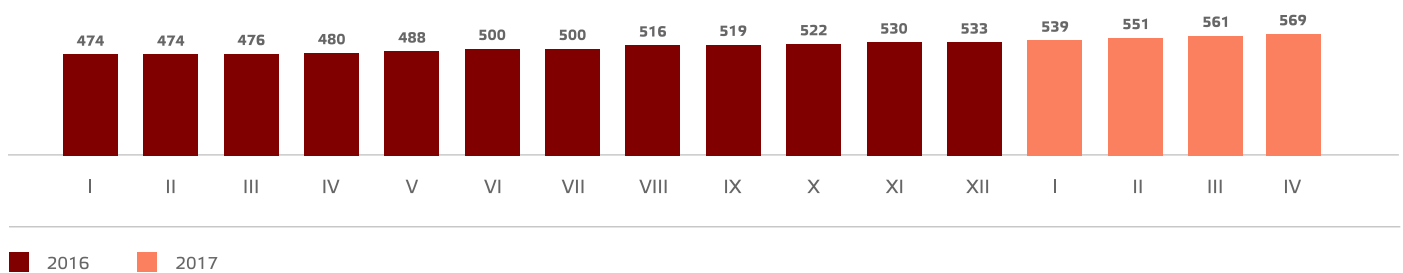
Apartment market in the vicinity of Riga

Ogre. In April 2017, the standard-type apartment prices in Ogre increased by 2.5 %. The average price of one square metre of apartment grew up to 515 EUR/m². In 2017, the apartment prices have already increased by 7.5 % in total. A relatively low apartment supply has been observed in Ogre in April, and this can be considered as one of the main reasons of the price increase.

Kauguri, Jūrmala. In April 2017, the standard-type apartment prices in Kauguri increased by 1 %. The average price of one square metre of apartment grew up to 496 EUR/m². Since the beginning of 2017, the prices in Kauguri have increased by 5.6 % in total. Similarly as in Riga housing estates and other places nearby Riga, the growth of apartment prices in Kauguri is still continuing.

Salaspils. In April 2017, the standard-type apartment prices in Salaspils grew by 1.4 %. The average price of a standard-type apartment has increased to 569 EUR/m². Since the beginning of 2017, the average price of a standard-type apartment in Salaspils has grown by 6.7 % in total, and the prices, like the in the housing estates of Riga, are continuing to rise.

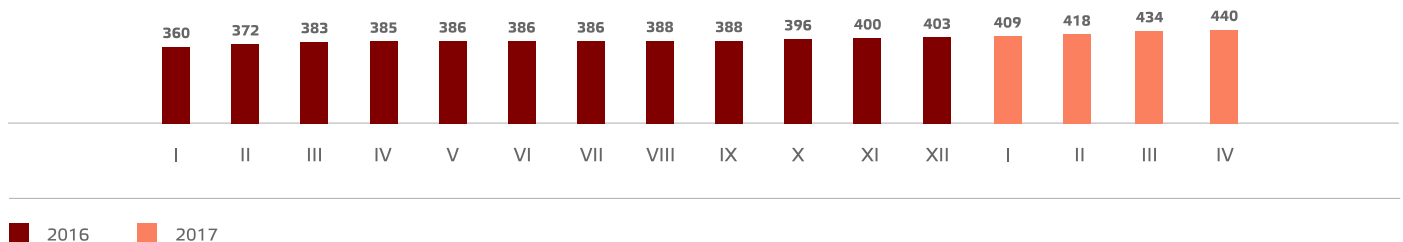
Dynamics of average price of standard-type apartments in Salaspils, EUR/m²



Source: ARCO REAL ESTATE

Jelgava. In April 2017, apartment prices in Jelgava continued to grow: during the month the prices increased by 1 %. The average price of standard-type apartment in January grew up to 440 EUR/m². Since the beginning of 2017, the prices have increased by 9 % 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.

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

