

MARKET OVERVIEW

# Standard-type apartments | MAY



RIGA  
2017

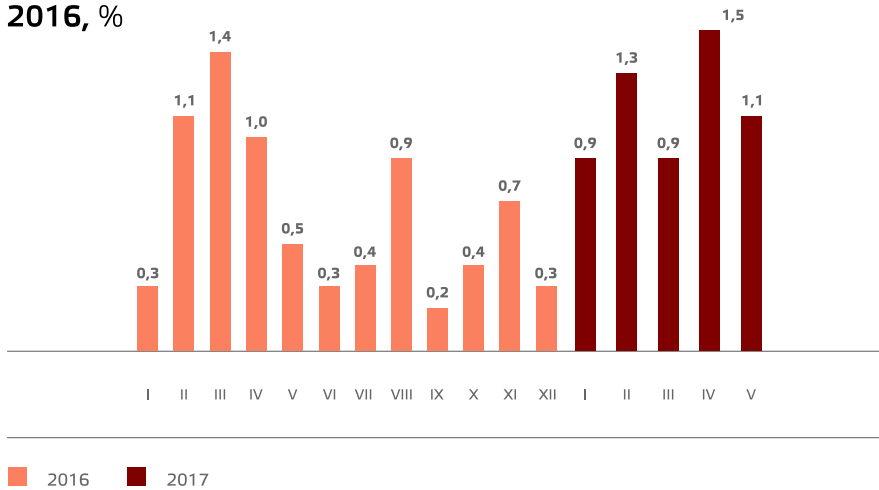


LATVIJAS  
ĪPAŠUMU  
VĒRTĒTĀJU  
ASOCIĀCIJA

## Standard-type apartments, June 1, 2017

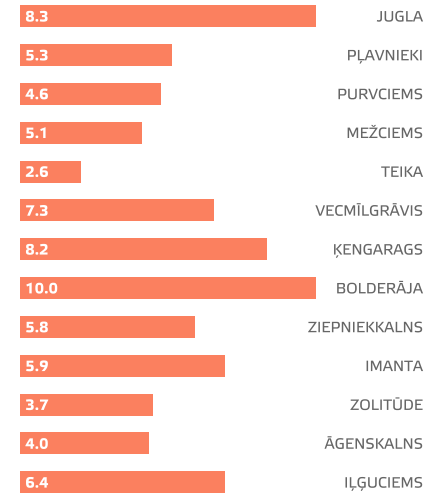
In May 2017, the prices of standard-type apartments located in Riga housing estates increased by 1.1 %. The average standard-type apartment price in May has increased to 745 EUR/m<sup>2</sup>. In whole, since the beginning of 2017, the prices have grown by 5.7 %.

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



Source: ARCO REAL ESTATE

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



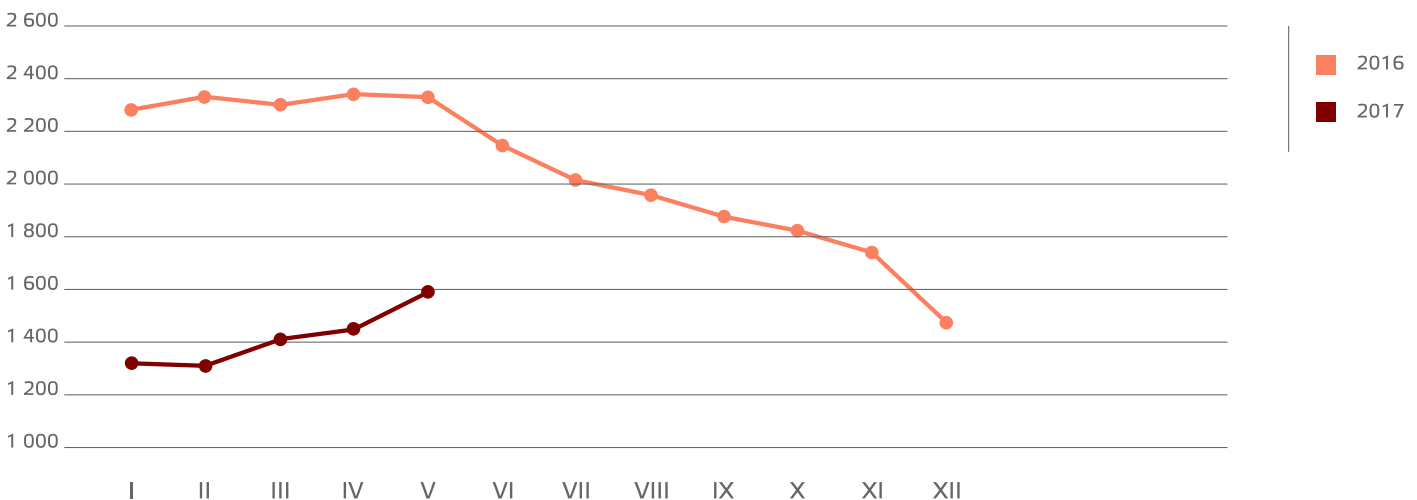
Source: ARCO REAL ESTATE

In the largest housing estates of Riga the apartment prices continue to rise. During 2017, the biggest price growth was registered in housing estates where the cheapest apartments are situated, namely in Bolderāja, Vecmīlgrāvis, Jugla and Ķengarags. Also it was observed that in May the most rapid price increase was for bigger apartments - three-and four-room apartments, the number of which in the supply is relatively small. The current rise in prices shows that apartment prices will rise even more this year.

The apartment supply level in total during the last month rose, mainly as a result of the increase of apartment supply in housing estates of Riga, where since February the number of apartments offered for sale is increasing.

The largest growth of one square metre average price of an apartment in the housing estates of Riga since the beginning of 2017 was observed in Bolderāja (+ 10 %). 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 Teika (+ 2.6 %).

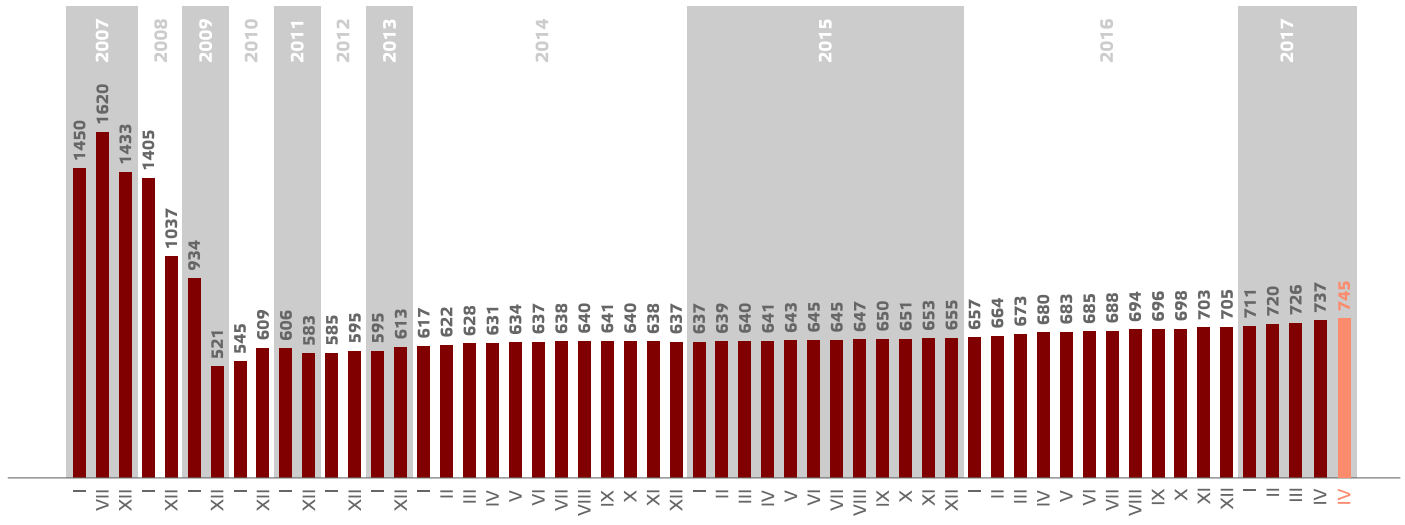
### Dynamics of apartment supply in the largest housing estates of Riga, 2016 - 2017



Source: ARCO REAL ESTATE

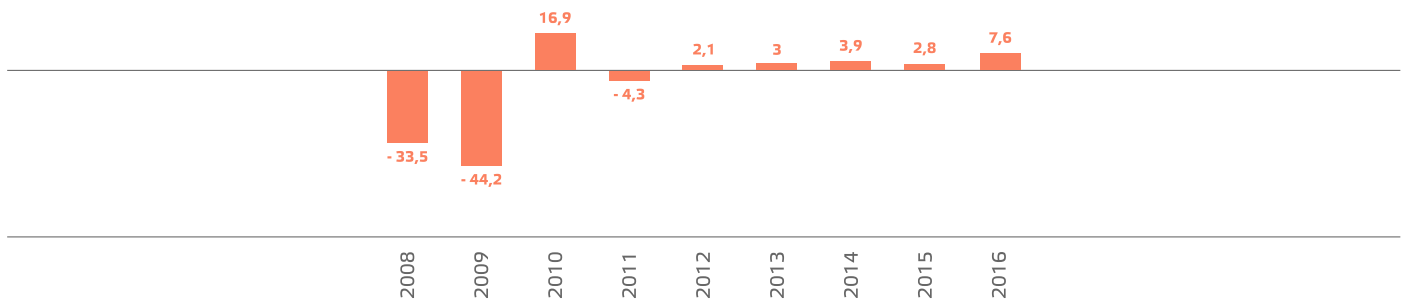
In May 2017, the average price of a standard-type apartment increased to position of 745 EUR/m<sup>2</sup>. The prices on average were by 54 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value - 1 620 EUR/m<sup>2</sup>.

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



Source: ARCO REAL ESTATE

### Standard-type apartment price changes, 2008 - 2016, %



Source: ARCO REAL ESTATE

In May 2017, the prices rated by number of rooms in apartment grow for 1 - 4 room apartments. The average price of standard-type apartment, increased for one-room apartments (+ 1 %), two-room apartments (+ 0.8 %), three-room apartments (+ 1.3 %) and four-room apartments (+ 1.5 %).

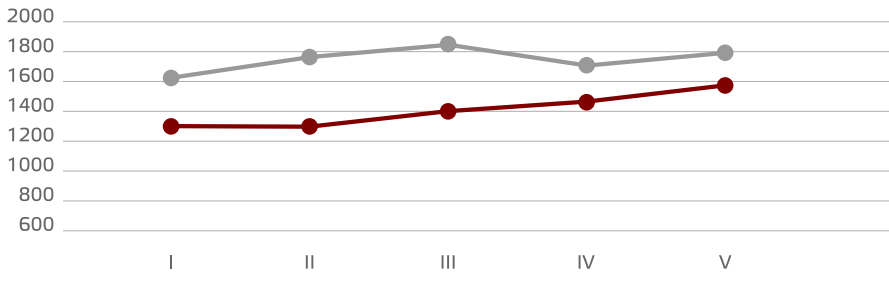
### Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m<sup>2</sup>

	2015												2016												2017					
<b>1 room</b>	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	819			
<b>2 rooms</b>	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	767			
<b>3 rooms</b>	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	710			
<b>4 rooms</b>	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	684			
	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.	01.06.			

Source: ARCO REAL ESTATE

In May 2017, the supply of apartments compared to the previous month, in Riga rose by 5.2 %. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE increased even more - by 7.7 %. Compared to May 2016, the apartment supply was significantly lower: the total number of apartments offered was lower by 37 %, but the number of apartments offered for sale in the largest housing estates was by 32 % lower.

## Apartment supply dynamics in Riga, 2017



■ 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 housing estates of Riga, it can be concluded that the largest supply of apartments in May was in Purvciems, Ķengarags, Pļavnieki and Imanta. But the lowest apartment supply was in Bolderāja.

During the last month the number of apartments offered for sale in the largest housing estates of Riga increased. In May, the most significant increase of supply of apartments was seen in Ilģuciems (+ 30 %). But the most significant lowering of supply of apartments was seen in Āgenskalns (- 5 %).

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 in May was recorded in Mežciems and Āgenskalns. By contrast, the number of apartments offered for sale was lowest in Bolderāja.

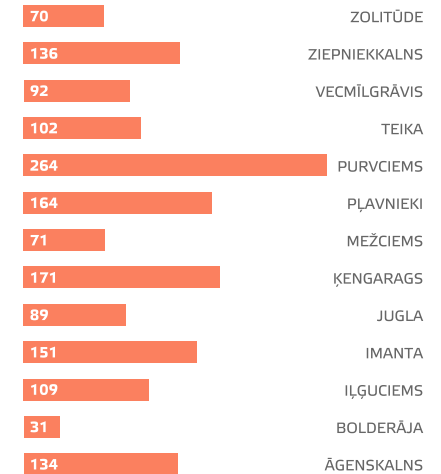
In May 2017, the standard-apartment prices grew almost in all of the largest housing estates of Riga. Prices grew by 0.2 - 2.1 %. The largest apartment price growth was seen in Vecmīlgrāvis, where the prices grew by 2.1 % during this month. The lowest price changes in May were observed in Zolitūde, where prices grew only by 0.2 %.

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

	The average value per 1 m <sup>2</sup> on 01.06.2017.	The average value per 1 m <sup>2</sup> on 01.05.2017.	Changes, %
Jugla	<b>765</b>	762	0.4 ↑
Pļavnieki	<b>787</b>	777	1.2 ↑
Purvciems	<b>794</b>	787	0.9 ↑
Mežciems	<b>774</b>	760	1.8 ↑
Teika	<b>886</b>	878	1.0 ↑
Vecmīlgrāvis	<b>602</b>	590	2.1 ↑
Ķengarags	<b>708</b>	697	1.6 ↑
Bolderāja	<b>535</b>	524	2.0 ↑
Ziepniekkalns	<b>779</b>	770	1.1 ↑
Imanta	<b>802</b>	798	0.4 ↑
Zolitūde	<b>803</b>	801	0.2 ↑
Āgenskalns	<b>796</b>	791	0.6 ↑
Ilģuciems	<b>715</b>	709	0.9 ↑

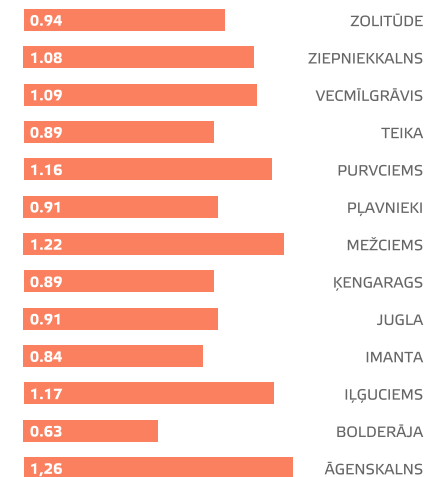
Source: ARCO REAL ESTATE

## Number of apartments offered for sale in Riga in end of May 2017



Source: ARCO REAL ESTATE

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

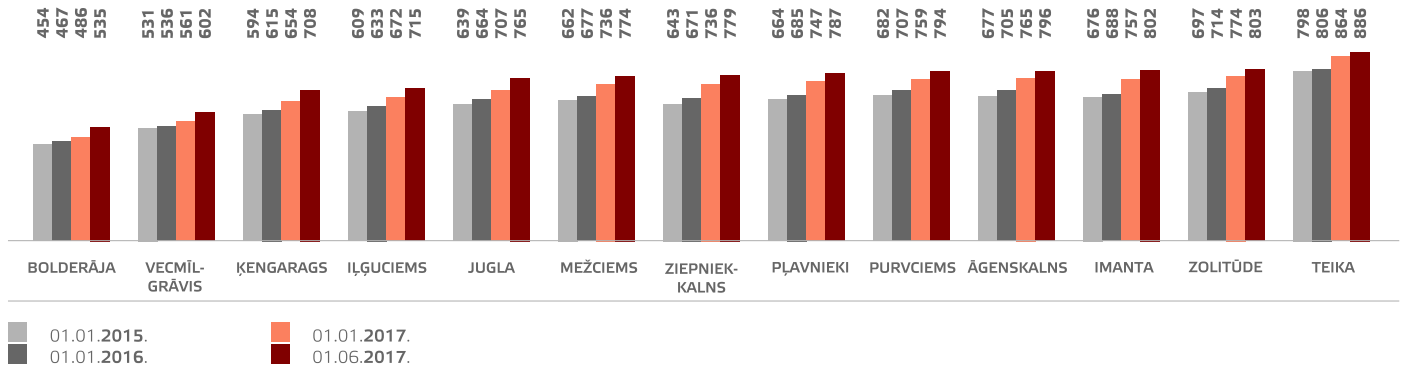


\* If the coefficient is **greater than 1**, the relation of the supply of apartments in the specific housing estate to the number of population in that housing estate is higher. If the coefficient is **less than 1**, the relation of the supply of apartments in the specific housing estate to the number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

Source: ARCO REAL ESTATE

In May 2017, the standard-type apartment prices were by 16.9 % higher than the prices recorded in the beginning of 2015. But compared to the beginning of 2016, the prices have grown by 13.7 %. During 2017, the prices have increased by 5.7 %.

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

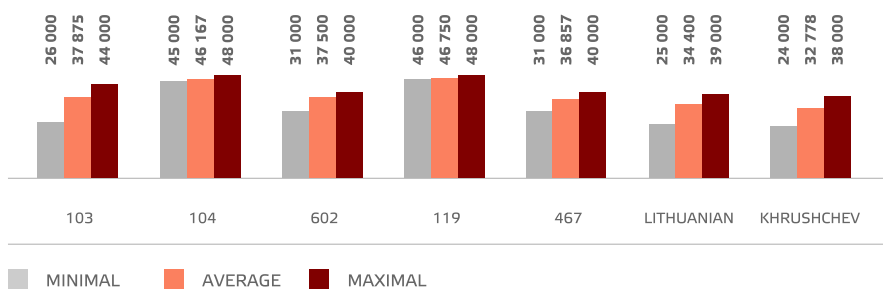


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in May 2017 still were in Teika, where the average price of one square metre increased to 886 EUR/m<sup>2</sup>. But the lowest average price of one square metre remained in Bolderāja, where it grew to position of 535 EUR.

In May 2017, 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 45 000 EUR to 48 000 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 25 000 to 39 000 EUR, 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 May 2017 (2-room apartments), EUR



Source: ARCO REAL ESTATE

## Average standard-type apartment prices in housing estates of Riga as per June 1, 2017, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

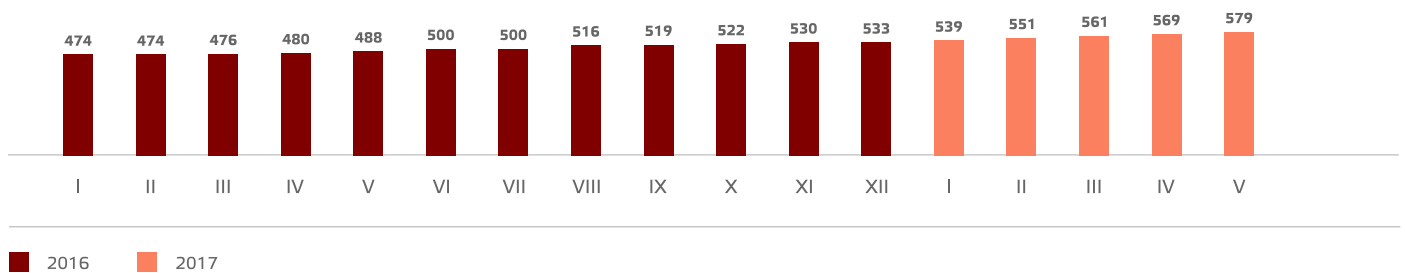
## Apartment market in the vicinity of Riga

**Ogre.** In May 2017, the standard-type apartment prices in Ogre increased by 1.3 %. The average price reached 522 EUR/m<sup>2</sup>, but in 2017, the apartment prices in total have grown by 8.9 %. In May, the prices rose for 2 - 4 room apartments, but for one-room apartments the prices remained unchanged. In Ogre there was a relatively little apartment supply, which can be considered as one of the main reasons of the price increase.

**Kauguri, Jūrmala.** In May 2017, the standard-type apartment prices in Kauguri increased by 0.3 %. The average price of one square metre of apartment grew up to 497 EUR/m<sup>2</sup>. Since the beginning of 2017, the prices in Kauguri have grown in total by 5.9 %. In comparison with other places in the vicinity of Riga the price growth in Kauguri has been the slowest.

**Salaspils.** In May 2017, the standard-type apartment prices in Salaspils grew by 1.8 %. The average price of a standard-type apartment increased to 579 EUR/m<sup>2</sup>. Since the beginning of 2017, the average price of a standard-type apartment in Salaspils in total has grown by 8.6 % and, like in the Riga housing estates, the prices have a tendency to grow.

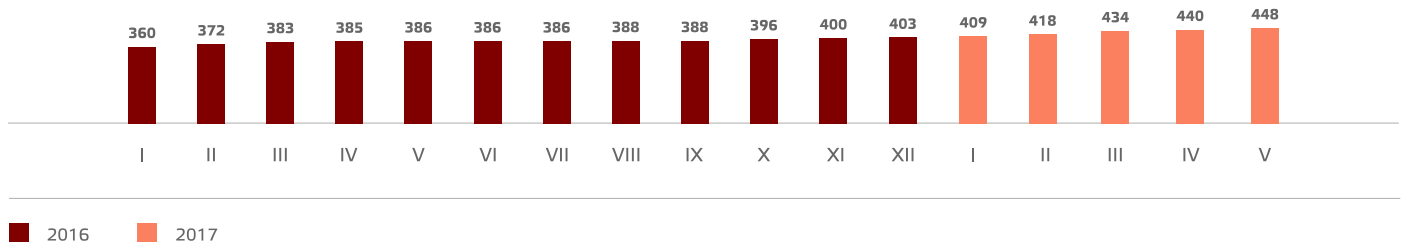
### Dynamics of average price of standard-type apartments in Salaspils, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

**Jelgava.** Apartment prices continued to grow in Jelgava in May 2017: during this month the prices grew by 1.9 %. The average price of a standard-type apartment in May reached 448 EUR/m<sup>2</sup>. Since the beginning of 2017, the prices in Jelgava have increased by 11.1 %.

### Dynamics 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 Riga, 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

