

MARKET OVERVIEW

Standard-Type Apartments JUNE



RIGA
2016

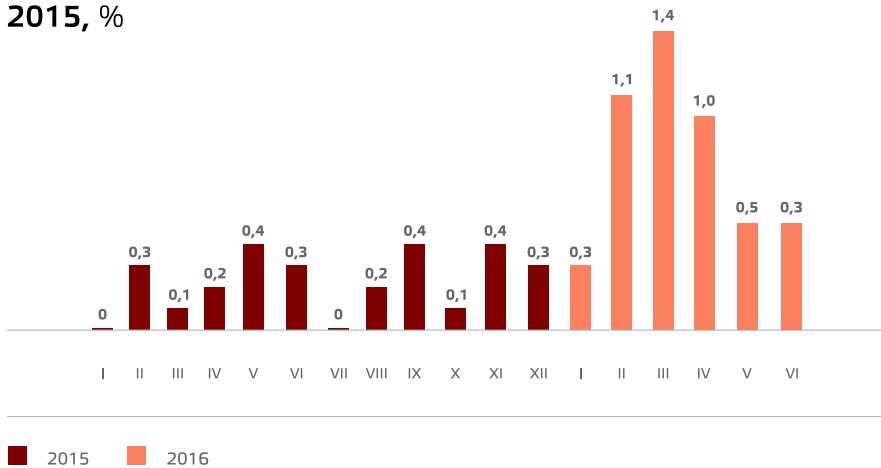


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Standard-Type Apartments, July 1, 2016

In June 2016, the prices of standard-type apartments located in Riga housing estates increased by 0.3 %. The average standard-type apartment price in June increased to 685 EUR/m². Since the beginning of 2016, the standard-type apartment prices have grown by 4.6 %.

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



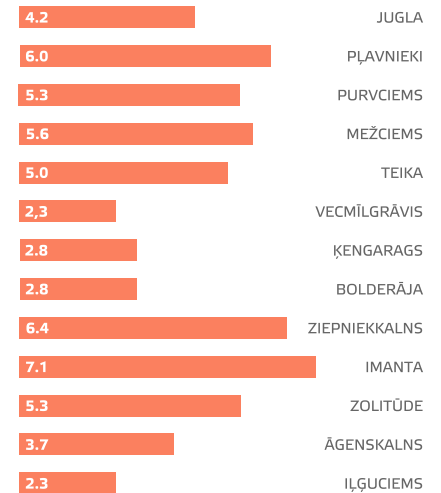
Source: ARCO REAL ESTATE

In the largest housing estates of Riga the apartment prices continued to rise in June 2016, however, the price growth speed, compared to the beginning of the year, decreased significantly.

In June, like in other years, the activity in the property market fell - this is connected with existing public holidays in this month and start of vacation time. Like other years, during the summer months, the supply of apartments had a trend to decrease. In general, there was not registered any trend of increase in the supply of apartments.

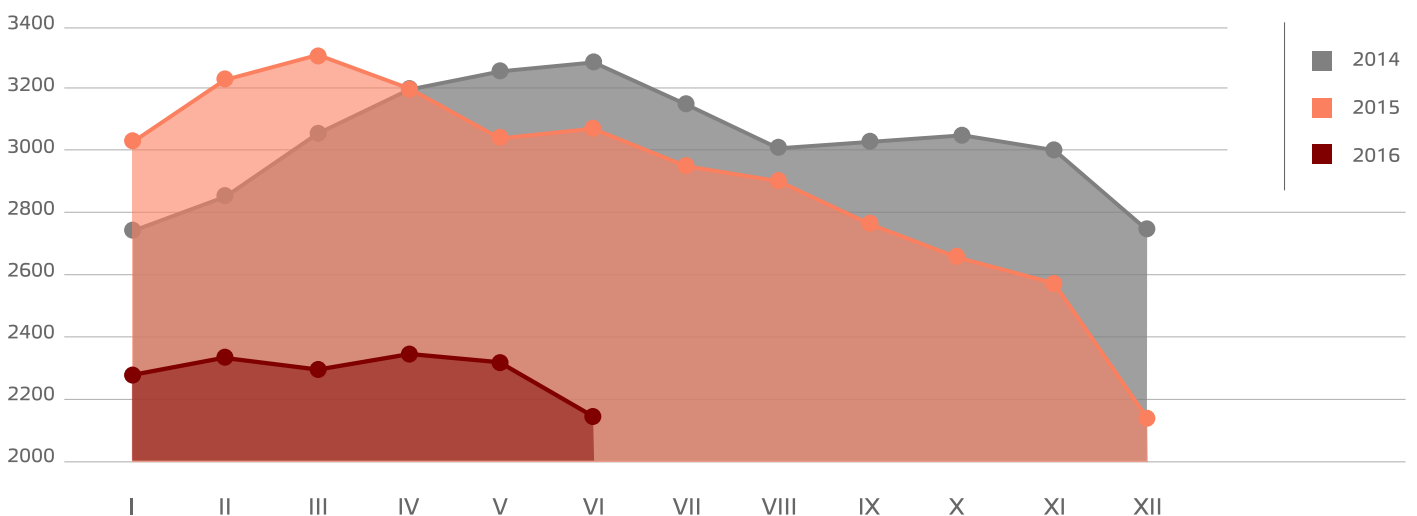
The largest growth of the average one square meter price of an apartment in the housing estates of Riga since the beginning of 2016 was observed in Imanta (+ 7,1 %) moreover, the prices continued to grow. Also in other biggest housing estates of Riga the prices tended to increase this year. The slowest apartment price growth since the beginning of the year was observed in Vecmīlgrāvis (+ 2.3 %).

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



Source: ARCO REAL ESTATE

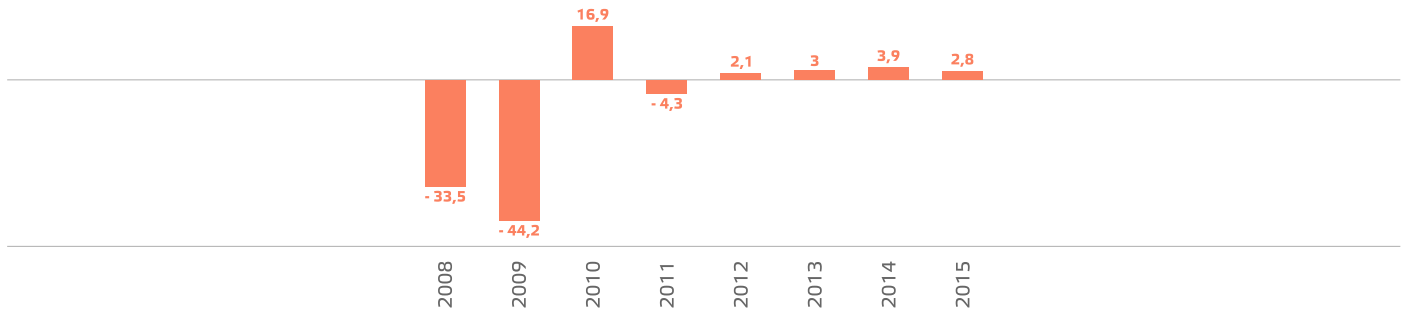
Dynamics of apartment supply in the largest housing estates of Riga, 2014 - 2016



Source: ARCO REAL ESTATE

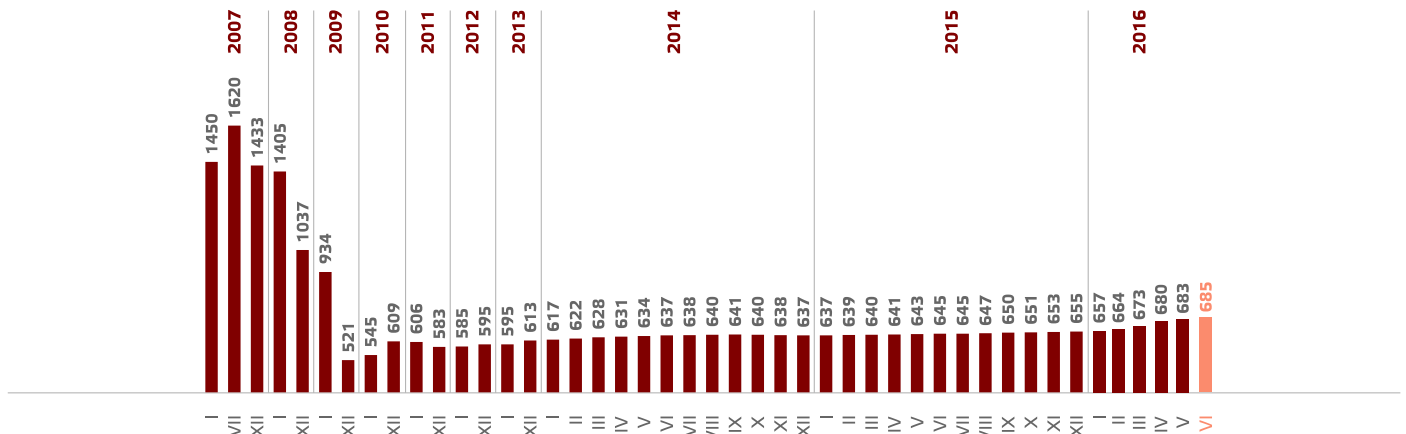
In June 2016, the average price of a standard-type apartment increased to position of 685 EUR/m². The prices on average are by 57.7 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value - 1 620 EUR/m².

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 June 2016, the prices rated by number of rooms in apartment grew comparatively steady. The average price of one square meter of apartment if categorized by number of rooms, increased for one-room apartments (+ 0.1 %), two-room apartments (+ 0.3 %), three-room apartments (+ 0.3 %) and four-room apartments (+ 0,6 %).

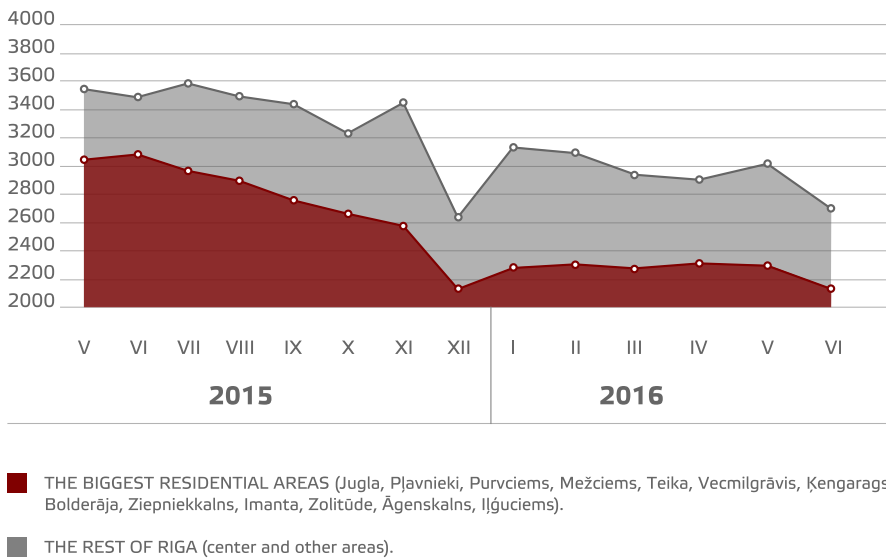
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2014								2015								2016											
1 room	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	754	755
2 rooms	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	702	704
3 rooms	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	651	653
4 rooms	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	626	630
	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.	01.07.

Source: ARCO REAL ESTATE

In June 2016, the total supply of apartments in Riga compared to the previous month decreased by 9.3 %. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE decreased by 8 %. Compared to June 2015, the apartment supply was significantly lower: the total number of apartments offered for sale in June was by 26 % lower, but the number of apartments offered for sale in the largest housing estates was by 30 % lower.

Dynamics of supply of apartments 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 supply of apartments in June was in Purvciems, Āgenskalns and Pļavnieki. But the lowest apartment supply was in Bolderāja and Vecmīlgrāvis.

Number of apartments offered for sale in the largest housing estates of Riga has decreased. In June, the most significant decrease of supply of apartments was seen in Mežciems (- 28,6 %). But the supply of apartments slightly increased in Ziepniekkalns (+ 3,2 %).

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 Āgenskalns and Mežciems. By contrast, the number of apartments offered for sale was lowest in Vecmīlgrāvis and Ķengarags.

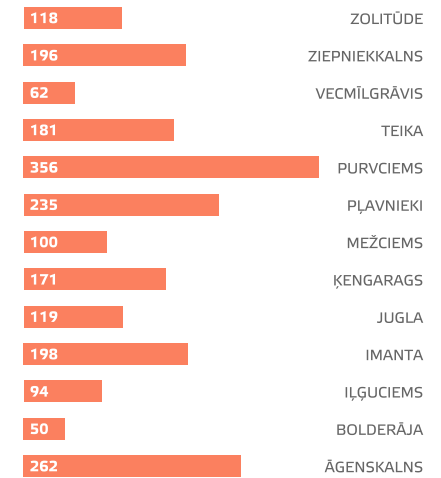
In June 2016, the standard-apartment prices minimally grew almost in all of the largest housing estates of Riga - by up to 1 %. The largest apartment price increase was seen in Ķengarags, where the prices grew by 0.8 %. Only in Jugla, Vecmīlgrāvis and Zolitūde during the last month the prices remained stable, changes were not observed in those housing estates.

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

	The average value per 1 m ² on 01.07.2016.	The average value per 1 m ² on 01.06.2016.	Changes, %
Jugla	692	692	0.0 ➡
Pļavnieki	726	721	0.7 ⬆
Purvciems	745	741	0.5 ⬆
Mežciems	715	712	0.5 ⬆
Teika	847	845	0.3 ⬆
Vecmīlgrāvis	549	549	0.0 ➡
Ķengarags	632	627	0.8 ⬆
Bolderāja	480	478	0.4 ⬆
Ziepniekkalns	714	714	0.1 ⬆
Imanta	737	735	0.3 ⬆
Zolitūde	752	752	0.0 ➡
Āgenskalns	731	729	0.2 ⬆
Iļģuciems	648	647	0.1 ⬆

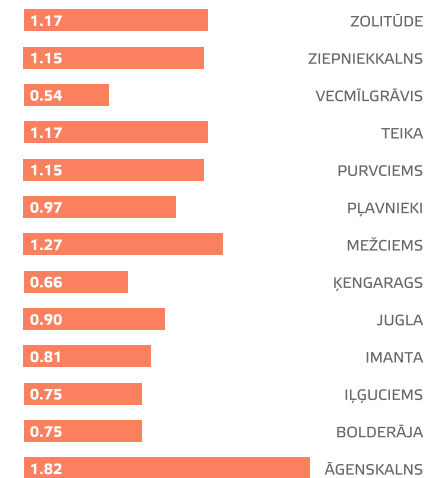
Source: ARCO REAL ESTATE

Number of apartments offered for sale in Riga in June 2016



Source: ARCO REAL ESTATE

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

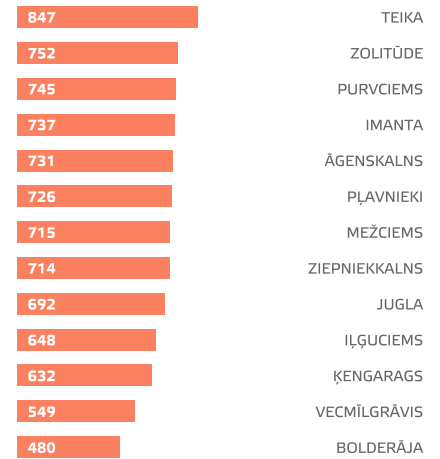
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In June 2016, the standard-type apartment prices were by 11.8 % higher than the prices recorded in the beginning of 2014. But compared to the beginning of 2015, the prices have grown by 7.6 %. During 2016, the prices have increased by 4.6 %.

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

	01.01.2013.	01.01.2014.	01.01.2015.	01.01.2016.	01.07.2016.
Bolderāja	473	450	454	467	480
Vecmīlgrāvis	514	524	531	536	549
Ķengarags	518	543	594	615	632
Iļģuciems	570	586	609	633	648
Jugla	583	610	639	664	692
Ziepniekkalns	613	626	643	671	714
Mežciems	624	637	662	677	715
Pļavnieki	622	651	664	685	726
Āgenskalns	623	644	677	705	731
Imanta	605	633	676	688	737
Purvciems	633	662	682	707	745
Zolitūde	644	663	697	714	752
Teika	757	787	798	806	847

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



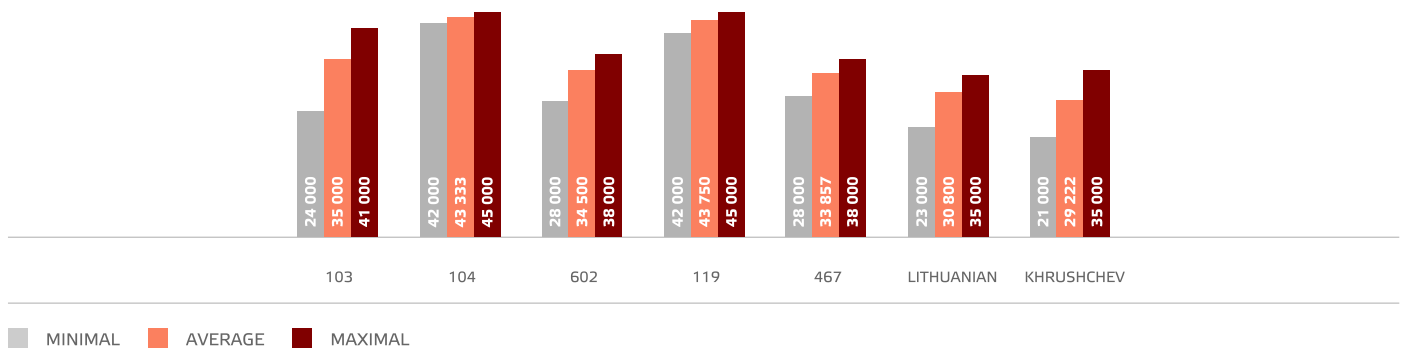
Source: ARCO REAL ESTATE

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The highest standard-type apartment prices in June 2016 still were in Teika, where the average price of one square meter increased to 847 EUR/m². But the lowest average price of one square meter remained in Bolderāja where it slightly grew reaching the position of 480 EUR/m².

In June 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 June 2016 (2-room apartments), EUR



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

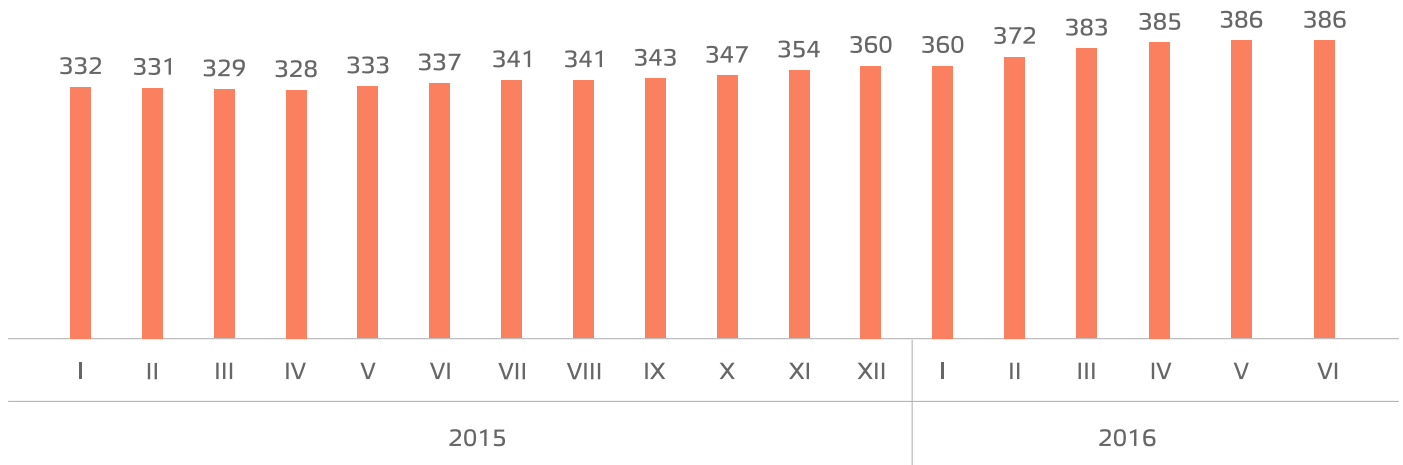
Ogre. In June 2016, the standard-type apartment prices in Ogre did not change. The average price remained 469 EUR/m². In 2015, the prices grew by 4.5 % in total. In 2016, apartment prices in Ogre have grown by 5.9 %, however, no price growth was observed in June.

Kauguri, Jūrmala. In June 2016, the standard-type apartment prices in Kauguri increased by 0.8 %. The average price of one square meter of apartment grew up to 452 EUR/m². Price rise has been recorded in Kauguri for the fifth consecutive month. In 2016, the apartment prices in overall have grown by 8.1 %, thus it can be considered that in Kauguri the prices have increased more than anywhere else in Riga and its surroundings in this year.

Salaspils. In June 2016, the standard-type apartment prices in Salaspils grew by 2.4 %. The average price of a standard-type apartment has increased achieving the position of 500 EUR/m². Since the beginning of 2016, the average price of a standard-type apartment in Salaspils has grown in total by 6.1 %. Apartment prices this year have in total increased more rapidly than in Riga housing estates, so that the price differences decrease.

Jelgava. Apartment prices in June 2016 in Jelgava remained stable, the average price of a standard-type apartment was at the position of 386 EUR/m². Since beginning of 2016, the standard-type apartment prices in Jelgava have increased by 5.6 %. Since the beginning of 2015, the prices in Jelgava have increased by 14.9 %.

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



Source: ARCO REAL ESTATE

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