

MARKET OVERVIEW

# Standard-Type Apartments JULY



RIGA  
2016

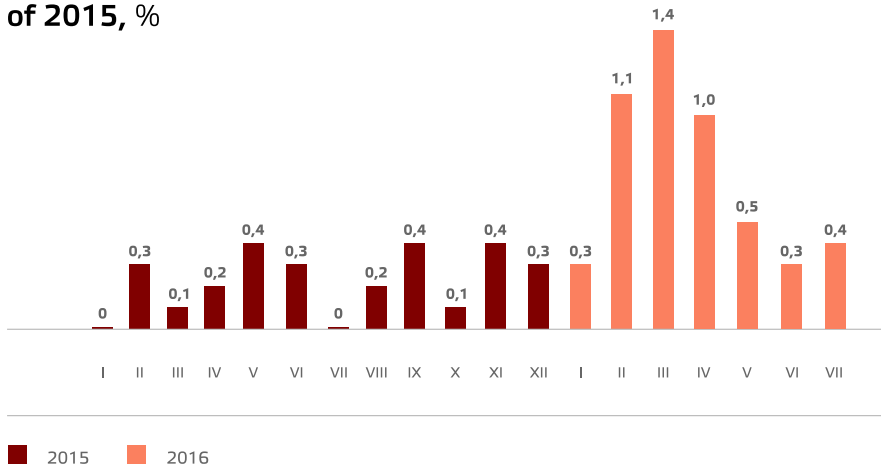


LATVIJAS  
ĪPAŠUMU  
VĒRTĒTĀJU  
ASOCIĀCIJA

## Standard-Type Apartments, August 1, 2016

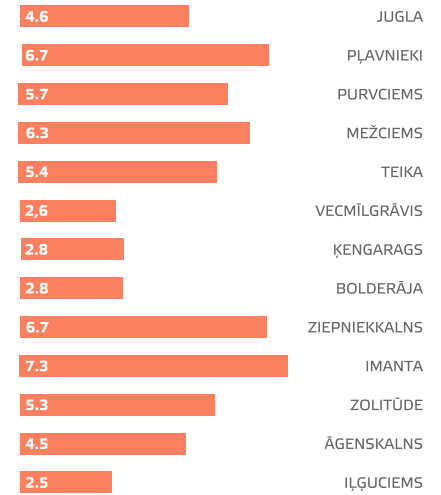
In July 2016, the prices of standard-type apartments located in Riga housing estates increased by 0.4 %. The average standard-type apartment price in July increased to 688 EUR/m<sup>2</sup>. Since the beginning of 2016, the standard-type apartment prices have grown by 5 %.

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



Source: ARCO REAL ESTATE

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



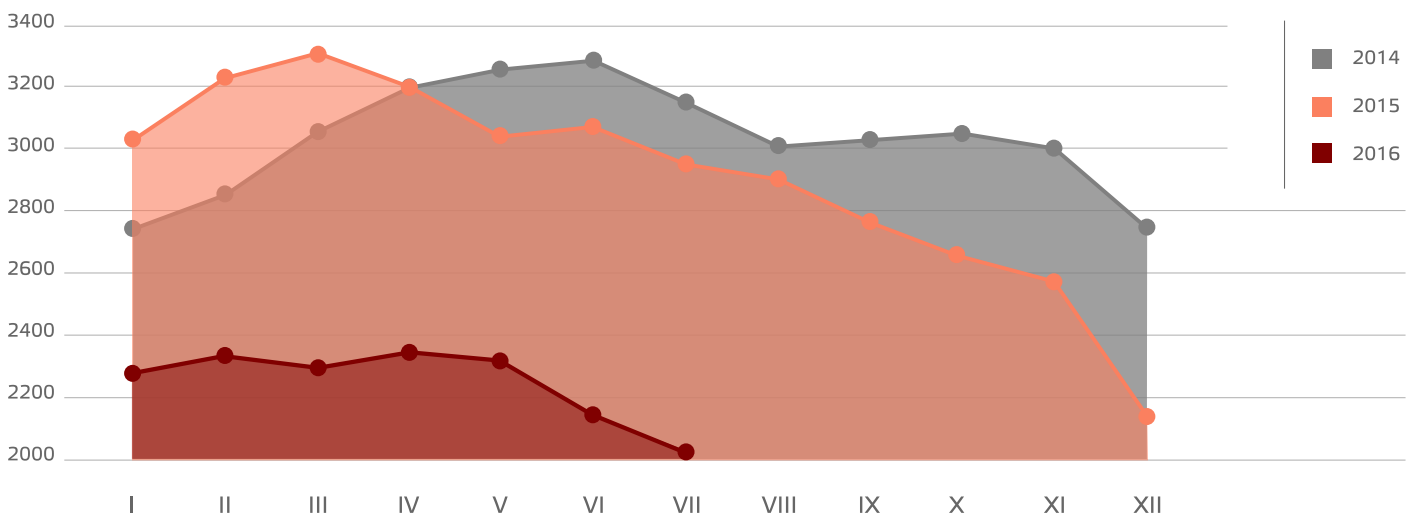
Source: ARCO REAL ESTATE

Although the upward trend of the standard-type apartment prices continued also in July, the price growth was not as significant as in the first half of the year, when it exceeded 1 % per month. Apartment prices grew faster this year in the most expensive housing districts of Riga, where the rise in prices this year reached 5 - 7 %. A different picture was seen in the cheapest standard-type apartment housing districts of Riga, such as Bolderāja, Vecmīlgrāvis and Ķengarags where the price growth this year was less than 3 %.

The level of supply in the largest housing estates of Riga continued to decline in July. The largest decrease in the last month was observed in Bolderāja (- 24 %), where, as usual, the supply level was the lowest in Riga.

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 (+ 7.3 %) moreover, the prices in this area 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 (+ 2.6 %).

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

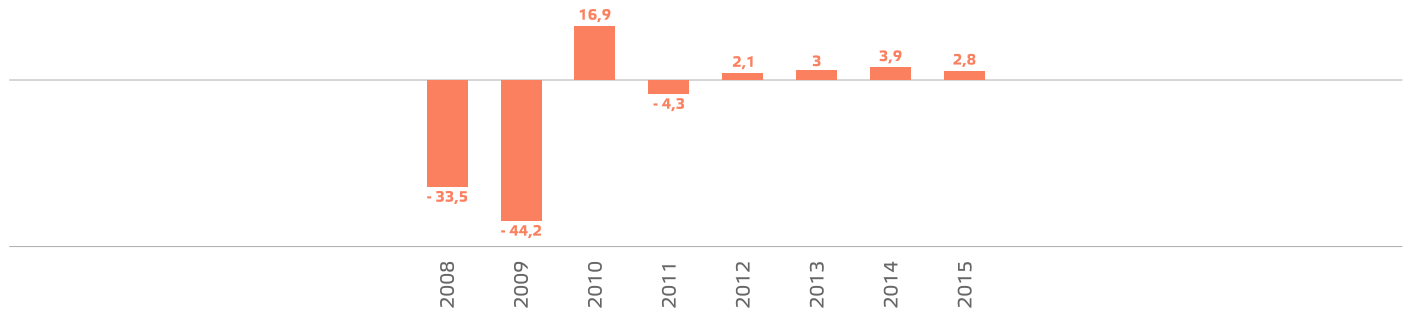


Source: ARCO REAL ESTATE

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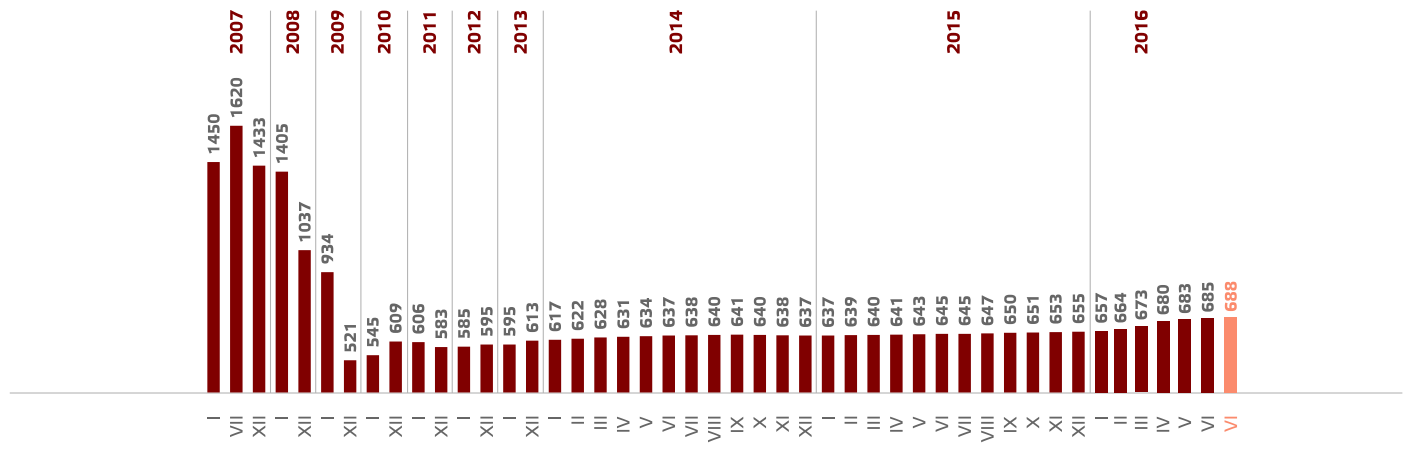
In July 2016, the average price of a standard-type apartment increased to position of 688 EUR/m<sup>2</sup>. The prices on average are by 57.6 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value - 1620 EUR/m<sup>2</sup>.

### 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/m<sup>2</sup>



Source: ARCO REAL ESTATE

In July 2016, the prices rated by number of rooms in apartment grew comparatively steady. The average price of one square meter of apartment increased for one-room apartments (+ 0.3 %), two-room apartments (+ 0.3 %), three-room apartments (+ 0.5 %) and four-room apartments (+ 0.3 %).

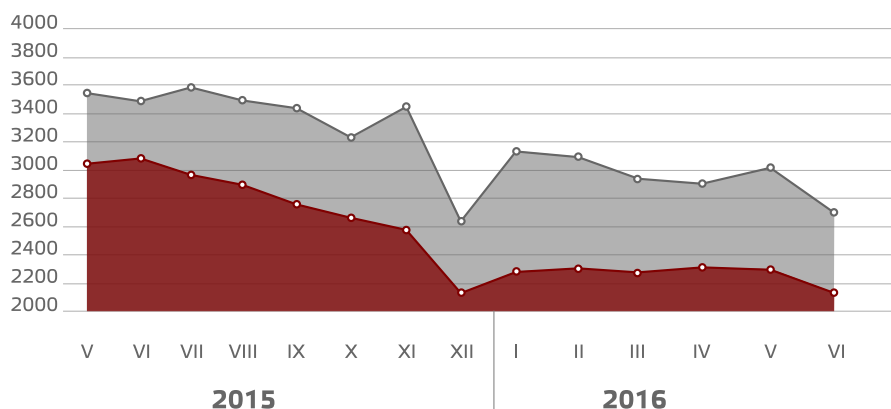
### Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m<sup>2</sup>

	2014												2015												2016											
	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.	01.08.								
<b>1 room</b>	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	757								
<b>2 rooms</b>	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	706								
<b>3 rooms</b>	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	656								
<b>4 rooms</b>	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	632								

Source: ARCO REAL ESTATE

In July 2016, the total supply of apartments in Riga compared to the previous month decreased minimally - by 1.2 %. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE has decreased for the second month in a row - by 5.8 %. Compared to July 2015, the apartment supply was significantly lower: the total number of apartments offered for sale in July was by 26.9 % lower, but the number of apartments offered for sale in the largest housing estates was by 32 % lower than in July 2015.

## Dynamics of supply of apartments in Riga, 2015 - 2016

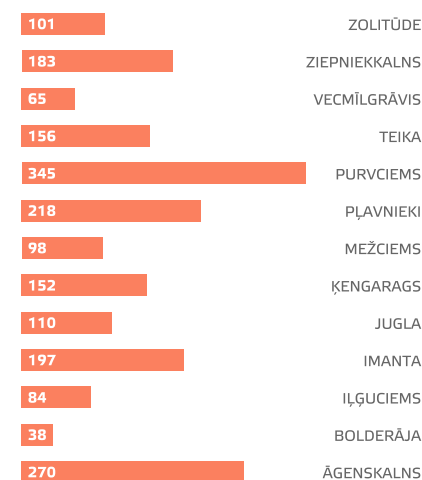


■ THE BIGGEST RESIDENTIAL AREAS (Jugla, Pļavnieki, Purvciems, Mežciems, Teika, Vecmīlgrāvis, Ķengarags, Bolderāja, Ziepniekkalns, Imanta, Zolitūde, Āgenskalns, Ilģuciems).

■ THE REST OF RIGA (center and other areas).

Source: ARCO REAL ESTATE

## Number of apartments offered for sale in Riga in July 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 July 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 July, the most significant decrease of supply of apartments was seen in Bolderāja (- 24 %). But the supply of apartments slightly increased in Vecmīlgrāvis (+ 4.8 %) and Āgenskalns (+ 3.1 %) in the last month.

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

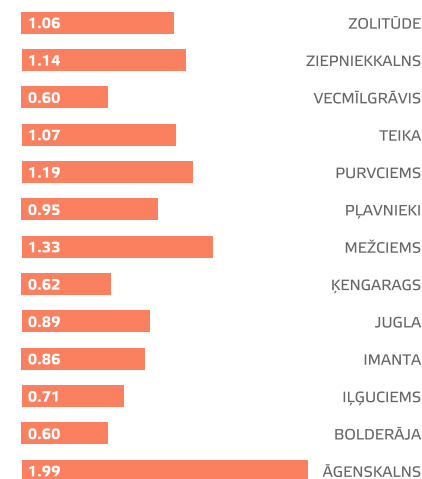
In July 2016, the standard-apartment prices minimally grew almost in all of the largest housing estates of Riga - by up to 1 %. The largest apartment price increase was seen in Āgenskalns, where the prices grew by 0.8 %. Only in Ķengarags, Bolderāja and Zolitūde during the last month the prices remained stable, no changes were observed in those housing estates.

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

	The average value per 1 m <sup>2</sup> on 01.08.2016.	The average value per 1 m <sup>2</sup> on 01.07.2016.	Changes, %
Jugla	<b>695</b>	692	0.4 ↑
Pļavnieki	<b>731</b>	726	0.7 ↑
Purvciems	<b>748</b>	745	0.5 ↑
Mežciems	<b>719</b>	715	0.6 ↑
Teika	<b>850</b>	847	0.4 ↑
Vecmīlgrāvis	<b>550</b>	549	0.3 ↑
Ķengarags	<b>632</b>	632	0.0 ➡
Bolderāja	<b>480</b>	480	0.0 ➡
Ziepniekkalns	<b>716</b>	714	0.3 ↑
Imanta	<b>738</b>	737	0.1 ↑
Zolitūde	<b>752</b>	752	0.0 ➡
Āgenskalns	<b>737</b>	731	0.8 ↑
Ilģuciems	<b>649</b>	648	0.2 ↑

Source: ARCO REAL ESTATE

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

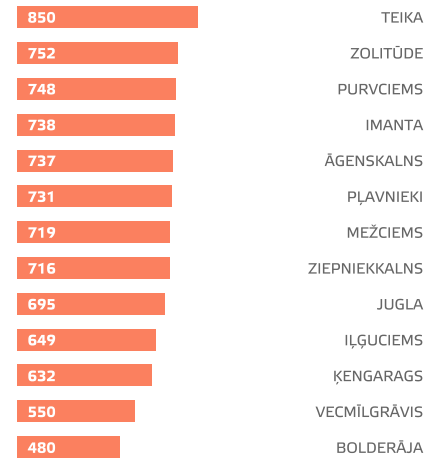
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In July 2016, the standard-type apartment prices were by 12.2 % higher than the prices recorded in the beginning of 2014. But compared to the beginning of 2015, the prices have grown by 7.9 %. During 2016, the prices have increased by 5 %.

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

	01.01.2013.	01.01.2014.	01.01.2015.	01.01.2016.	01.08.2016.
Bolderāja	473	450	454	467	<b>480</b>
Vecmīlgrāvis	514	524	531	536	<b>550</b>
Ķengarags	518	543	594	615	<b>632</b>
Iļģuciems	570	586	609	633	<b>649</b>
Ziepniekkalns	613	626	643	664	<b>695</b>
Jugla	583	610	639	671	<b>716</b>
Pļavnieki	622	651	664	677	<b>719</b>
Imanta	605	633	676	685	<b>731</b>
Mežciems	624	637	662	705	<b>737</b>
Purvciems	633	662	682	688	<b>738</b>
Āgenskalns	623	644	677	707	<b>748</b>
Zolitūde	644	663	697	714	<b>752</b>
Teika	757	787	798	806	<b>850</b>

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



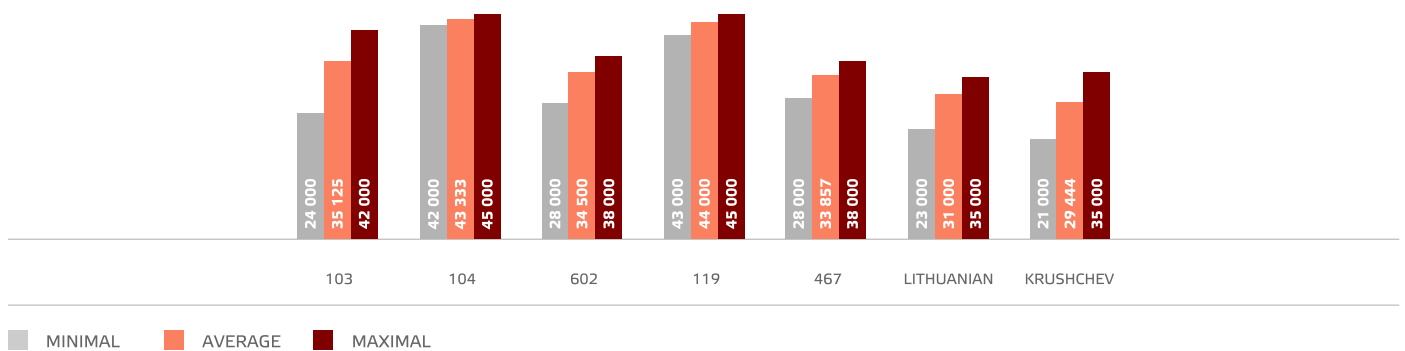
Source: ARCO REAL ESTATE

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The highest standard-type apartment prices in July 2016 still were in Teika, where the average price of one square meter increased to 850 EUR/m<sup>2</sup>. But the lowest average price of one square meter remained to be in Bolderāja - 480 EUR/m<sup>2</sup>.

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



Source: ARCO REAL ESTATE

## Apartment market in the vicinity of Riga

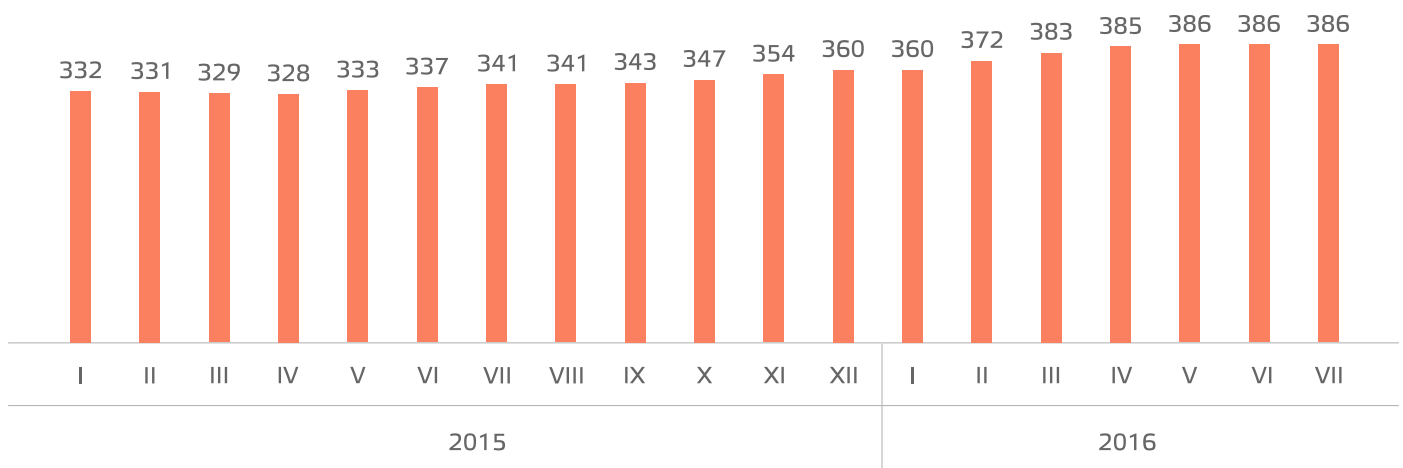
**Ogre.** In July 2016, the standard-type apartment prices in Ogre did not change. The average price of one square metre remained to be 469 EUR. In 2015, the prices grew by 4.5 % in total. In 2016, apartment prices in Ogre have grown by 5.9 %, however, the price growth stopped in June and the prices have not changed for the two last months.

**Kauguri, Jūrmala.** In July 2016, the standard-type apartment prices in Kauguri increased by 1.9 %. The average price of one square meter of apartment grew up to 460 EUR. Price rise has been recorded in Kauguri already for the sixth consecutive month. In 2016, the apartment prices in overall have grown by 10.1 %, thus it can be considered that in Kauguri the prices have increased more than anywhere else in Riga and its surroundings this year.

**Salaspils.** In July 2016, the standard-type apartment prices in Salaspils grew by 1.3 %. The average price of a standard-type apartment has increased achieving the position of 507 EUR/m<sup>2</sup>. Since the beginning of 2016, the average price of a standard-type apartment in Salaspils has grown by 7.5 % in total. One of the reasons for the price increase was the small supply of apartments and lack of choice: Salaspils did not have an adequate supply at a reasonable price.

**Jelgava.** Apartment prices in July 2016 in Jelgava remained stable; the average price of a standard-type apartment remained to be at the position of 386 EUR/m<sup>2</sup>. Since beginning of 2016, the standard-type apartment prices in Jelgava have increased by 5.6 %. The rise in prices was mainly observed in the first quarter. Apartment prices in Jelgava have not changed for three consecutive months.

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



Source: ARCO REAL ESTATE

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