

MARKET OVERVIEW

Standard-Type Apartments AUGUST



RIGA
2016

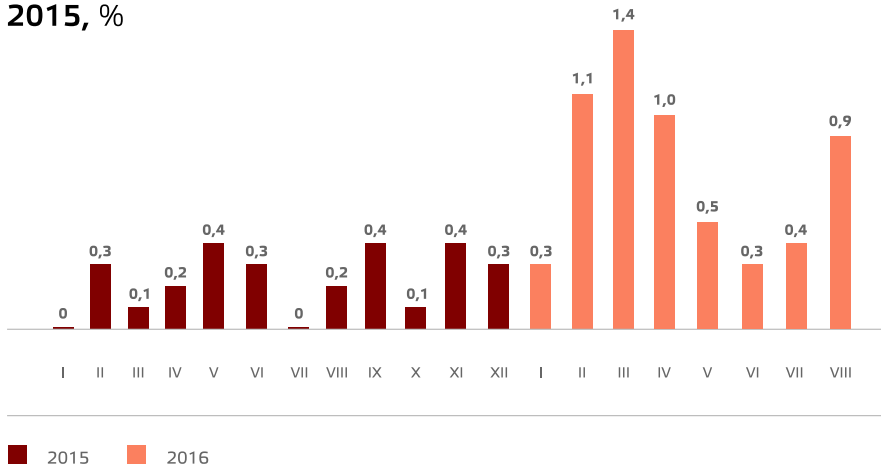


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, September 1, 2016

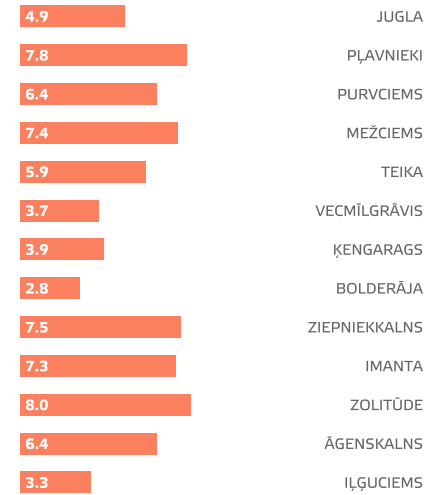
In August 2016, the prices of standard-type apartments located in Riga housing estates increased by 0.9 %. The average standard-type apartment price in August increased to 694 EUR/m². Since the beginning of 2016, the standard-type apartment prices have grown by 6 % in total.

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, %



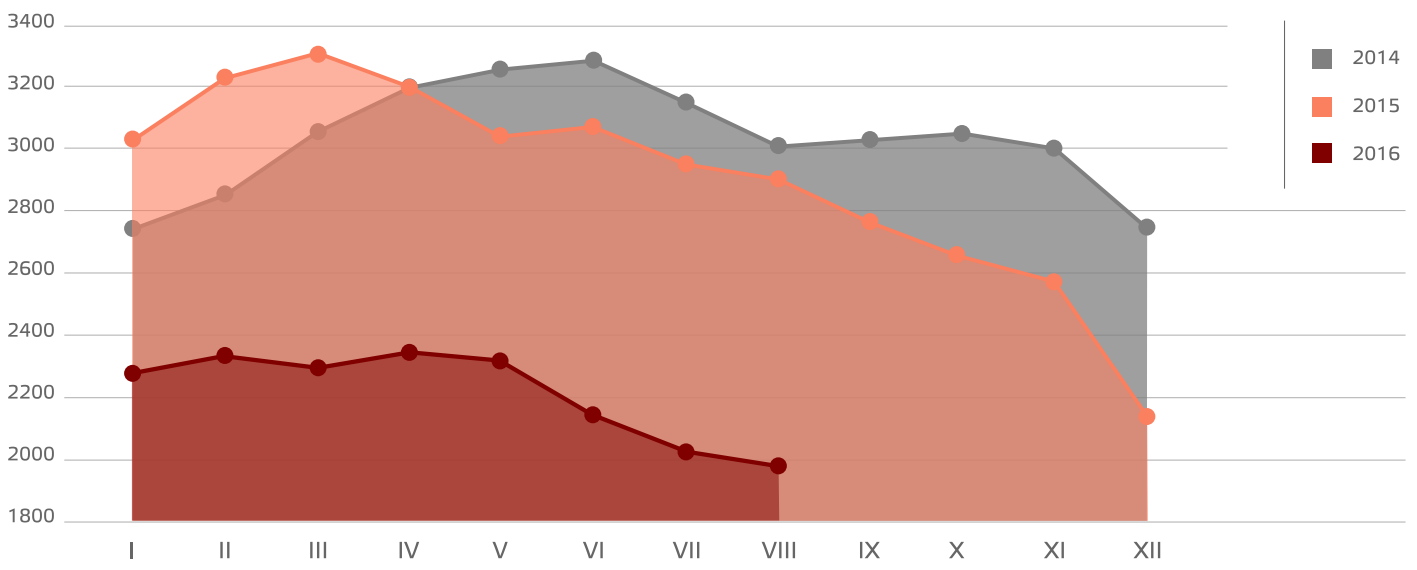
Source: ARCO REAL ESTATE

Apartment prices in August continued to increase due to the significantly low supply level, which continues to decline. Potential buyers of apartments in August were forced to reckon with the prices set by sellers, taking into account the significant decrease of choices. This year, prices rose fastest in Zolitūde, where standard-type apartment price level has always been among the highest ones in Riga. In this neighbourhood, not including new projects, there are located only residential buildings of 104th and 119th series with apartments that always have been most expensive; it can be explained by the quality of the projects and the apartment layout.

The level of supply in the largest housing estates of Riga continued to decline in August - the number of apartments supplied was below 2 000 and this indicator in August was the lowest since the end of 2009.

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 Zolitūde (+ 8 %). 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 Bolderāja (+ 2,8 %).

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

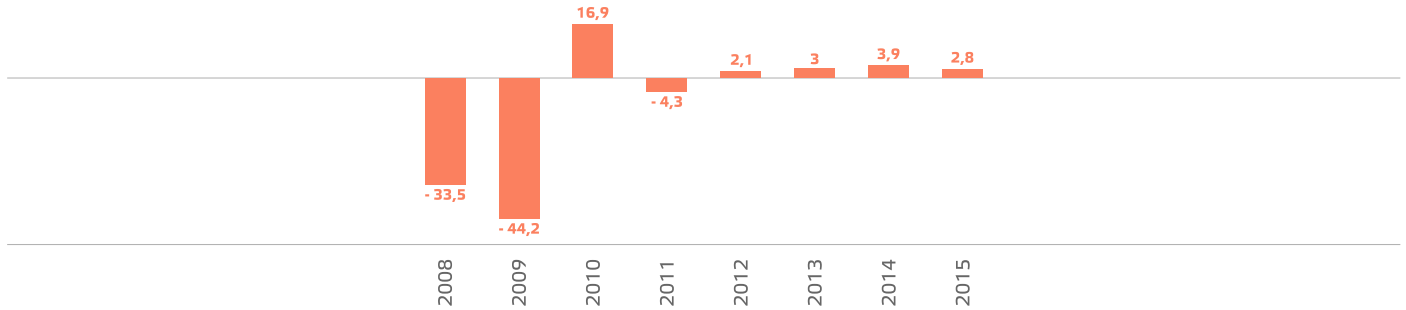


Source: ARCO REAL ESTATE

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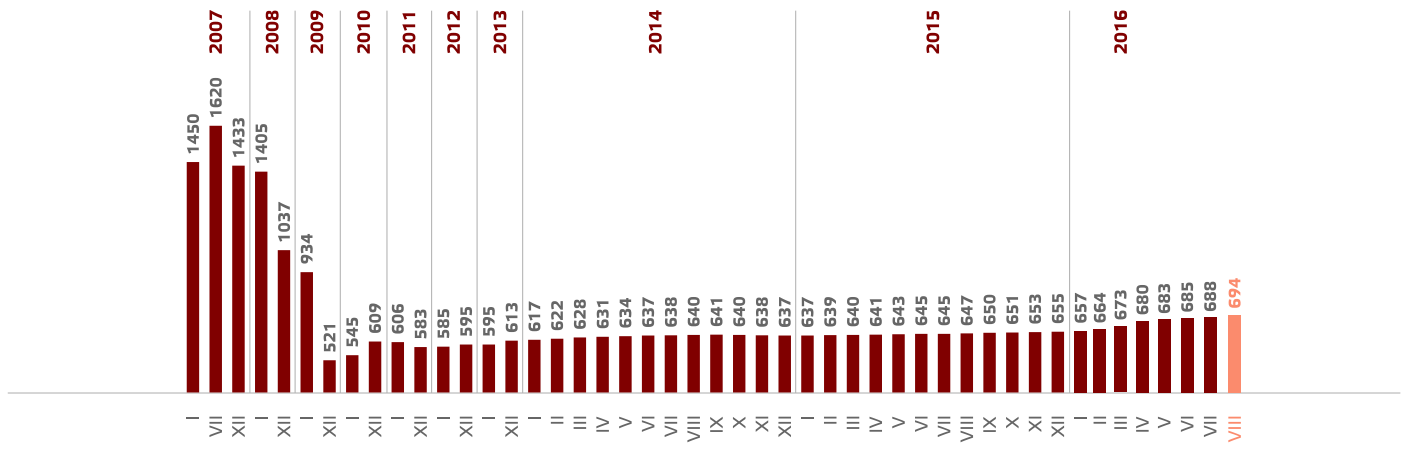
In August 2016, the average price of a standard-type apartment increased to position of 694 EUR/m². The prices on average are by 57.1 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value - 1 620 EUR/m².

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 August 2016, there was a growth of prices of all kind apartments. The average price of one square meter of apartment increased for one-room apartments (+ 1.1 %), two-room apartments (+ 0.7 %), three-room apartments (+ 0.8 %) and four-room apartments (+ 1.4 %).

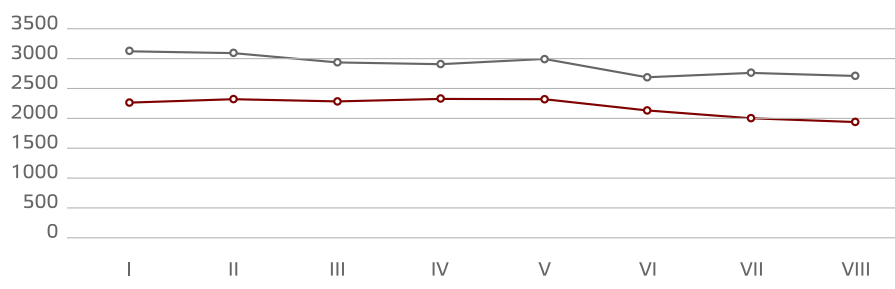
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2014						2015						2016															
1 room	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	765
2 room	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	711
3 room	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	661
4 room	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	641
	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.	01.09.

Source: ARCO REAL ESTATE

In August 2016, the total supply of apartments in Riga compared to the previous month decreased by 2 %. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE has decreased for the fourth month in a row - by 2.9 % in August. Compared to August 2015, the apartment supply was still significantly lower: the total number of apartments offered for sale in August was by 26.8 % lower, but the number of apartments offered for sale in the largest housing estates was by 32.4 % lower.

Dynamics of supply of apartments in Riga, 2016



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

■ 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 August was in Purvciems, Āgenskalns and Imanta. But the lowest apartment supply was in Bolderāja and Vecmīlgrāvis.

Number of apartments offered for sale in almost all largest housing estates of Riga has decreased. In August, the most significant decrease of supply of apartments was seen in Pļavnieki (- 14.2 %). But the largest growth supply of apartments was observed in Iļģuciems (+ 22.6 %) 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 again recorded in Āgenskalns and Mežciems. By contrast, the number of apartments offered for sale was proportionally lowest in Vecmīlgrāvis Bolderāja and Ķengarags.

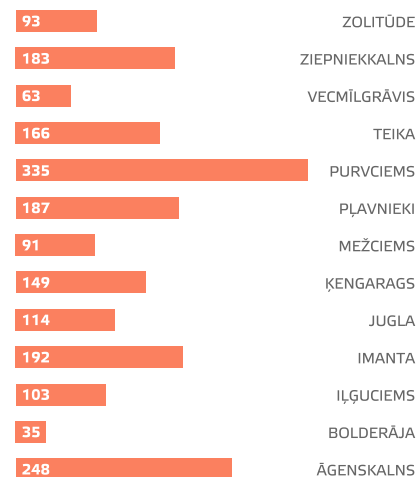
In August 2016, an increase of the standard-type apartment prices was observed almost in all largest housing estates of Riga; in addition, a more significant price growth than before has been observed in a number of housing estates in August. The largest apartment price increase was seen in Zolitūde, where the prices grew by 2.6 %, but in Āgenskalns the apartment prices grew by 1.9 %. Only in Bolderāja the prices remained stable, no changes were observed in those housing estates in August.

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

	The average value per 1 m ² on 01.09.2016.	The average value per 1 m ² on 01.08.2016.	Changes, %
Jugla	697	695	0.3 ↑
Pļavnieki	739	731	1.1 ↑
Purvciems	753	748	0.6 ↑
Mežciems	727	719	1.1 ↑
Teika	854	850	0.5 ↑
Vecmīlgrāvis	556	550	1.1 ↑
Ķengarags	639	632	1.1 ↑
Bolderāja	480	480	0 →
Ziepniekkalns	722	716	0.8 ↑
Imanta	738	738	0.1 ↑
Zolitūde	771	752	2.6 ↑
Āgenskalns	750	737	1.9 ↑
Iļģuciems	654	649	0.8 ↑

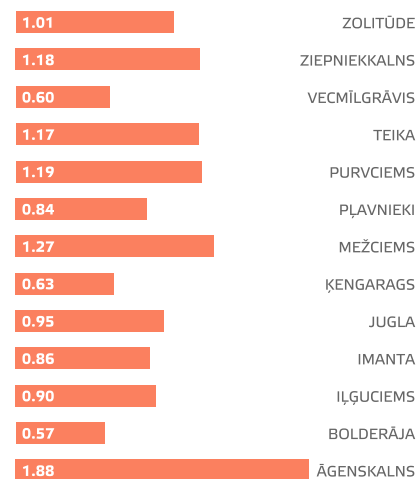
Source: ARCO REAL ESTATE

Number of apartments offered for sale in Riga in August 2016



Source: ARCO REAL ESTATE

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

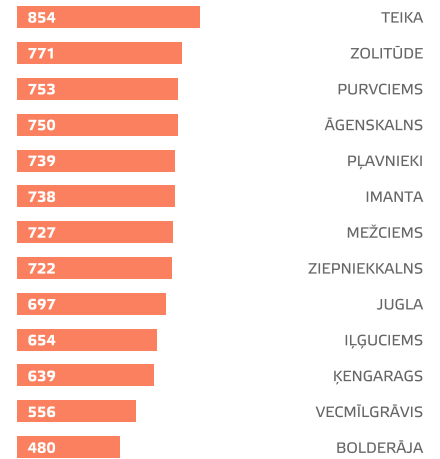
Avots: ARCO REAL ESTATE

In August 2016, the standard-type apartment prices were by 13.3 % higher than the prices recorded in the beginning of 2014. But compared to the beginning of 2015, the prices have grown by 9 %. During 2016, the prices have increased by 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.	01.09.2016.
Bolderāja	473	450	454	467	480
Vecmīlgrāvis	514	524	531	536	556
Ķengarags	518	543	594	615	639
Iļģuciems	570	586	609	633	654
Ziepniekkalns	613	626	643	664	697
Jugla	583	610	639	671	722
Pļavnieki	622	651	664	677	727
Imanta	605	633	676	685	738
Mežciems	624	637	662	705	739
Purvciems	633	662	682	688	750
Āgenskalns	623	644	677	707	753
Zolitūde	644	663	697	714	771
Teika	757	787	798	806	854

Average standard-type apartment prices in housing estates of Riga as per August 1, 2016, EUR/m²



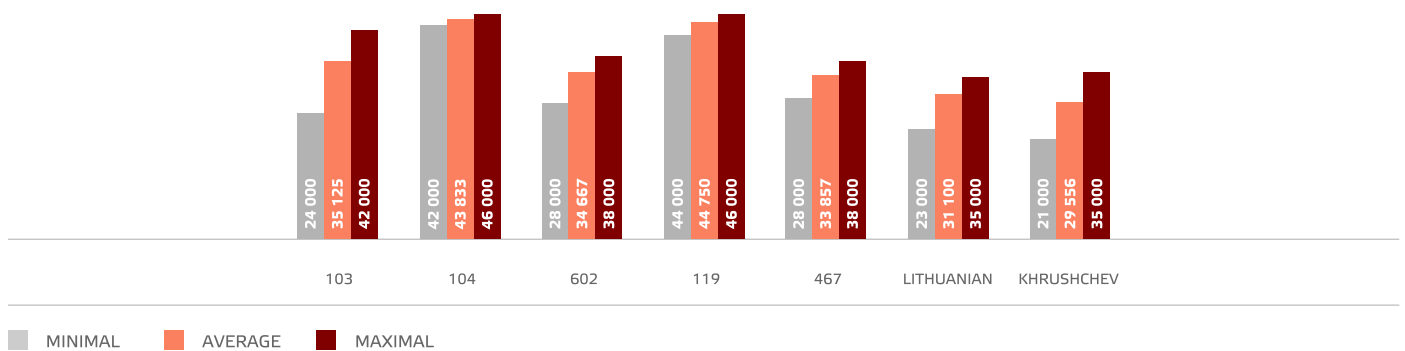
Source: ARCO REAL ESTATE

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The highest standard-type apartment prices in August 2016 still were in Teika, where the average price of one square meter increased to 854 EUR/m². But the lowest average price of one square meter remained to be in Bolderāja - 480 EUR/m².

In August 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 46 000 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 August 2016 (2-room apartments), EUR



Source: ARCO REAL ESTATE

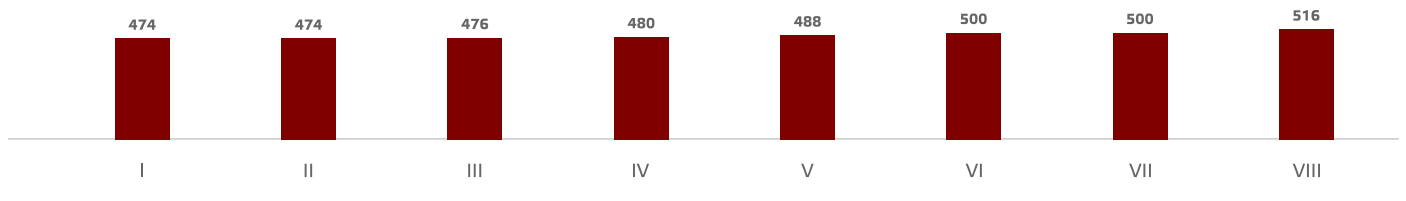
Apartment market in the vicinity of Riga

Ogre. In August 2016, the standard-type apartment prices in Ogre increased by 0,8 %. The average price of one square meter grew to 473 EUR/m². In 2016 in Ogre, similar to the largest housing estates of Riga, the apartment prices rose by 6.8 %. A relatively low supply of apartments has been observed also in Ogre this year, within which apartments with good interior decoration have been offered for sale.

Kauguri, Jūrmala. In August 2016, the standard-type apartment prices in Kauguri increased by 0.7 %. The average price of one square meter of apartment grew up to 463 EUR/m². Price rise has been recorded in Kauguri already for the seventh consecutive month. In 2016, the apartment prices in overall have grown by 10.9 %, which is the largest apartment price growth compared to Riga housing estates and other places in the vicinity of Riga.

Salaspils. In August 2016, the standard-type apartment prices in Salaspils grew by 1.8 %. The average price of a standard-type apartment has increased to 516 EUR/m². Since the beginning of 2016, the average price of a standard-type apartment in Salaspils has grown by 9.5 % in total. Thus, the rise in prices this year was more rapid than in Riga housing estates. One of the reasons for the price increase in Salaspils was the small supply of apartments and lack of choice. There was still lack of adequate supply at a reasonable price in Salaspils.

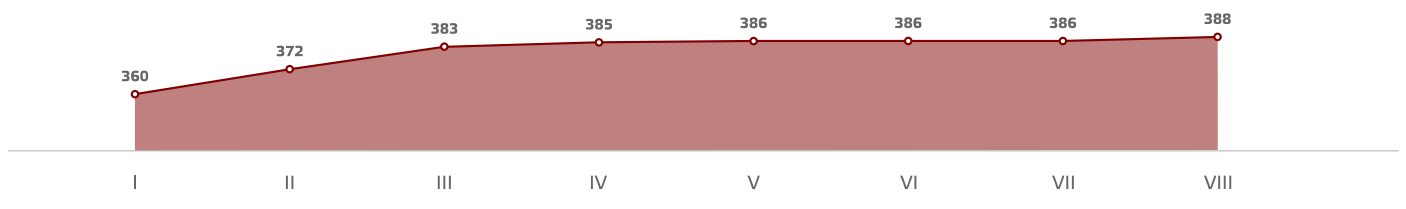
Dynamics of average price of standard-type apartments in Salaspils, EUR/m²



Source: ARCO REAL ESTATE

Jelgava. Apartment prices in August 2016 in Jelgava increased by 0.5 %. The average price of a standard-type apartment has reached the position of 388 EUR/m², showing a minimum growth compared to previous months. Since beginning of 2016, the standard-type apartment prices in Jelgava have increased by 6.2 %; thus, it shows that the general price level in Jelgava this year, like in Riga housing estates, had a rising trend.

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



Source: ARCO REAL ESTATE

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