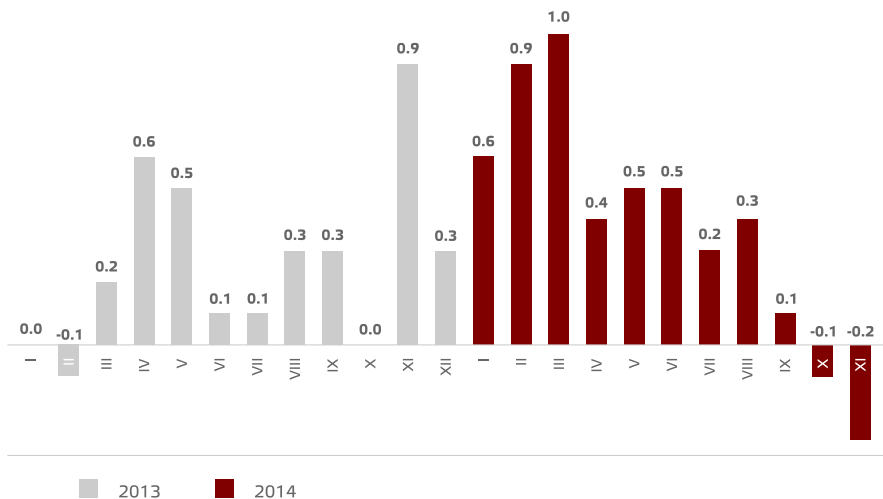


# STANDARD-TYPE APARTMENT MARKET OVERVIEW NOVEMBER

## Standard-type apartments, December 1, 2014

In November 2014, the prices of standard-type apartments located in Riga housing estates decreased by 0.2%. The average standard-type apartment price in November has decreased to 638 EUR/m<sup>2</sup>. Since the beginning of 2014, standard-type apartment prices have grown by 4.2%, but since November of the last year - by 4.4%.

### Standard-type apartment price changes since beginning of 2013, in %



Source: ARCO REAL ESTATE

In November, the price decrease of the standard-type apartments that began a month earlier with a minimum price decline, continued in the housing estates of Riga. In November, for the first time in the last 3 years, the price decrease per month was greater than 0.1%. According to the ARCO REAL ESTATE observations, last time it was seen in November 2011, when the average monthly price level of the standard-type apartments also decreased by 0.2%.

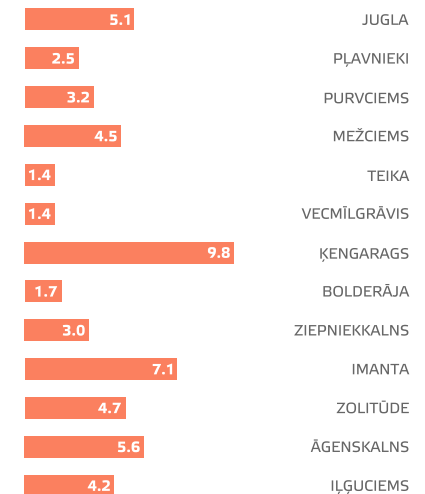
Price decrease is typical for almost all of the largest housing estates in Riga. For example, in Teika, the average apartment price in November was lower than 800 EUR/m<sup>2</sup>. The only housing estates in which no price decrease was observed were Ķengarags, Zolitūde and Imanta. Apartment price reduction in Riga had a negative impact on the prices of apartments in the vicinity of Riga. In November, a decrease in prices was observed in Ogre and Salaspils and also in Jelgava.

The largest growth of the average 1m<sup>2</sup> price in the housing estates of Riga City since the beginning of 2014 was observed in Ķengarags (+9,8%) and Imanta: +7.1%). Also in other housing estates of Riga City in this year the prices tended to increase.

In November 2014, the average price of a standard-type apartment has decreased to position of 638 EUR/m<sup>2</sup>. The prices on average are by 60.6% 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>.

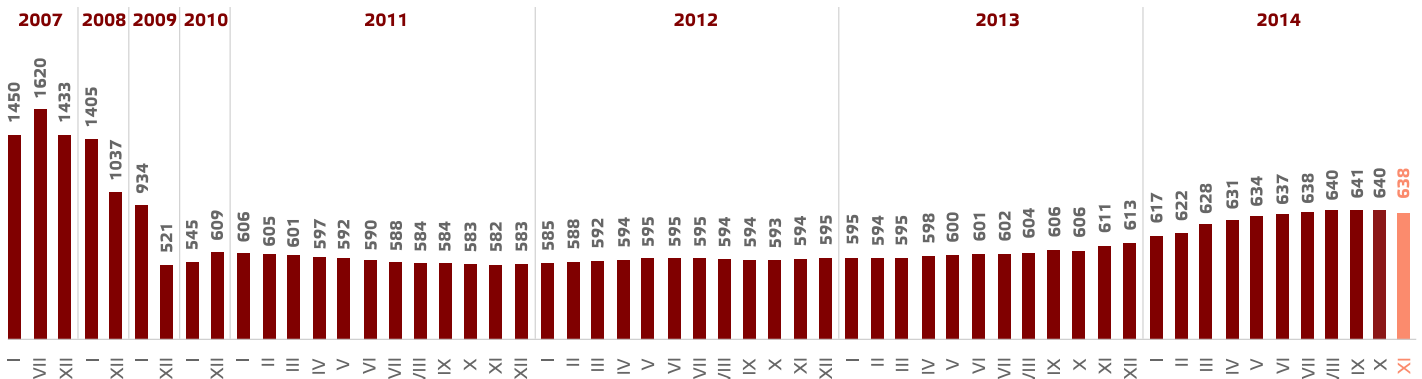
In 2008, the average prices of standard-type apartments in Riga in total decreased by 33.5%. In 2009, the average prices decreased by another 44.2%. But in 2010 the prices grew by 16.9% in total. In 2011, the prices of standard-type apartments decreased by 3.5%. In 2012, the apartment prices grew by 2%. In 2013, the apartment prices grew by 3%. In 2014, prices continue to rise – this year the apartment prices have increased by 4.2%.

### Movements of average price of standard-type apartments in the largest housing estates of Riga, since January 1, 2014



Source: ARCO REAL ESTATE

## Dynamic of average price of standard-type apartments in the largest housing estates of Riga, EUR



Source: ARCO REAL ESTATE

In November 2014, the average price of 1m<sup>2</sup> of apartments if categorized by number of rooms has increased for four-room apartments (+0.1%) but in turn for one-room apartments (-0.1%), two-room apartments (-0.6%) and three-room apartments (-0.4%) the price has decreased in November.

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

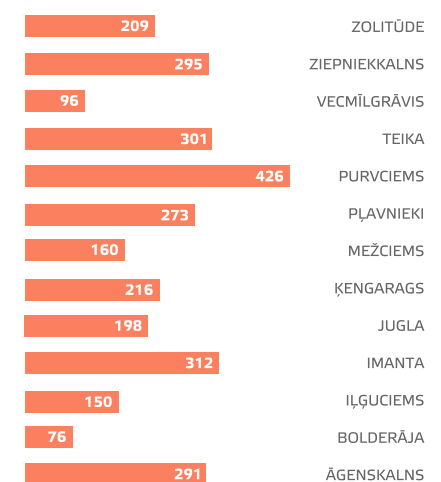
	2013												2014											
1 room	643	643	643	643	648	648	650	651	652	654	655	664	666	671	681	689	692	697	701	699	703	704	702	702
2 rooms	602	602	602	603	610	612	612	614	616	619	618	623	625	628	631	638	641	645	649	650	652	654	651	647
3 rooms	574	574	574	574	576	577	578	579	582	583	583	587	588	592	596	600	602	604	609	610	611	612	613	611
4 rooms	560	560	560	560	561	562	562	563	564	567	568	571	573	577	581	586	588	590	592	594	594	592	594	595
	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.	01.10.	01.11.	01.12.

Source: ARCO REAL ESTATE

In November 2014, the total supply of apartments in Riga has decreased by 1.6%. The number of apartments supplied in the largest housing estates analyzed by ARCO REAL ESTATE also has decreased by 1.6%.

Having summarized the number of apartments offered for sale, it can be concluded that the largest offer of apartments in the housing estates in November was in Purvciems, Imanta and Ziepniekkalns. But the housing estates where the number of apartments supplied was the smallest were Bolderāja and Vecmīlgrāvis. Evaluating the number of offers in proportion to the size of the housing estate (by population), the largest number of apartments offered for sale was observed in Zolitūde, Mežciems and Āgenskalns. In contrast, in Ķengarags, Vecmīlgrāvis and Pļavnieki, the number of apartments offered in proportion to the population was the lowest.

## Number of apartments offered in Riga in November 2014



Source: ARCO REAL ESTATE

In November, the breakdown of the housing estates in which the number of apartments offered increased, and those where it was reduced was similar. The largest increase of the supply of apartments was in Imanta (+ 10.2%) and Ziepniekkalns (+9.7%). In turn, the largest decline in the supply of apartments in November was observed in Jugla (-20.8%) and Iļģuciems (-12.3%).

In November 2014, decrease of standard-type apartment prices was observed in most housing estates of Riga. The largest decrease of the average price of 1 m<sup>2</sup> in November was observed in Pļavnieki (-0.7%), Āgenskalns (-0.7%) and Bolderāja (-0.7%). In Imanta, the price level remained unchanged. In turn, the prices grew in Ķengarags (+0.4%) and Zolitūde (+0.4%).

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

	Average 1m <sup>2</sup> price on 01.12.2014.	Average 1m <sup>2</sup> price on 01.11.2014.	Changes, %
Jugla	<b>641</b>	643	-0.3 ↓
Pļavnieki	<b>668</b>	673	-0.7 ↓
Purvciems	<b>683</b>	686	-0.5 ↓
Mežciems	<b>666</b>	668	-0.4 ↓
Teika	<b>799</b>	803	-0.5 ↓
Vecmīlgrāvis	<b>531</b>	532	-0.2 ↓
Ķengarags	<b>597</b>	595	0.4 ↑
Bolderāja	<b>458</b>	461	-0.7 ↓
Ziepniekkalns	<b>645</b>	646	-0.2 ↓
Imanta	<b>678</b>	678	0.0 →
Zolitūde	<b>695</b>	692	0.4 ↑
Āgenskalns	<b>680</b>	685	-0.7 ↓
Iļģuciems	<b>610</b>	613	-0.5 ↓

Source: ARCO REAL ESTATE

Since the beginning of 2011, the prices in November this year have increased by 4.8%. Since the beginning of 2012, the prices are higher by 9.5%. Since the beginning of 2013, prices of the standard-type apartments have increased by 7.3%. Compared with the beginning of 2014, in November 2014, the standard-type apartment prices in the housing estates of Riga were by 4.2% higher.

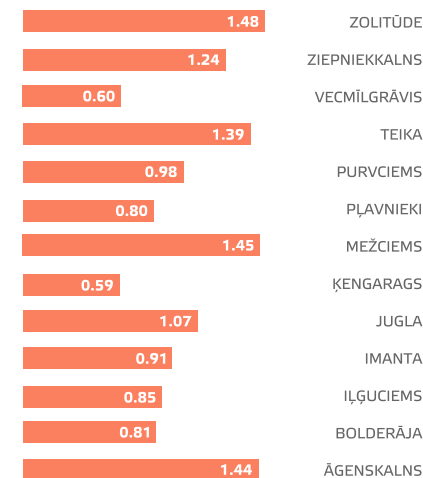
## Average apartment prices in housing estates, EUR/m<sup>2</sup>

Housing estate	01.01.2011.	01.01.2012.	01.01.2013.	01.01.2014.	01.12.2014.
Bolderāja	508	477	473	450	<b>458</b>
Vecmīlgrāvis	534	508	514	524	<b>531</b>
Ķengarags	541	510	518	543	<b>597</b>
Iļģuciems	590	566	570	586	<b>610</b>
Jugla	583	556	583	610	<b>641</b>
Ziepniekkalns	633	602	613	626	<b>645</b>
Mežciems	634	612	624	637	<b>666</b>
Pļavnieki	630	603	622	651	<b>668</b>
Imanta	618	592	605	633	<b>678</b>
Āgenskalns	643	606	623	644	<b>680</b>
Purvciems	645	615	633	662	<b>683</b>
Zolitūde	675	640	644	663	<b>695</b>
Teika	725	728	757	787	<b>799</b>

Source: ARCO REAL ESTATE

The highest standard-type apartment prices in November 2014 still were in Teika, where the average price of 1 m<sup>2</sup> has decreased in November, reaching the level of 799 EUR. But the lowest average price of 1 m<sup>2</sup> has remained in Bolderāja where in November it dropped to 458 EUR.

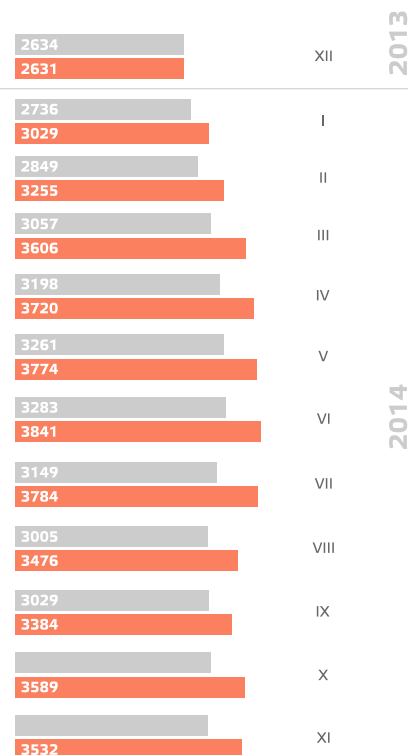
## Apartments offered for sale in proportion to the size of the housing estates in Riga in November, 2014



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

## Dynamic of apartment supply in Riga



■ LARGER HOUSING ESTATE (Jugla, Pļavnieki, Purvciems, Mežciems, Teika, Vecmīlgrāvis, Ķengarags, Bolderāja, Ziepniekkalns, Imanta, Zolitūde, Āgenskalns, Iļģuciems)

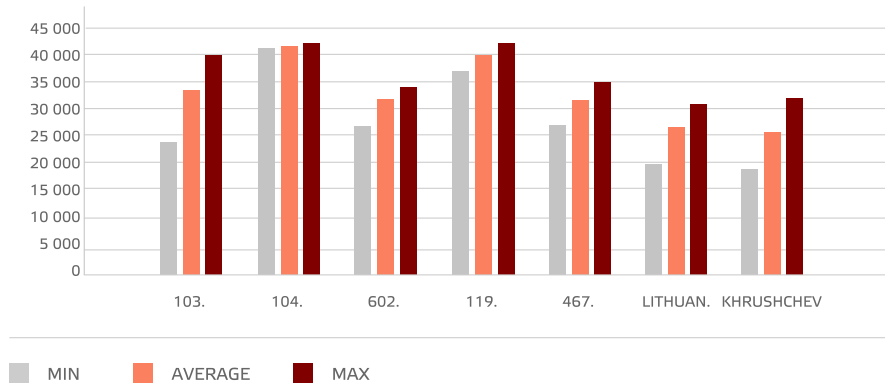
■ OTHER (Centre of Riga etc.)

Source: ARCO REAL ESTATE

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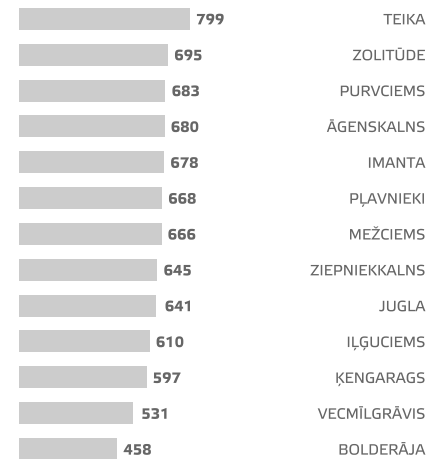
In November 2014, the most expensive apartments still were apartments in the houses of the 119<sup>th</sup> series and 104<sup>th</sup> series, where the price of 2-room apartments varied from 37 000 to 42 000 EUR, depending on the location. In turn, the so-called Lithuanian design houses have been the cheapest ones, where the price of 2-room apartments varied from 20 000 to 31 000 EUR, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 19 000 to 32 000 EUR, depending on the housing estate.

## Standard-type apartment prices by series in Riga housing estates in November 2014 (two-room apartments), EUR



Source: ARCO REAL ESTATE

## Average apartment prices in housing estates in 2014, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

## Apartment market in the vicinity of Riga

### Ogre

In November 2014, in Ogre, the standard-type apartment prices have decreased by 1.5%. The average price decreased to 429 EUR/m<sup>2</sup>. November was the second month in turn when a price reduction was observed in Ogre, which almost compensated the increase in prices at the beginning of the year. In total, since the beginning of 2014, the prices in Ogre have grown only by 0.4%.

### Kauguri, Jūrmala

In November 2014, any change of the apartment prices in Kauguri has not been observed. The average price of an apartment in November remained to be 401 EUR/m<sup>2</sup>. In total, since the beginning of 2014, the prices of apartments in this part of Jūrmala have grown by 1,5% .

### Salaspils

The price level in Salaspils in November 2014 has decreased by 0.6%. The average price of an apartment in November was 470 EUR/m<sup>2</sup>. In total, during the beginning of 2014, the prices in Salaspils have increased by 1.7%. November in Salaspils was the first month since November 2013 when a price reduction was observed.

### Jelgava

In November 2014, prices in Jelgava have decreased by 1.5%. Average price of an apartment in November was at the position of 339 EUR/m<sup>2</sup>. Also in Jelgava there was not observed any price decrease- the last time when it was observed was December 2012. Since the beginning of 2014, the prices of apartments in Jelgava have increased by 8.3 % which is to be considered as a high value.

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