

MARKET OVERVIEW

Standard-Type Apartments NOVEMBER



RIGA
2016

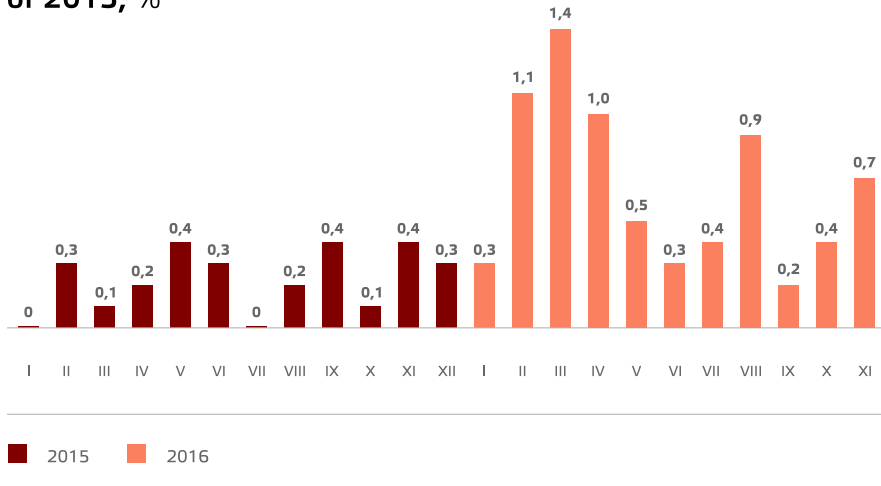


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, December 1, 2016

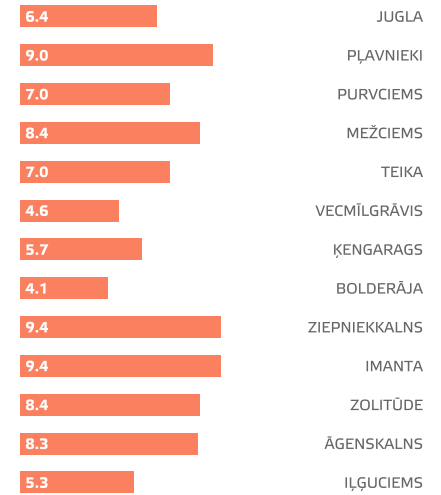
In November 2016, the prices of standard-type apartments located in Riga housing estates increased by 0.7 %. The average standard-type apartment price in November increased to 703 EUR/m². Since the beginning of 2016, the standard-type apartment prices have grown by 7.3 % in total.

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, %



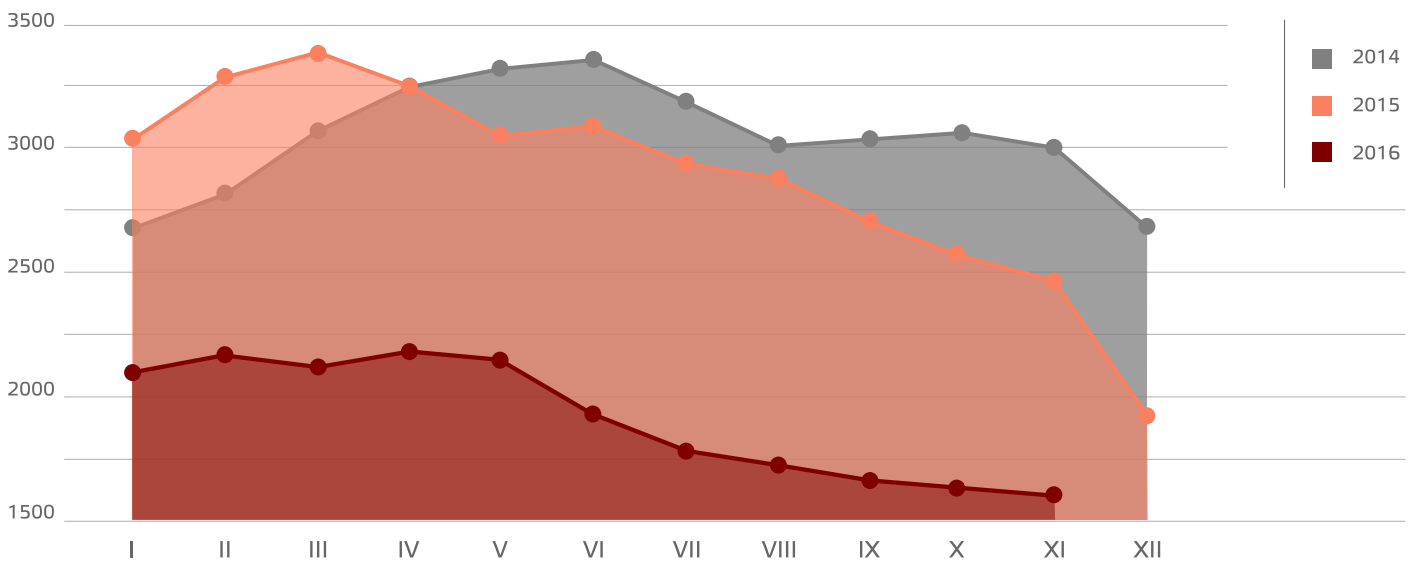
Source: ARCO REAL ESTATE

In November 2016, the average price of standard-type apartments exceeded the amount of 700 EUR/m². The main reason of the price growth still was the low level of supply, which in November was about one third lower than a year ago during the same period. The apartment supply still tended to decrease.

In a number of the most popular housing districts of Riga, the prices this year have increased by more than 9 %, and the average price of non-renovated apartments in the most expensive housing districts ranged from 700 to 800 EUR/m². Relatively slower growth rates this year were seen in the cheaper housing estates - Vecmīlgrāvis, Bolderāja and Ķengarags where the price increase was within the range of 4 - 6 %.

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 Ziepniekkalns and Imanta (+ 9.4 %), which are among the most popular and expensive housing estates in Riga. Also in other biggest housing estates of Riga the prices have increased this year. The slowest apartment price growth since the beginning of the year was observed in Bolderāja (+ 4.1 %) and Vecmīlgrāvis (+ 4.6 %).

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

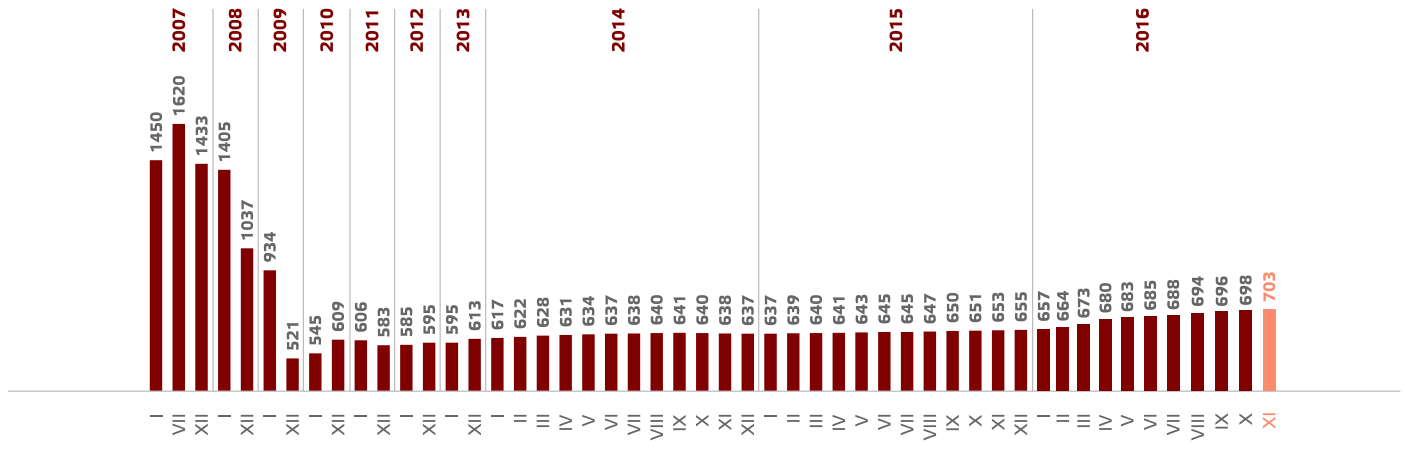


Source: ARCO REAL ESTATE

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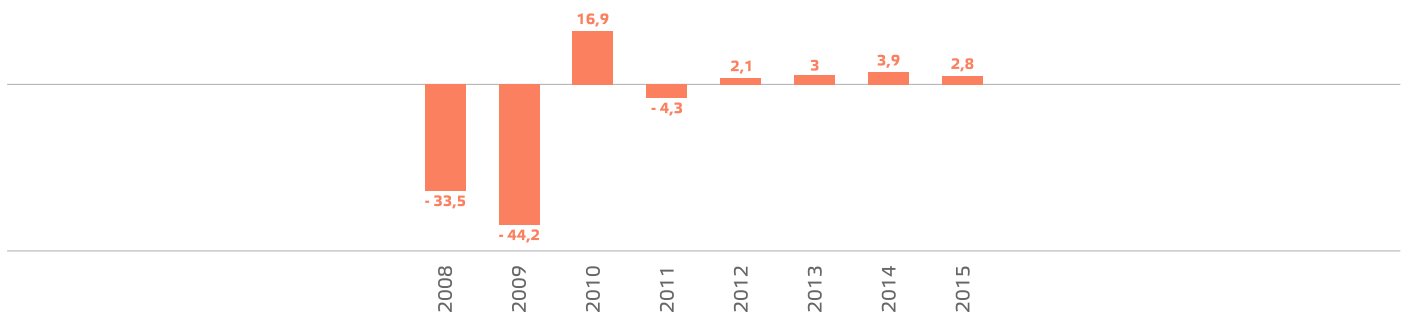
In November 2016, the average price of a standard-type apartment increased to position of 703 EUR/m². The prices on average are by 56.6 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value - 1 620 EUR/m².

Dynamics of average price of standard-type apartments in the largest housing estates of Riga, EUR/m²



Source: ARCO REAL ESTATE

Standard-type apartment price changes, 2008 - 2015, %



Source: ARCO REAL ESTATE

In November 2016, the prices rated by number of rooms in apartment increased for 1 - 4-room apartments. The average price of one square meter of apartment increased for one-room apartments (+ 0.5 %), two-room apartments (+ 0.8 %), three-room apartments (+ 0.2 %) and four-room apartments (+ 1.1 %).

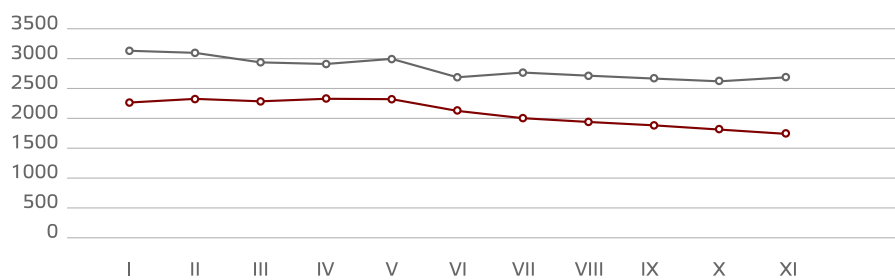
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2014				2015								2016															
1 room	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	768	771	775
2 rooms	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	712	715	721
3 rooms	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	662	666	667
4 rooms	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	641	642	649
	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.	01.10.	01.11.	01.12.

Source: ARCO REAL ESTATE

In November 2016, the total supply of apartments in Riga compared to the previous month in fact remained practically unchanged. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE has decreased for the seventh month in a row - by 4.5 % in November. Compared to November 2015, the apartment supply was still significantly lower: the total number of apartments offered for sale in October of 2016 was by 26.3 % lower, but the number of apartments offered for sale in the largest housing estates was by 32.5 % 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 November was in Purvciems, Āgenskalns and Pļavnieki. But the lowest apartment supply was in Bolderāja and Vecmīlgrāvis.

In November, the number of apartments offered for sale decreased in most of Riga housing estates. In November, the most significant decrease of supply of apartments was seen in Jugla (- 17.5 %). But the largest growth supply of apartments in November was observed in Bolderāja (+ 14,8 %).

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 also in November. By contrast, the number of apartments offered for sale was proportionally lowest in Vecmīlgrāvis, Bolderāja and Ķengarags.

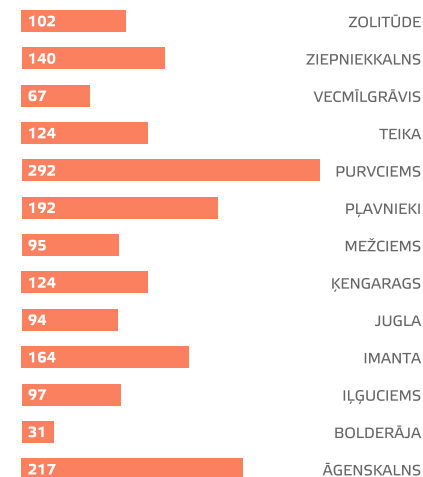
In November 2016, a growth in standard-type apartment prices was observed in most of the largest Riga housing estates. The prices increased by 0.1 to 1.5 %. The biggest price increase was registered in Imanta where apartment prices rose by 1.5 % during the last month. The smallest price increase was seen in Vecmīlgrāvis in November, where the prices grew only by 0.1 %.

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

	The average value per 1 m ² on 01.12.2016.	The average value per 1 m ² on 01.11.2016.	Changes, %
Jugla	707	702	0.7 ↑
Pļavnieki	747	743	0.6 ↑
Purvciems	757	755	0.2 ↑
Mežciems	734	730	0.5 ↑
Teika	863	859	0.5 ↑
Vecmīlgrāvis	561	560	0.1 ↑
Ķengarags	650	645	0.8 ↑
Bolderāja	486	484	0.4 ↑
Ziepniekkalns	734	730	0.5 ↑
Imanta	753	742	1.5 ↑
Zolitūde	774	771	0.4 ↑
Āgenskalns	764	760	0.5 ↑
Iļģuciems	666	658	1.3 ↑

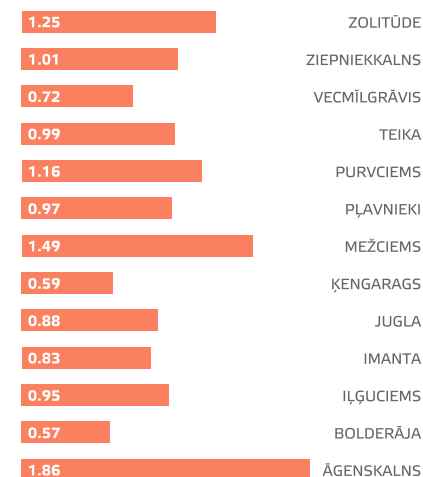
Source: ARCO REAL ESTATE

Number of apartments offered for sale in Riga in November 2016



Source: ARCO REAL ESTATE

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

In November 2016, the standard-type apartment prices were by 14.7 % higher than the prices recorded in the beginning of 2014. But compared to the beginning of 2015, the prices have grown by 10.4 %. During 2016, the prices have increased by 7.3 %.

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

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

	01.01.2013.	01.01.2014.	01.01.2015.	01.01.2016.	01.11.2016.
Bolderāja	473	450	454	467	486
Vecmīlgrāvis	514	524	531	536	561
Ķengarags	518	543	594	615	650
Iļģuciems	570	586	609	633	666
Jugla	583	610	639	664	707
Ziepniekkalns	613	626	643	671	734
Mežciems	624	637	662	677	734
Pļavnieki	622	651	664	685	747
Imanta	605	633	676	688	753
Purvciems	633	662	682	707	757
Āgenskalns	623	644	677	705	764
Zolitūde	644	663	697	714	774
Teika	757	787	798	806	863



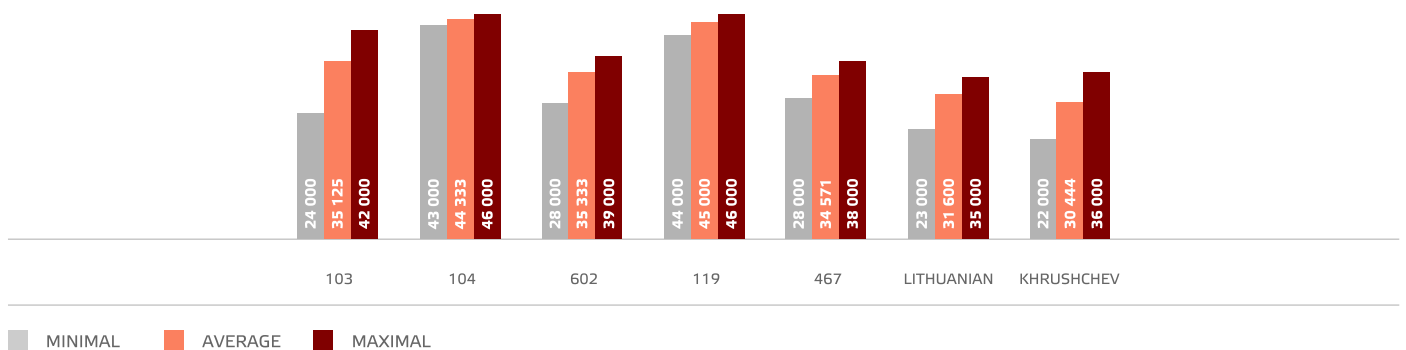
Source: ARCO REAL ESTATE

Source: ARCO REAL ESTATE

The highest standard-type apartment prices in November 2016 still were in Teika, where the average price of one square meter increased to 863 EUR/m². But the lowest average price of one square meter remained to be in Bolderāja, where it grew to the position of 486 EUR/m².

In November 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 43 000 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 22 000 to 36 000 EUR depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in November 2016 (2-room apartments), EUR



Source: ARCO REAL ESTATE

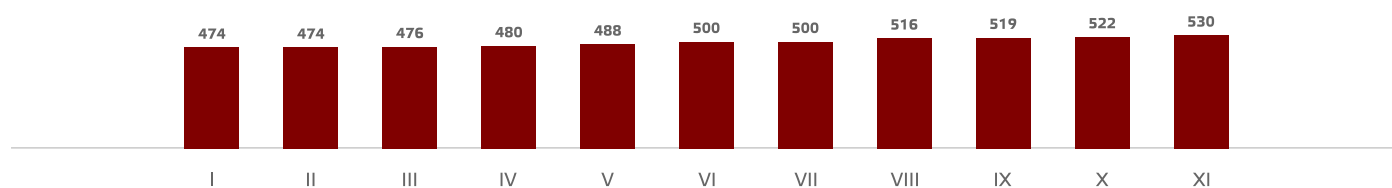
Apartment market in the vicinity of Riga

Ogre. In November 2016, the standard-type apartment prices in Ogre increased by 0.4 %. The average price of one square meter of apartment grew up to 477 EUR/m². In 2016, the apartment prices have increased by 7.5 %, similarly as in the largest housing estates of Riga. In November, the prices rose only for three-room apartments.

Kauguri, Jūrmala. In November 2016, the standard-type apartment prices in Kauguri remained unchanged. The average price of one square meter of apartment remained to be 470 EUR/m². During 2016, the prices have already increased by 12.4 %. A stable apartment price rise has been seen in Kauguri every month throughout the year, but in November it stopped.

Salaspils. In November 2016, the standard-type apartment prices in Salaspils grew by 1.5 %. The average price of a standard-type apartment has increased to 530 EUR/m². Since the beginning of 2016, the average price of a standard-type apartment in Salaspils has grown by 12.4 % in total, and the price, like the in the housing estates of Riga, continued to rise. The insufficient apartment supply in Salaspils is the main reason of the continued price growth.

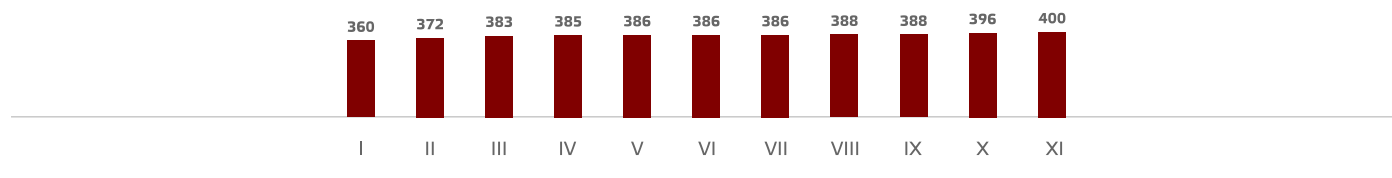
Dynamics of average price of standard-type apartments in Salaspils, EUR/m²



Source: ARCO REAL ESTATE

Jelgava. In November 2016, apartment prices in Jelgava continued to grow: during the month the prices increased by 1.1 %. The average price of standard-type apartment in November grew up to the position of 400 EUR/m². Since the beginning of 2016, the prices have increased by 9.6 % in Jelgava.

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



Source: ARCO REAL ESTATE

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