

MARKET OVERVIEW

Standard-Type Apartments DECEMBER



RIGA
2016

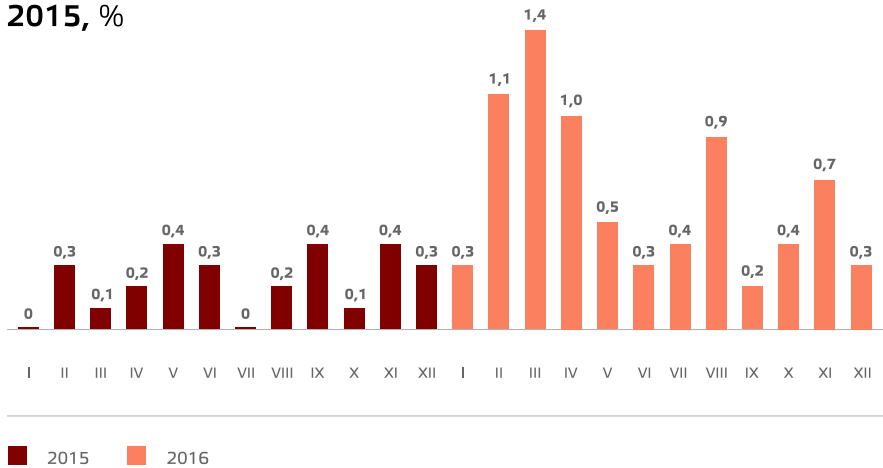


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, January 1, 2017

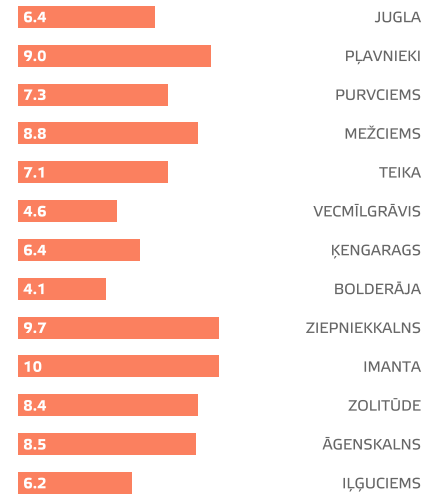
In December 2016, the prices of standard-type apartments located in Riga housing estates increased by 0.3 %. The average standard-type apartment price in December increased to 705 EUR/m². Since the beginning of 2016, the standard-type apartment prices have grown by 7.6 % in total. The largest monthly price increase was observed in February, March and April, when it exceeded the one per cent mark, while the smallest price changes were observed in September.

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



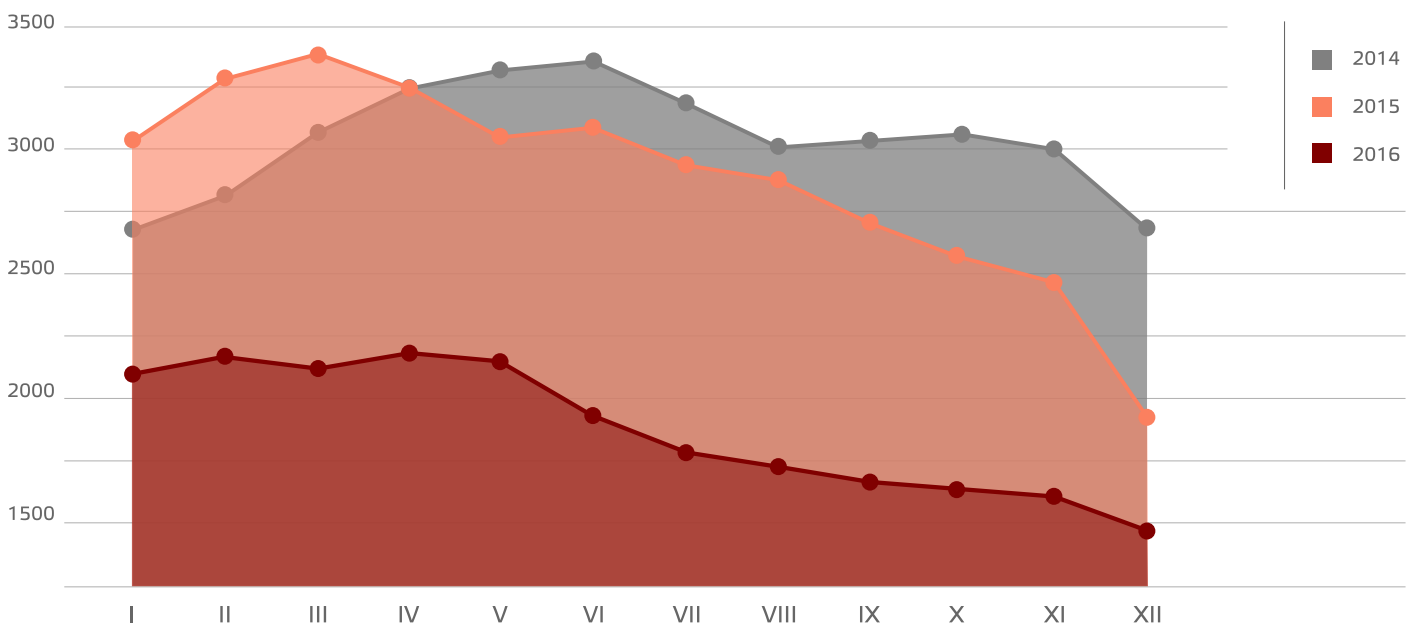
Source: ARCO REAL ESTATE

In Riga housing estates, the price growth was observed for all kind apartments in 2016 (both in terms of space and in terms of the number of rooms). Prices, measured by the number of rooms, increased from 7.2 to 7.9 %. The total price increase of apartments in 2016 was the largest since 2010, when the prices increased by 16.9 % over the year.

Like in previous years, also in December 2016, the apartment supply experienced a sharp drop - the number of apartments offered for sale declined by 15.2 %.

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 (+ 10 %), which is 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 %) - no price fluctuations were observed in those housing estates in December either.

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

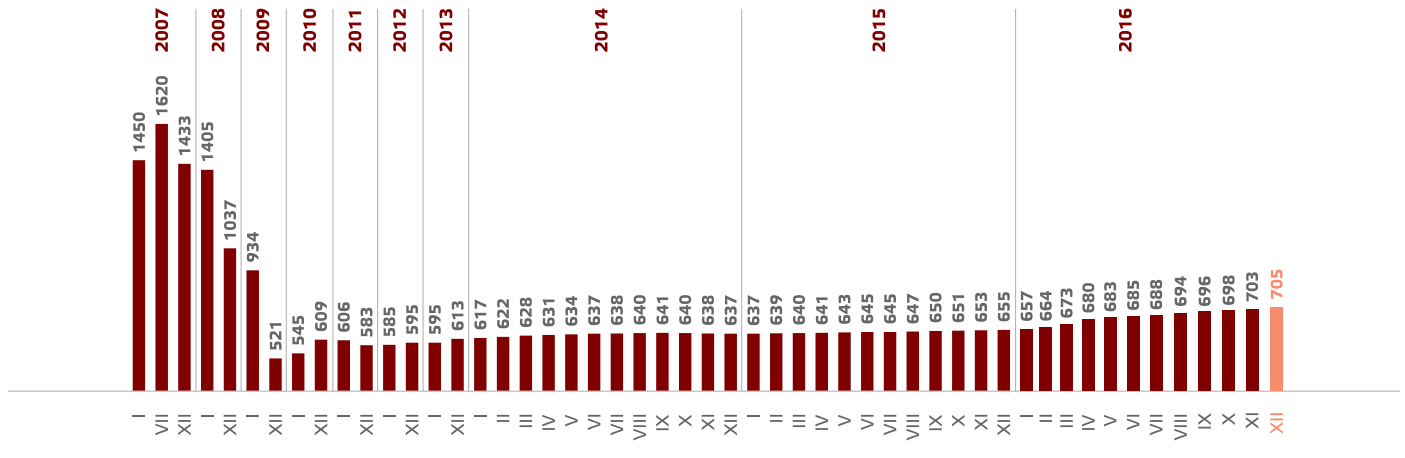


Source: ARCO REAL ESTATE

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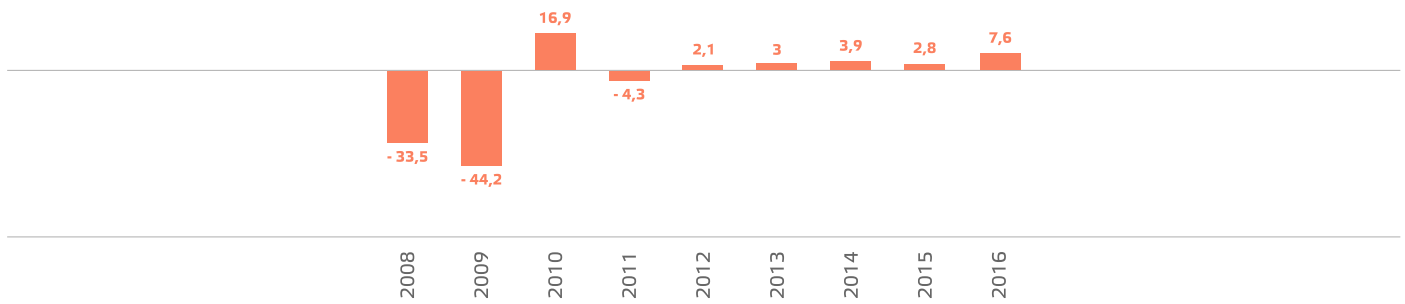
In December 2016, the average price of a standard-type apartment increased to position of 705 EUR/m². The prices on average are by 56.5 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value - 1 620 EUR/m².

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 - 2016, %



Source: ARCO REAL ESTATE

In December 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 (+ 1 %), two-room apartments (+ 1.1 %), three-room apartments (+ 0.3 %) and four-room apartments (+ 1.1 %).

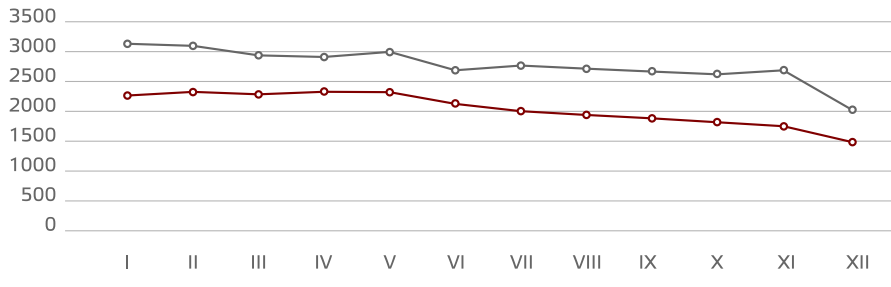
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2014			2015												2016												
1 room	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	779
2 rooms	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	723
3 rooms	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	668
4 rooms	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	649
	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.	01.12.

Source: ARCO REAL ESTATE

In December 2016, the total supply of apartments in Riga compared to the previous month significantly decreased, i. e., by 20.7 %. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE has decreased for the eighth month in a row - by 15.2 % in December. Compared to December 2015, the apartment supply was still significantly lower: the total number of apartments offered for sale was by 26.5 % lower, but the number of apartments offered for sale in the largest housing estates was by 31.3 % 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 December was in Purvciems, Āgenskalns and Pļavnieki. But the lowest apartment supply was in Bolderāja and Vecmīlgrāvis.

In December, the number of apartments offered for sale decreased in most of Riga housing estates while the most significant decrease of supply of apartments was seen in Bolderāja (- 32.3 %).

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

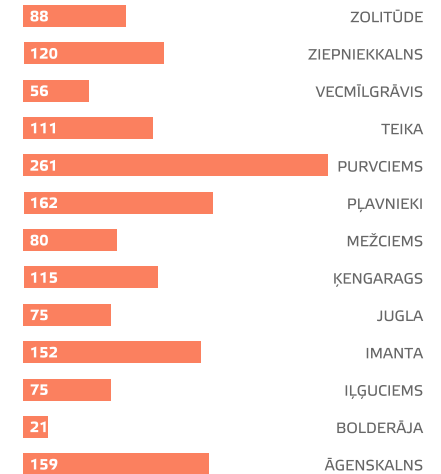
In December 2016, a growth in standard-type apartment prices was observed in most of the largest Riga housing estates. The prices increased by 0.2 to 0.9 %. The biggest price increase was registered in Iļģuciems where apartment prices rose by 0.9 % during the last month. In a number of housing estates, such as, Jugla, Pļavnieki, Vecmīlgrāvis, Bolderāja and Zolitūde, no price fluctuations were seen.

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

	The average value per 1 m ² on 01.01.2017.	The average value per 1 m ² on 01.12.2016.	Changes, %
Jugla	707	707	0.0 ➡
Pļavnieki	747	747	0.0 ➡
Purvciems	759	757	0.3 ⬆
Mežciems	736	734	0.3 ⬆
Teika	864	863	0.4 ⬆
Vecmīlgrāvis	561	561	0.0 ➡
Ķengarags	654	650	0.6 ⬆
Bolderāja	486	486	0.0 ➡
Ziepniekkalns	736	734	0.3 ⬆
Imanta	757	753	0.6 ⬆
Zolitūde	774	774	0.0 ➡
Āgenskalns	765	764	0.2 ⬆
Iļģuciems	672	666	0.9 ⬆

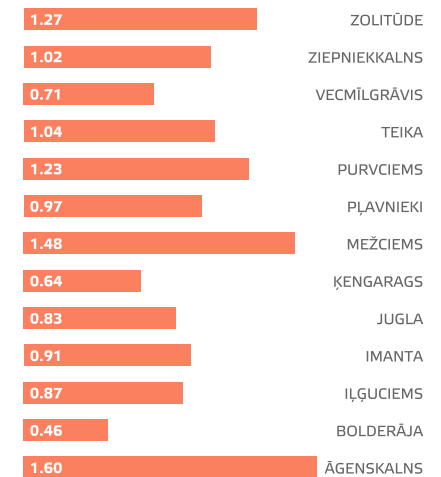
Source: ARCO REAL ESTATE

Number of apartments offered for sale in Riga in December 2016



Source: ARCO REAL ESTATE

Number of apartments offered for sale in proportion to the size of the housing estates in Riga in December 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 December 2016, the standard-type apartment prices were by 15 % higher than the prices recorded in the beginning of 2014. But compared to the beginning of 2015, the prices have grown by 10.7 %. During 2016, the prices have increased by 7.6 %.

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

	01.01.2013.	01.01.2014.	01.01.2015.	01.01.2016.	01.01.2017.
Bolderāja	473	450	454	467	486
Vecmīlgrāvis	514	524	531	536	561
Ķengarags	518	543	594	615	654
Iļģuciems	570	586	609	633	672
Jugla	583	610	639	664	707
Ziepniekkalns	613	626	643	671	736
Mežciems	624	637	662	677	736
Pļavnieki	622	651	664	685	747
Imanta	605	633	676	688	757
Purvciems	633	662	682	707	759
Āgenskalns	623	644	677	705	765
Zolitūde	644	663	697	714	774
Teika	757	787	798	806	864

Average standard-type apartment prices in housing estates of Riga as per January 1, 2017, EUR/m²



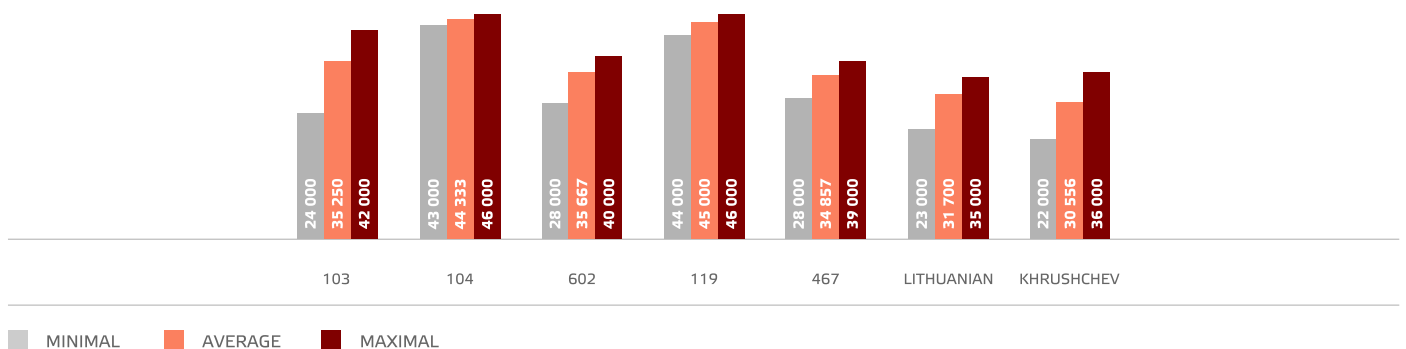
Source: ARCO REAL ESTATE

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The highest standard-type apartment prices in December 2016 still were in Teika, where the average price of one square meter increased to 864 EUR/m². But the lowest average price of one square meter remained to be in Bolderāja (486 EUR/m²).

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



Source: ARCO REAL ESTATE

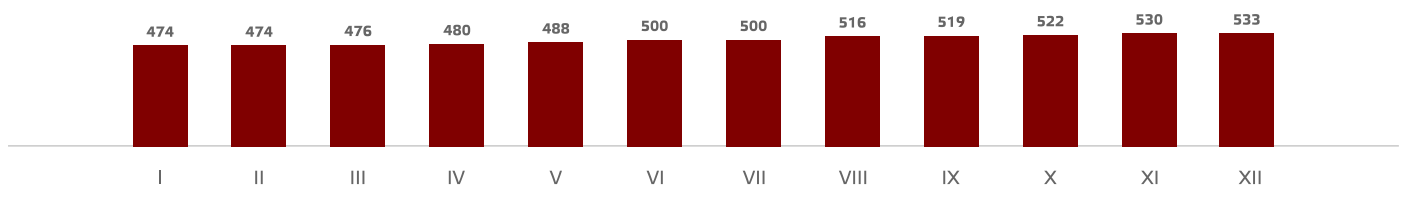
Apartment market in the vicinity of Riga

Ogre. In December 2016, the standard-type apartment prices in Ogre increased by 0.5 %. The average price of one square metre of apartment grew up to 479 EUR/m². In 2016, the apartment prices have increased by 8 % in general; but in December, the prices rose only for two-room apartments. A relatively low apartment supply has been observed in Ogre, and this can be considered as one of the main reasons for the price increase.

Kauguri, Jūrmala. In December 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 increased by 12.4 % in general. The apartment prices did not grow at the end of the year in Kauguri; no price changes have been registered during the last months.

Salaspils. In December 2016, the standard-type apartment prices in Salaspils grew by 0.6 %. The average price of a standard-type apartment has increased to 533 EUR/m². Since the beginning of 2016, the average price of a standard-type apartment in Salaspils has grown by 13.2 % in total, and the prices, like the in the housing estates of Riga, continued to rise.

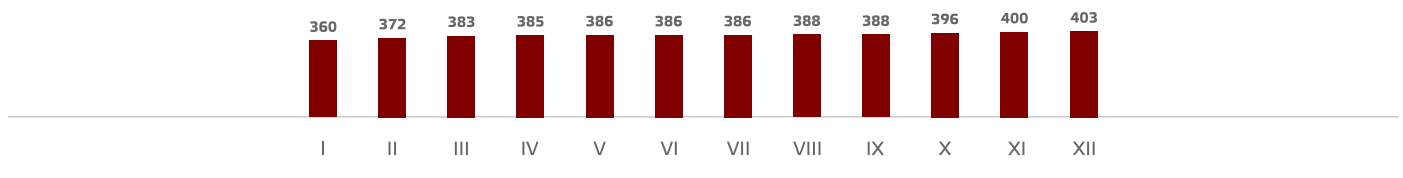
Dynamics of average price of standard-type apartments in Salaspils in 2016, EUR/m²



Source: ARCO REAL ESTATE

Jelgava. In December 2016, apartment prices in Jelgava continued to grow: during the month the prices increased by 0.7 %. The average price of standard-type apartment in December grew up to the position of 403 EUR/m². Since the beginning of 2016, the prices have increased by 10.4 % in Jelgava.

Dynamics of average price of standard-type apartments in Jelgava in 2016, EUR/m²



Source: ARCO REAL ESTATE

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