

MARKET OVERVIEW

# Standard-type apartments | JUNE



RIGA  
2017

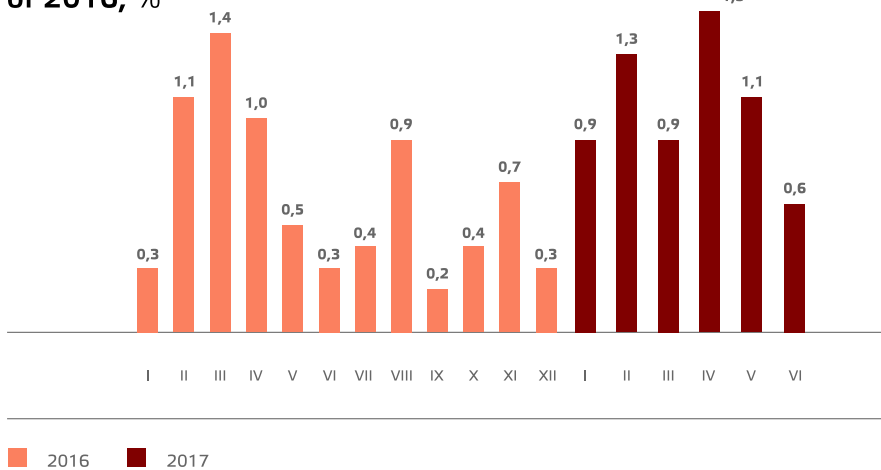


LATVIJAS  
ĪPAŠUMU  
VĒRTĒTĀJU  
ASOCIĀCIJA

## Standard-type apartments, July 1, 2017

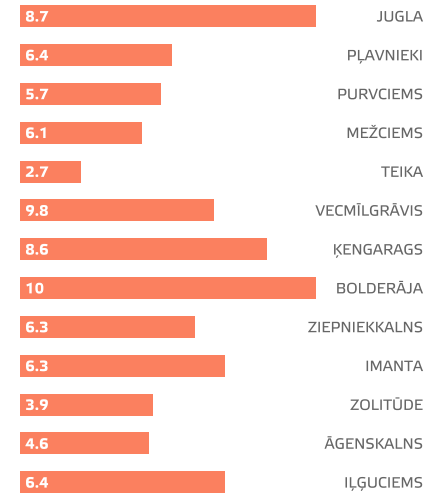
In June 2017, the prices of standard-type apartments located in Riga housing estates increased by 0.6 %. The average standard-type apartment price in June has increased to 750 EUR/m<sup>2</sup>. In whole, since the beginning of 2017, the prices of standard-type apartments have grown by 6.4 %.

### Standard-type apartment price changes since beginning of 2016, %



Source: ARCO REAL ESTATE

### Price changes in the largest housing estates since January 1, 2017, %



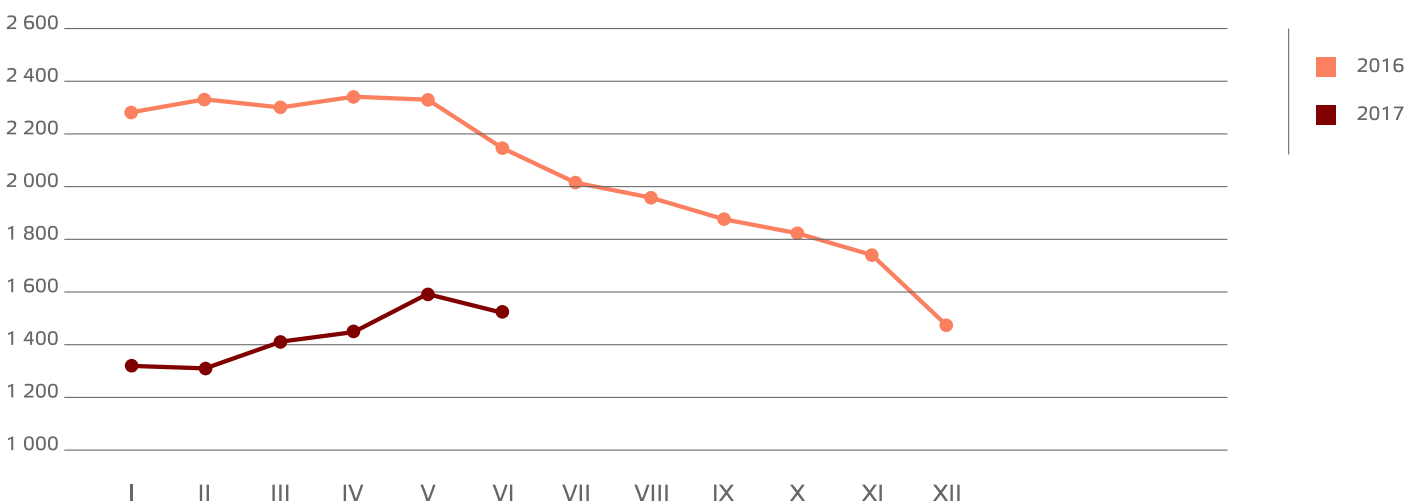
Source: ARCO REAL ESTATE

In the largest housing estates of Riga the apartment prices still continue to rise, however, the price increase in June was slower. In certain housing estates there were no price changes during the month. For the second month in a row, apartment prices in Vecmīlgrāvis have risen most rapidly. But in Imanta, the average price level of standard-type apartments has become equal to that in Zolitūde.

In the first half of 2017, the standard-type apartment prices increased by more than 6%, so it is expected that this year the price increase will exceed the price increase in 2016 (+ 7.6 %).

The overall supply of apartments in June decreased slightly: the number of apartments offered decreased both in the central part of Riga and in the housing estates of Riga, which is quite typical for the month of June, when the real estate market activity is usually lower.

### Dynamics of apartment supply in the largest housing estates of Riga, in 2016 - 2017

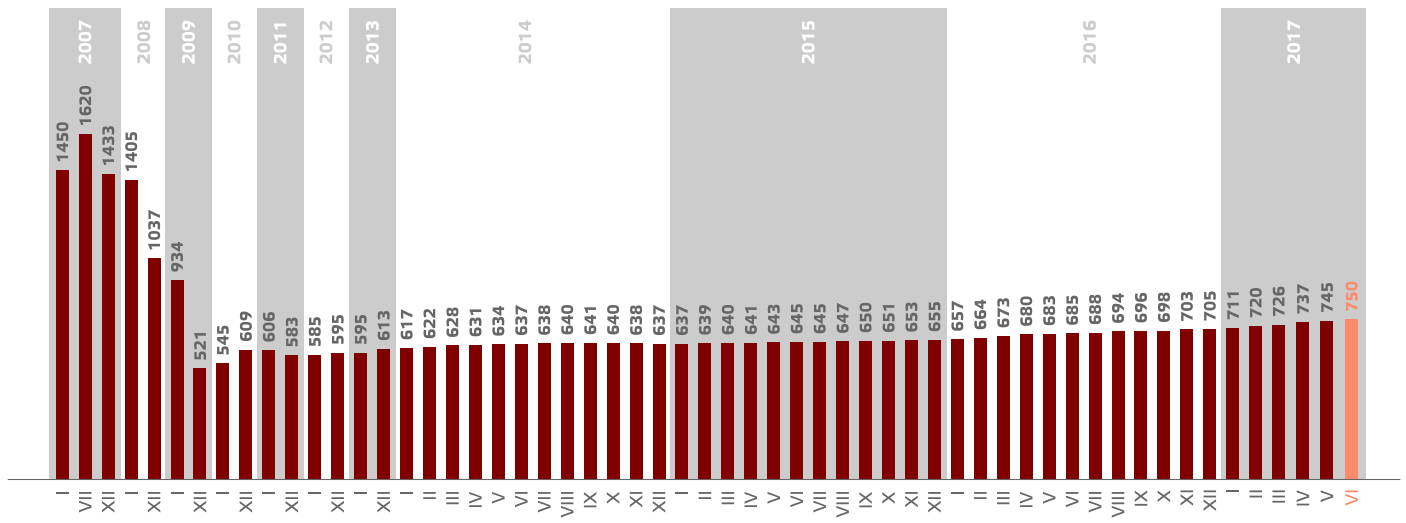


Source: ARCO REAL ESTATE

The largest growth of the average one square metre price of an apartment in the housing estates of Riga since the beginning of 2017 was observed in Bolderāja (+10 %). 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 Teika (+ 2.7 %).

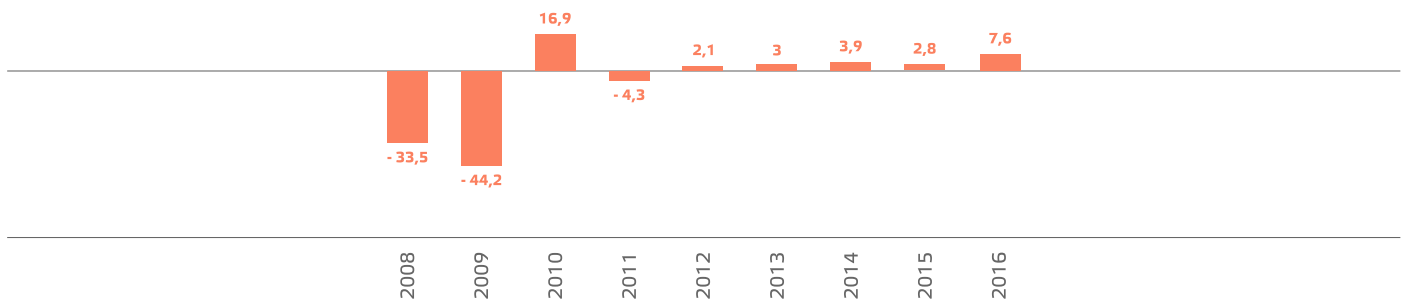
In June 2017, the average price of a standard-type apartment increased to position of 750 EUR/m<sup>2</sup>. The prices on average were by 54 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value – 1 620 EUR/m<sup>2</sup>.

### Dynamics of average price of standard-type apartments in the largest housing estates of Riga, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

### Standard-type apartment price changes in Riga housing estates, 2008 - 2016, %



Source: ARCO REAL ESTATE

In June 2017, the prices rated by number of rooms in apartment grow for 1-4 room apartments. The average price of standard-type apartment increased by 0.2 % for one-room apartments, by 0.4 % for two-room apartments, by 0.7% for three-room apartments, and by 1.3 % for four-room apartments.

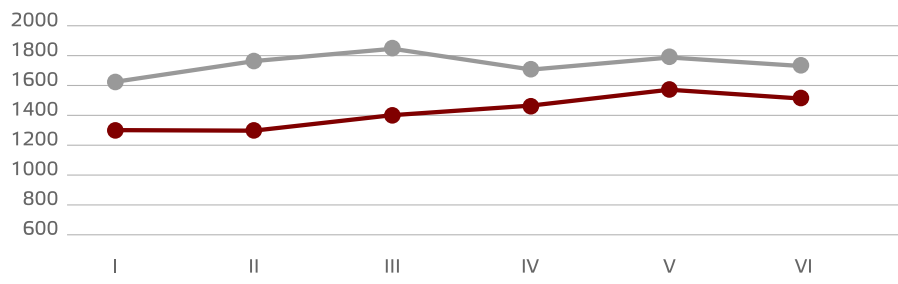
### Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m<sup>2</sup>

	2015								2016								2017										
	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.
<b>1 room</b>	703	708	708	710	712	718	718	722	722	728	738	744	752	754	755	757	765	768	771	775	779	784	795	799	811	819	821
<b>2 rooms</b>	650	652	656	656	659	663	664	667	667	673	681	693	699	702	704	706	711	712	715	721	723	731	740	748	761	767	770
<b>3 rooms</b>	615	616	617	618	619	621	621	622	622	626	631	641	647	651	653	656	661	662	666	667	668	674	683	689	701	710	715
<b>4 rooms</b>	597	598	598	596	596	598	599	602	602	603	607	614	620	626	630	632	641	641	642	649	649	655	663	669	674	684	693

Source: ARCO REAL ESTATE

In June 2017, the supply of apartments compared to the previous month, in Riga decreased a bit, namely, by 2.7 %. The number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE decreased by 3.2 %. Compared to June 2016, the apartment supply was significantly lower: the total number of apartments offered was lower by 32 %, but the number of apartments offered for sale in the largest housing estates was by 28 % lower.

## Apartment supply dynamics in Riga, 2017



■ 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 for sale in the housing estates of Riga, it can be concluded that the largest supply of apartments in June was in Purvciems, Ķengarags, Āgenskalns and Imanta. But the lowest apartment supply was in Bolderāja.

During the last month the number of apartments offered for sale in most of housing estates of Riga decreased. In June, the most significant decrease of supply of apartments was seen in Mežciems (- 18 %), But the most significant increase of supply of apartments was seen in Āgenskalns (+ 17 %).

When analyzing the number of apartments offered for sale in proportion to the size of the housing estates, i. e., by population, the highest number in June was recorded in Āgenskalns and Iļģuciemā. By contrast, the number of apartments offered for sale proportionally was lowest in Bolderāja.

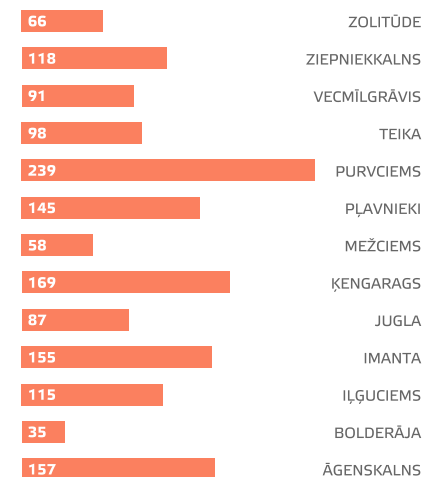
In June 2017, the standard-apartment prices grew almost in all of the largest housing estates of Riga. Prices grew by 0.1 - 2.3 %. The largest apartment price growth was seen in Vecmīlgrāvis, where the prices grew by 2.3 % during this month. No price growth was seen in Bolderāja and Iļģuciems, where the apartment prices remained to be on the same level as in May.

## Changes in average standard-type apartment prices of 1 m<sup>2</sup> in Riga housing estates, %

	The average value per 1 m <sup>2</sup> on 01.07.2017.	The average value per 1 m <sup>2</sup> on 01.06.2017.	Changes, %
Jugla	<b>768</b>	765	0.4 ↑
Pļavnieki	<b>795</b>	787	1.0 ↑
Purvciems	<b>802</b>	794	1.0 ↑
Mežciems	<b>781</b>	774	1.0 ↑
Teika	<b>887</b>	886	0.1 ↑
Vecmīlgrāvis	<b>616</b>	602	2.3 ↑
Ķengarags	<b>710</b>	708	0.4 ↑
Bolderāja	<b>535</b>	535	0.0 →
Ziepniekkalns	<b>782</b>	779	0.5 ↑
Imanta	<b>805</b>	802	0.4 ↑
Zolitūde	<b>805</b>	803	0.2 ↑
Āgenskalns	<b>800</b>	796	0.6 ↑
Iļģuciems	<b>715</b>	715	0.0 →

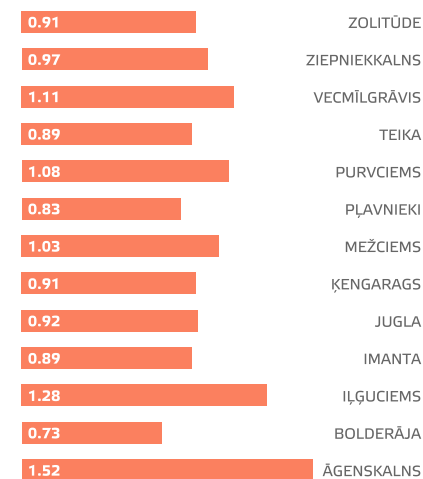
Source: ARCO REAL ESTATE

## Number of apartments offered for sale in Riga in the end of June 2017



Source: ARCO REAL ESTATE

## Number of apartments offered for sale in proportion to the size of the housing estates in Riga in June 2017

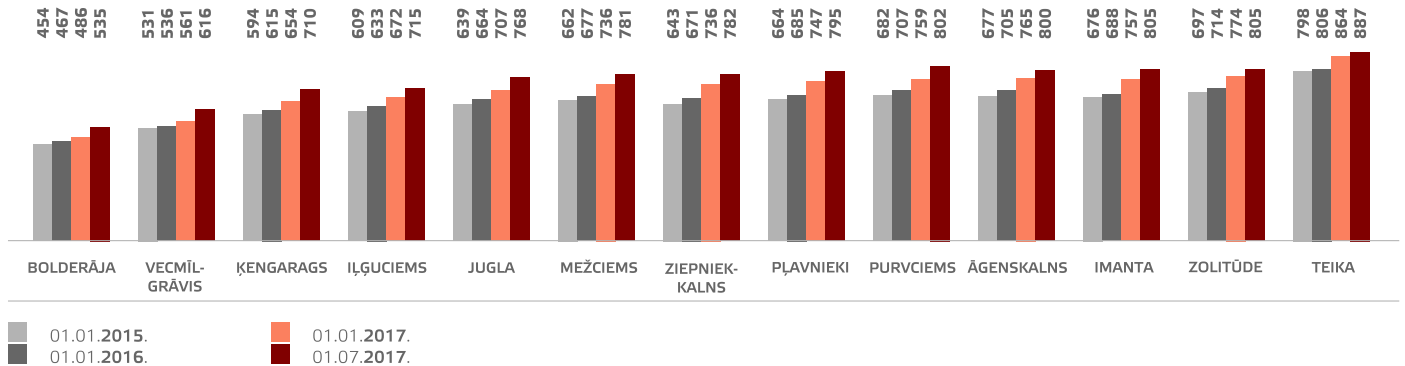


\* If the coefficient is **greater than 1**, the relation of the supply of apartments in the specific housing estate to the number of population in that housing estate is higher. If the coefficient is **less than 1**, the relation of the supply of apartments in the specific housing estate to the number of population in that housing estate is lower.

Source: ARCO REAL ESTATE

In June 2017, the standard-type apartment prices were by 17.7 % higher than the prices recorded in the beginning of 2015. But compared to the beginning of 2016, the prices have grown by 14.5 %. During 2017, the prices have increased by 6.4 %.

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

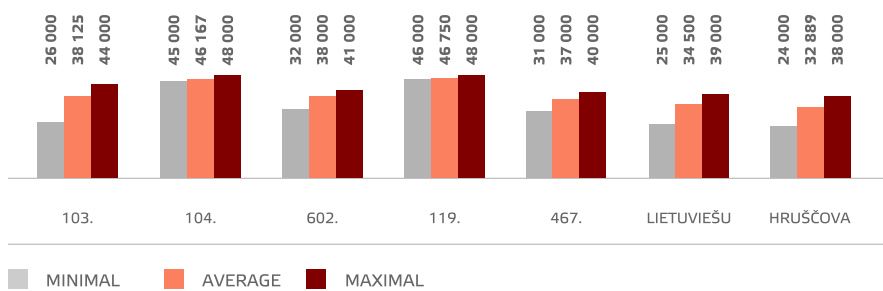


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in June 2017 still were in Teika, where the average price of one square metre increased to 887 EUR/m<sup>2</sup>. But the lowest average price of one square metre remained in Bolderāja - 535 EUR/m<sup>2</sup>.

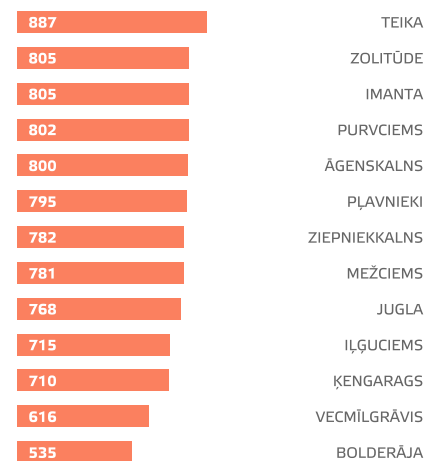
In June 2017, the most expensive apartments as usual were apartments in the houses of the 119<sup>th</sup> series and 104<sup>th</sup> series, where the price of 2-room apartments in satisfactory condition varied from 45 000 to 48 000 EUR, depending on the location. In turn, the so-called Lithuanian design houses have been the cheapest ones, where the price of 2-room apartments varied from 25 000 to 39 000 EUR, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 24 000 to 38 000 EUR, depending on the housing estate.

## Standard-type apartment prices by series in Riga housing estates in June 2017 (2-room apartments), EUR



Source: ARCO REAL ESTATE

## Average standard-type apartment prices in housing estates of Riga as per July 1, 2017, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

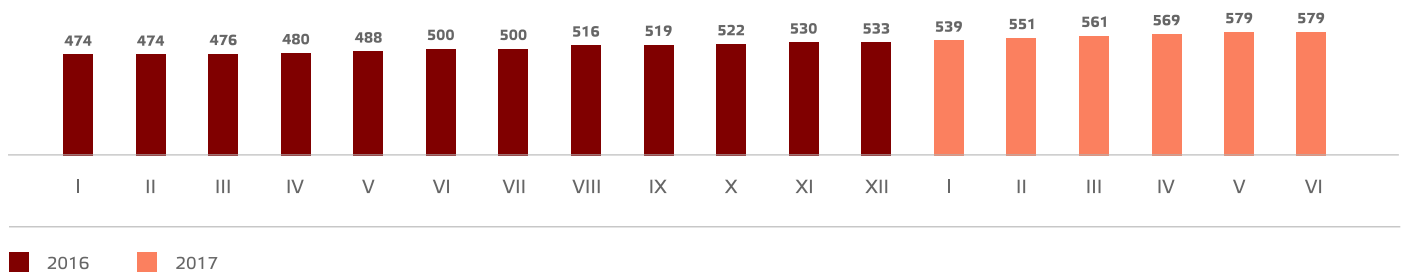
## Apartment market in the vicinity of Riga

**Ogre.** In June 2017, the standard-type apartment prices in Ogre remained unchanged. The average price still was 522 EUR/m<sup>2</sup>. In 2017, the apartment prices in Ogre in total have grown by 8.9 %. In the first five months of the year, the apartment prices tended to increase, but in June the price increase stopped. It should be noted that in Ogre in June there was a relatively small supply of apartments that could be considered as one of the main reasons for the price increase.

**Kauguri, Jūrmala.** In June 2017, the standard-type apartment prices in Kauguri increased by 2.1 %. The average price of one square metre of apartment grew up to 508 EUR/m<sup>2</sup>. Since the beginning of 2017, the prices in Kauguri have grown in total by 8,2 %. In comparison with other places in the vicinity of Riga the price growth in Kauguri has been the slowest.

**Salaspils.** In June 2017, the standard-type apartment prices in Salaspils remained unchanged. The average price of a standard-type apartment remained to be 579 EUR/m<sup>2</sup>. Since the beginning of 2017, the average price of a standard-type apartment in Salaspils in total has grown by 8.6 %. Unlike the largest housing estates in Riga and other places in the vicinity of Riga, in June, the apartment prices in Salaspils did not continue to rise.

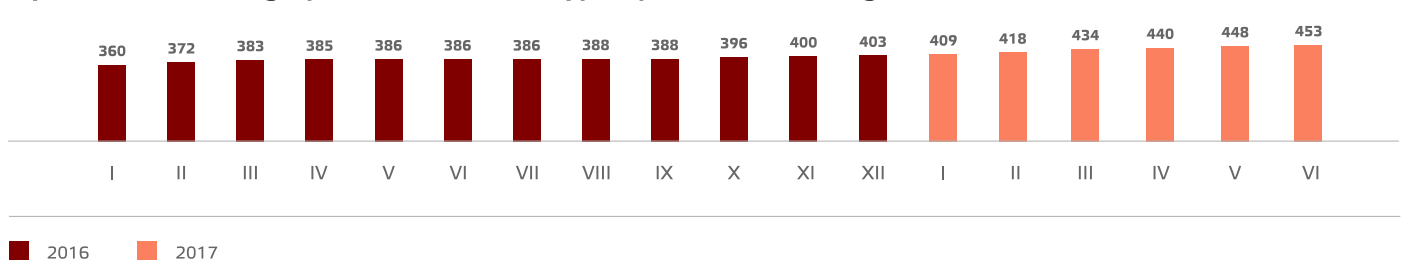
### Dynamics of average price of standard-type apartments in Salaspils, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

**Jelgava.** Apartment prices continued to grow in Jelgava in June 2017: during this month the prices grew by 1.1 %. The average price of a standard-type apartment in June reached 453 EUR/m<sup>2</sup>. Since the beginning of 2017, the prices in Jelgava have increased by 12.3 %.

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



Source: ARCO REAL ESTATE

ARCO REAL ESTATE is the leading real estate company of the Baltic states, founded in 1992 in Estonia, the offices are today in cities in Latvia, Estonia and Bulgaria. ARCO REAL ESTATE is listed in Tallinn Stock Exchange since June, 2007. ARCO REAL ESTATE Latvia is founded in 1997 and today we are able to offer services in Rīga, Jūrmala, Saulkrasti, Daugavpils, Jelgava as well as in Limbaži and Liepāja. More than 80 highly-qualified employees work in the company.

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