



MARKET OVERVIEW

Standard-Type Apartments DECEMBER

RIGA
2018

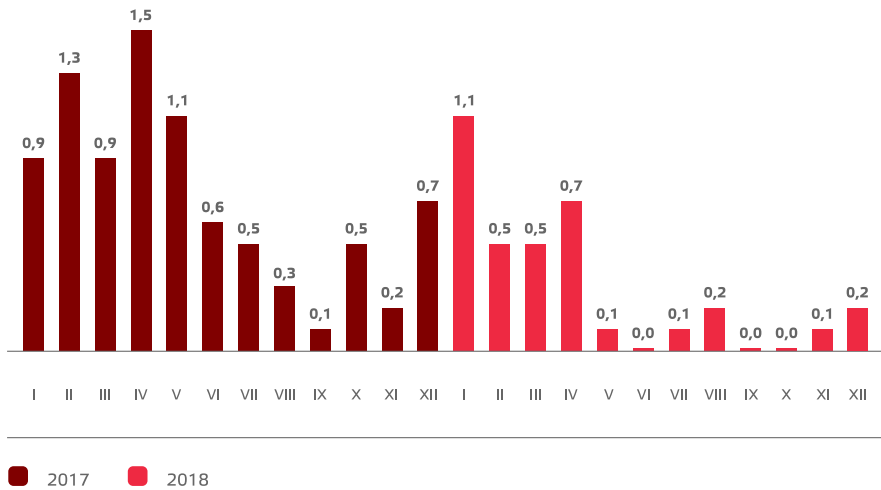


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, January 1, 2019

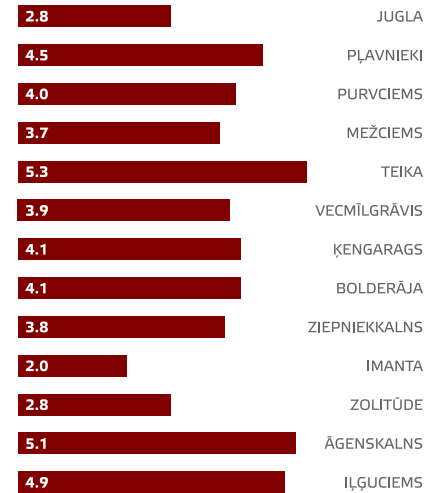
In December 2018, the price of standard-type apartments in Riga housing estates increased slightly, with the average price rising to 797 EUR per square metre. Since early 2018, standard-type apartment prices have generally increased by 3.9 %.

Standard-type apartment price changes, %



Source: ARCO REAL ESTATE

Price changes in the largest housing estates of Riga since January 1, 2018, %

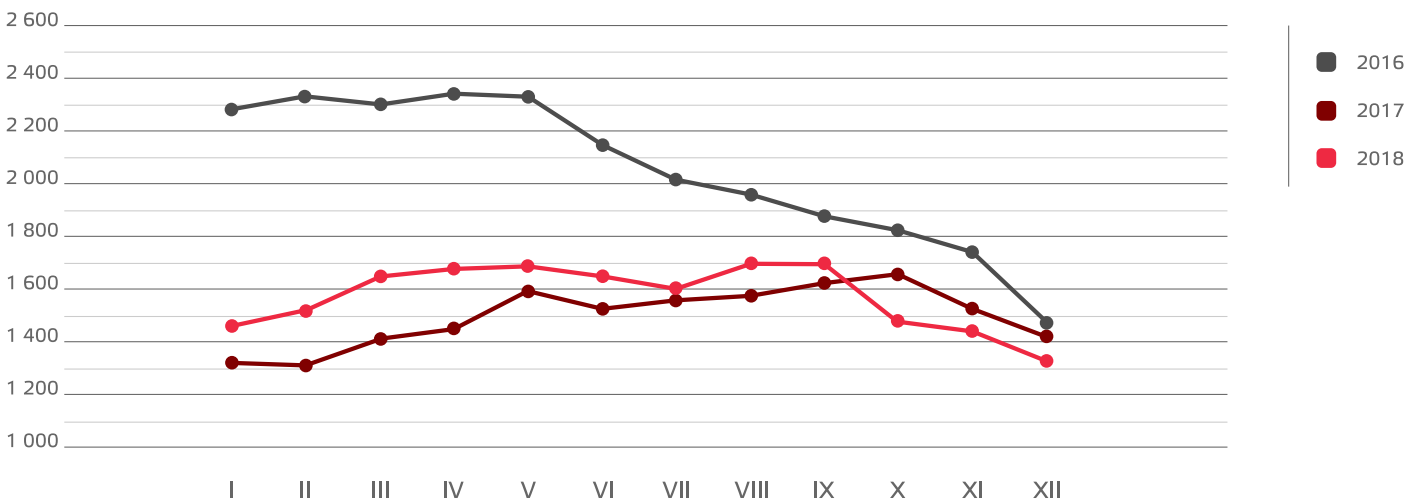


Source: ARCO REAL ESTATE

Although in December 2018 the average price of standard-type apartments increased slightly, the price increase was still small compared to the beginning of the year. As expected, the total price increase in Riga housing estates in 2018 did not exceed 4 %. On the other hand, a more substantial rise in apartment prices was observed in the vicinity of Riga: in 2018 the most rapid rise in prices was observed in Ogre (+ 9 %), also in Salaspils and Kauguri, Jurmala, the price increase of standard-type apartments during the year was relatively high (+ 7 %).

In the first three quarters of the year, the supply of apartments in Riga housing estates was higher than in 2017. However, in October the volume of supply fell sharply, falling to the level of the previous year in the last quarter of the year. Similarly to other years, the supply at the end of the year tended to decline rapidly.

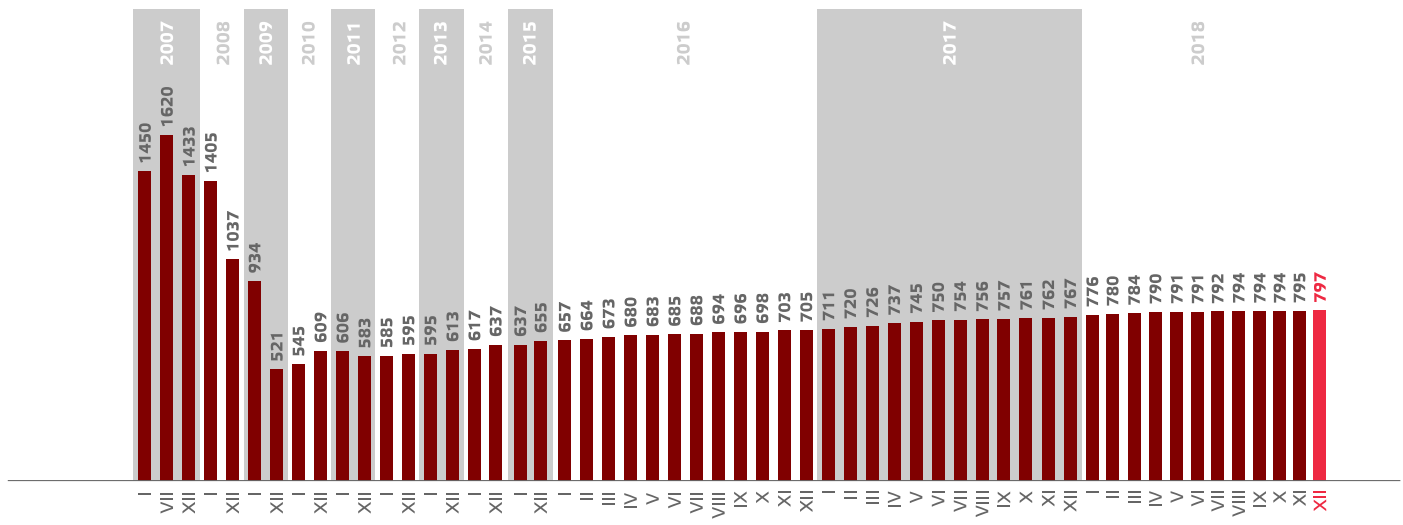
Dynamics of apartment supply in the largest housing estates of Riga



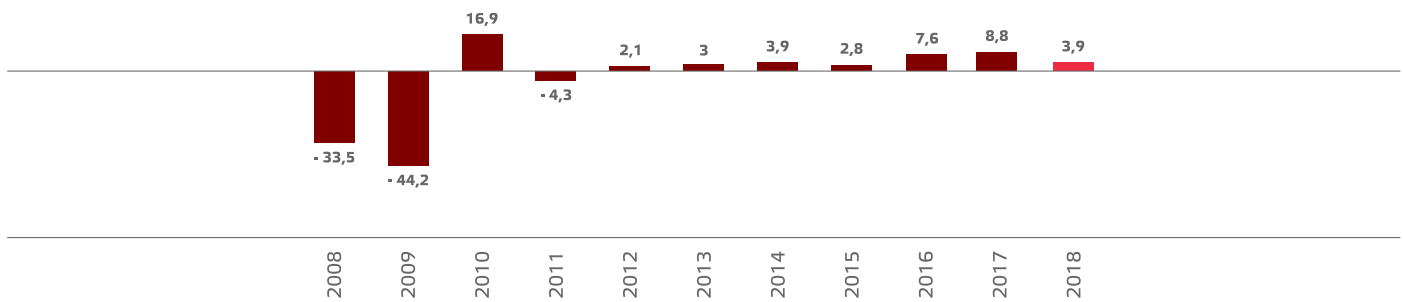
Source: ARCO REAL ESTATE

The largest growth of the average 1 m² price of an apartment in the housing estates of Riga since the beginning of 2018 was observed in Teika (+ 5.3 %). Also in other major housing estates of Riga the prices increased this year. The slowest apartment price growth since the beginning of this year was observed in Imanta (+ 2 %).

In December 2018, the average price of standard-type apartments rose to 797 EUR/m². The prices on average are by 51 % 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 in Riga housing estates from 2008 till 2018, %


Source: ARCO REAL ESTATE

In December 2018, apartment prices, taking into account the number of rooms, increased slightly. The average price of one square metre of standard type apartment increased for one-room (+ 0.1 %), two-room (+ 0.5 %), three-room (+ 0.3 %) and four-room (+0.1%) apartments.

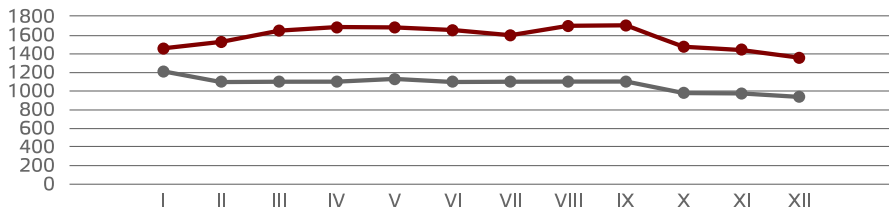
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2016			2017												2018												2019
1 room	768	771	775	779	784	795	799	811	819	821	829	830	831	836	837	840	853	855	858	864	865	865	866	867	868	868	869	870
2 rooms	712	715	721	723	731	740	748	761	767	770	773	774	775	778	780	787	797	800	805	812	814	815	815	817	817	817	818	822
3 rooms	662	666	667	668	674	683	689	701	710	715	717	719	720	723	725	730	736	741	745	748	749	750	750	752	752	752	754	756
4 rooms	641	642	649	649	655	663	669	674	684	693	697	702	703	705	708	711	718	725	728	734	735	735	736	738	738	738	738	739
	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.	01.01.

Source: ARCO REAL ESTATE

In December 2018, the overall supply of apartments in Riga compared to the previous month decreased by 6%. But the number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE decreased by 8 %. Compared to December 2017, the apartment supply was significantly different: the total number of apartments offered for sale was by 11 % lower, but the number of apartments offered for sale in the largest housing estates was by 6 % lower.

Dynamics of supply of apartments in Riga



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

THE CENTER OF RIGA, OLD RIGA

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, while the lowest apartment supply was in Bolderāja.

Last month, the number of apartments offered for sale in the most of Riga's housing estates decreased. The number of supply of apartments in Ziepniekkalns dropped the most (- 23 %). By contrast, the supply of apartments has increased most in Imanta and Purvciems (+ 4 %).

When analyzing the number of apartments offered for sale in December in proportion to the size of the housing estate, i. e., by number of population, the highest number was recorded in Mežciems. By contrast, the number of apartments offered for sale was proportionally lowest in Pļavnieki.

In December 2018, changes in standard apartment prices were observed in most of Riga's largest housing estates. In contrast, prices in many housing estates remained at the level of the previous month. The largest price increase was observed in Āgenskalns, where prices increased by 1.2 % during the month.

Changes in average standard-type apartment prices in Riga housing estates for 1 m², %

	The average value per 1 m ² on 01.01.2019.	The average value per 1 m ² on 01.12.2018.	Changes, %
Jugla	794	792	0.2 ↑
Pļavnieki	840	838	0.2 ↑
Purvciems	854	852	0.2 ↑
Mežciems	831	831	0.0 →
Teika	955	953	0.2 ↑
Vecmīlgrāvis	642	641	0.1 ↑
Ķengarags	755	755	0.0 →
Bolderāja	572	572	0.0 →
Ziepniekkalns	832	831	0.2 ↑
Imanta	844	841	0.4 ↑
Zolitūde	858	854	0.5 ↑
Āgenskalns	867	857	1.2 ↑
Ilģuciems	773	770	0.4 ↑

Source: ARCO REAL ESTATE

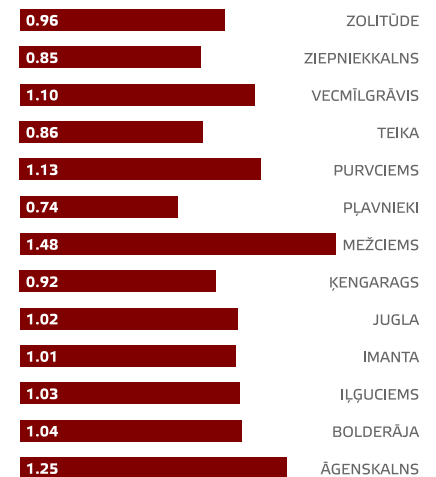
In December 2018, the standard-type apartment prices, compared with the beginning of 2017, were by 13 % higher. In turn, since the beginning of 2018, the prices have increased by 4 %.

Number of apartments offered for sale in Riga at the end of December 2018



Source: ARCO REAL ESTATE

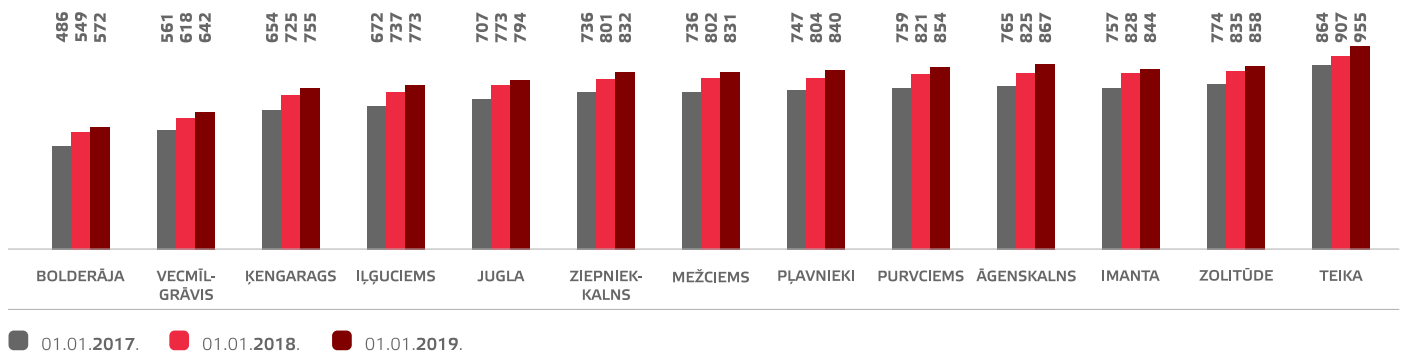
Number of apartments offered for sale in proportion to the size of the housing estates in Riga in December 2018



* 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

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

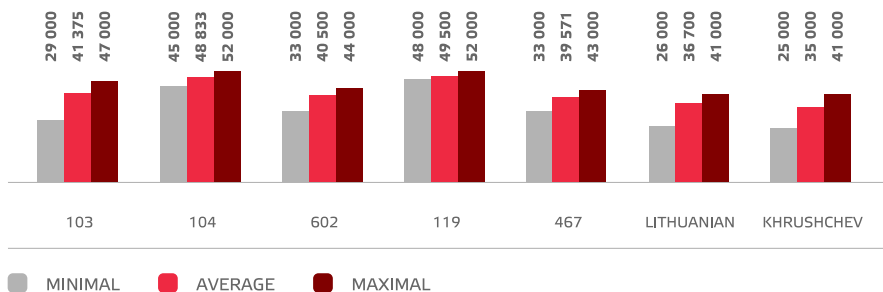


Source: ARCO REAL ESTATE

The highest prices of standard-type apartments remained in Teika in December 2018, where the average price per square meter remained increased to 955 EUR/m². The lowest average price per square metre in November remained in Bolderāja – 572 EUR/m².

In December 2018, the most expensive apartments still were apartments in the houses of the series 119 and 104, where the price of 2-room apartments in a satisfactory condition varied from 45 000 to 52 000 EUR depending on the location. In turn, the so-called Lithuanian design were the cheapest ones, where the price of 2-room apartments varied from 26 000 to 41 000 EUR, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 25 000 to 41 000 EUR, depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in December 2018 (2-room apartments), EUR



Source: ARCO REAL ESTATE

Average standard-type apartment prices in housing estates of Riga as per December 1, 2018, EUR/m²



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

Ogre

In December 2018, standard-type apartment prices in Ogre increased by 0.3 %. The average price of apartments increased reaching 600 EUR/m². In 2018, apartment prices in total in Ogre increased by 7 %.

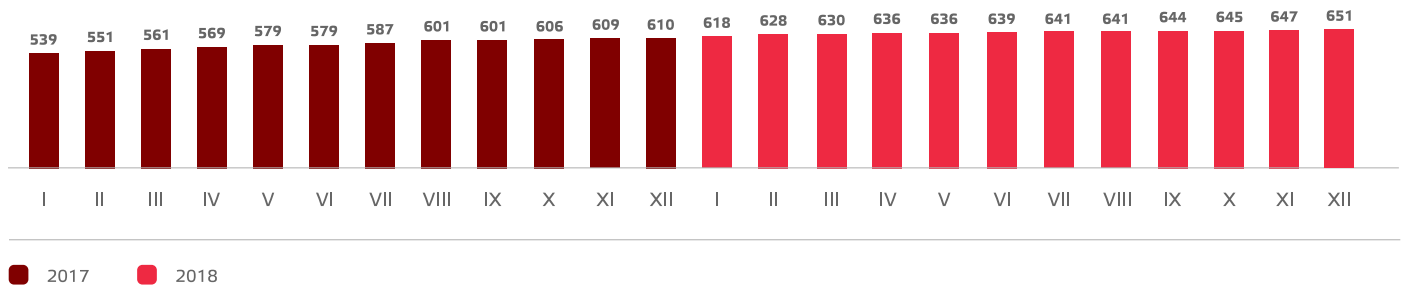
Kauguri, Jūrmala

In Kauguri in December, the standard-type apartment prices remained unchanged. The average price of apartments per square metre was 567 EUR/m². Since the beginning of 2018, apartment prices in Kauguri have increased by 8 %.

Salaspils

In December 2018, the apartment prices in Salaspils increased by 0.6 %. The average price of standard-type apartments in Salaspils has increased to 651 EUR/m². Since the beginning of 2018, standard-type apartment prices in Salaspils have increased by 7 %.

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

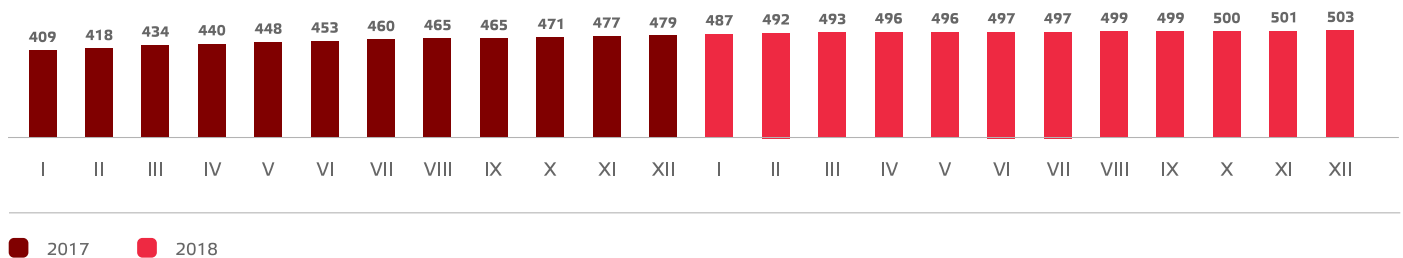


Source: ARCO REAL ESTATE

Jelgava

In December 2018, the apartment prices in Jelgava increased by 0.3 %. The average price of standard-type apartments was 503 EUR/m². Since the beginning of 2018, standard-type apartment prices in Jelgava have increased by 5 %.

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



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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