

MARKET OVERVIEW

Standard-Type Apartments JUNE

RIGA
2018

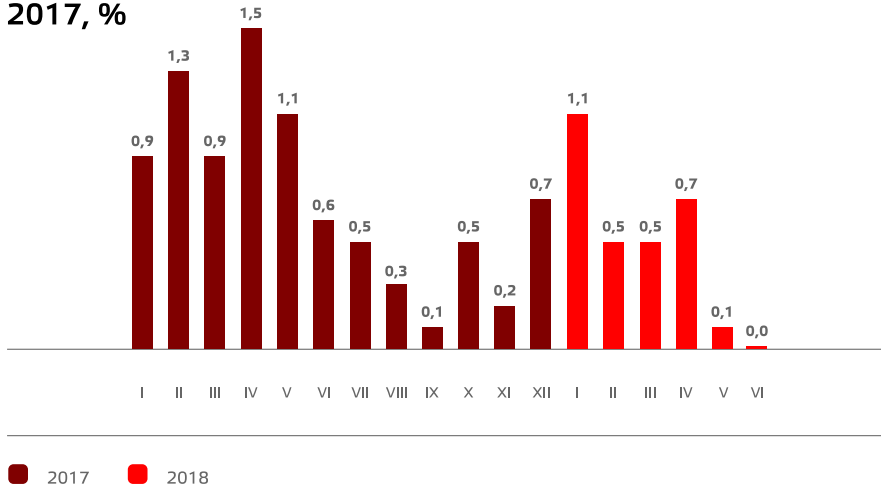


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, July 1, 2018

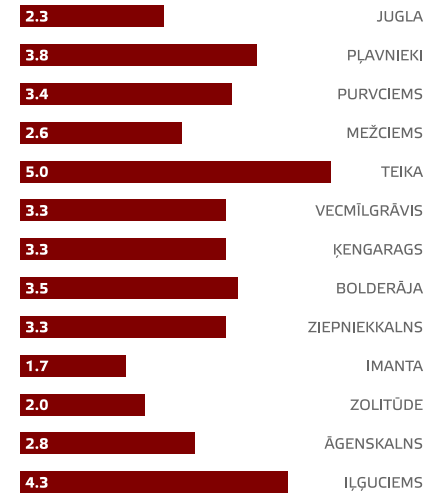
In June 2018, standard apartment prices in Riga housing estates did not change in overall. The average price of standard-type apartments in June remained to be 791 EUR/m². Since the beginning of 2018, the standard-type apartment prices have grown by 3.2 %.

Standard-type apartment price changes since beginning of 2017, %



Source: ARCO REAL ESTATE

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

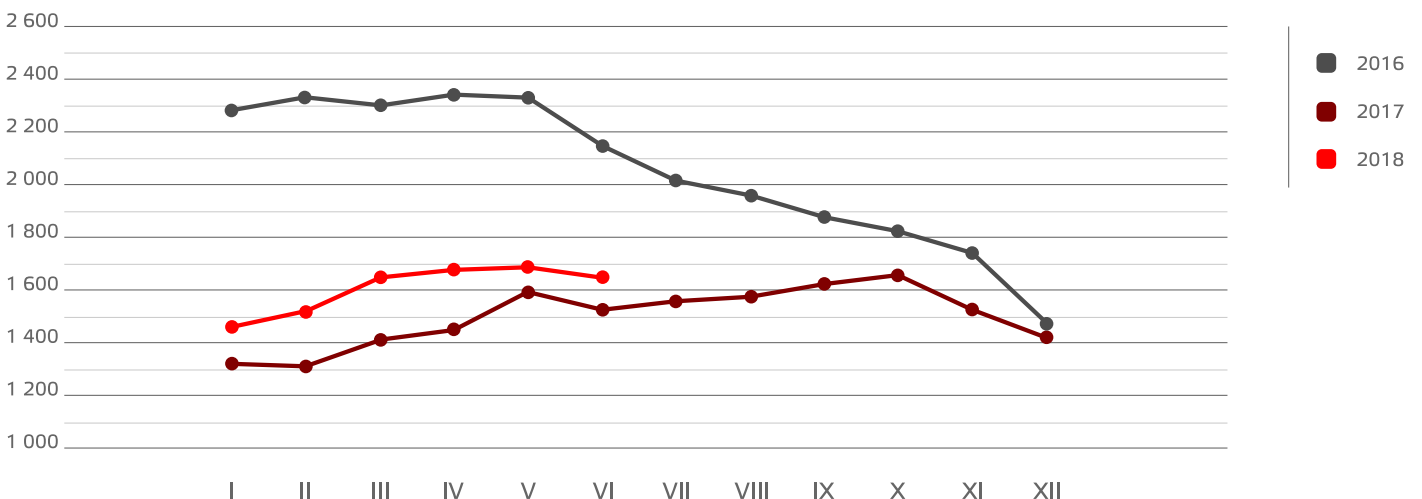


Source: ARCO REAL ESTATE

In June 2018, the price increase stopped. In most of the housing estates, no price changes were observed. As in other years in June, market activity declined. A slight price change was observed in certain housing estates for the most demanded two-room and three-room apartments. Apartment prices in the vicinity of Riga also stopped rising. Minimum price changes in June were detected in Salaspils and Jelgava.

This year, the supply in Riga's largest housing estates was steadily higher than in the first half of the last year. Similarly to last year, a drop in supply was observed in June.

Dynamics of apartment supply in the largest housing estates of Riga

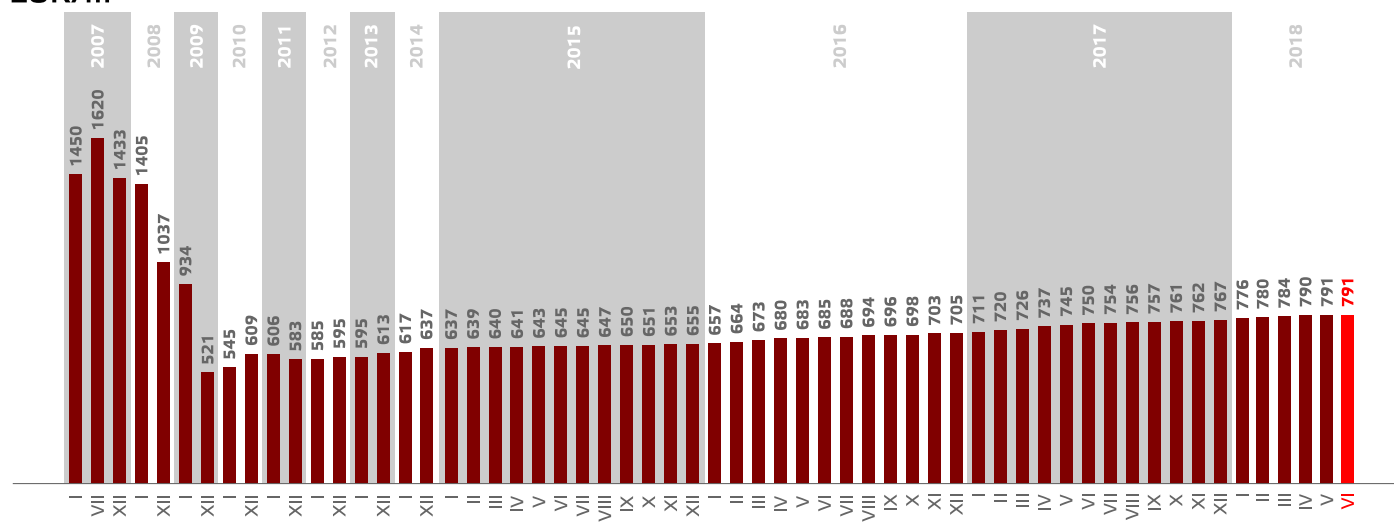


Source: ARCO REAL ESTATE

The largest growth of the average one square meter price of an apartment in the housing estates of Riga since the beginning of 2018 was observed in Teika (+ 5 %). 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 (+ 1,7 %).

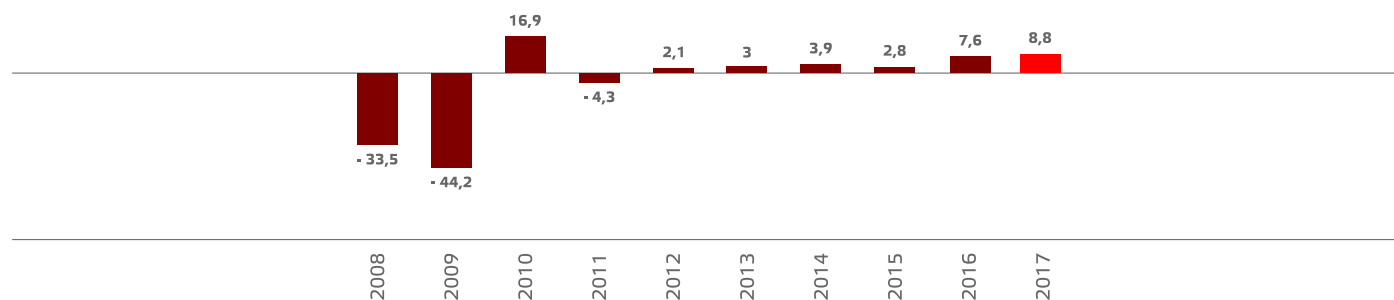
In June 2018, the average price of a standard-type apartment remained to be 791 EUR/m². The prices on average are by 51.2 % lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value – 1 620 EUR/m².

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, %



Source: ARCO REAL ESTATE

In June 2018, the prices rated by number of rooms in apartment, remained unchanged for 1 – 4-room apartments. The average price of one square meter of standard type apartment increased for two-room apartments (+ 0,1 %) three-room apartments (+ 0,1 %).

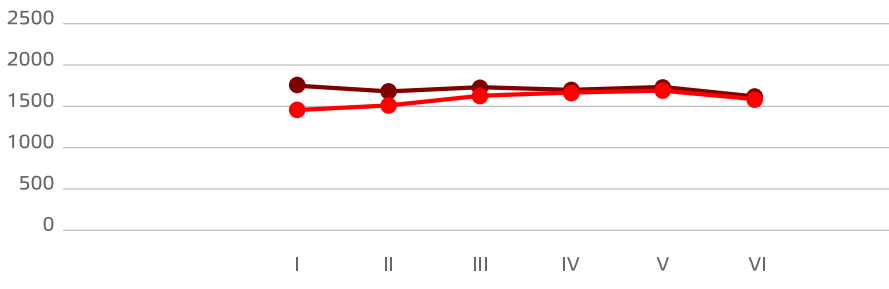
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2016												2017												2018						
1 room	744	752	754	755	757	765	768	771	775	779	784	795	799	811	819	821	829	830	831	836	837	840	853	855	858	864	865	865			
2 rooms	693	699	702	704	706	711	712	715	721	723	731	740	748	761	767	770	773	774	775	778	780	787	797	800	805	812	814	815			
3 rooms	641	647	651	653	656	661	662	666	667	668	674	683	689	701	710	715	717	719	720	723	725	730	736	741	745	748	749	750			
4 rooms	614	620	626	630	632	641	641	642	649	649	655	663	669	674	684	693	697	702	703	705	708	711	718	725	728	734	735	735			
	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.	01.02.	01.03.	01.04.	01.05.	01.06.	01.07.			

Source: ARCO REAL ESTATE

In June 2018, supply of apartments in Riga compared to the previous month in total increased by 2,5 %. But the number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE decreased by 2 %. Compared to June 2017, the apartment supply was larger: the total number of apartments offered for sale was by 2 % higher, but the number of apartments offered for sale in the largest housing estates was by 8 % higher.

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 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 June was in Purvciems, but the lowest apartment supply was in Bolderāja.

Last month, the apartment supply in Riga housing estates was characterized by both an increase in the number and a decrease: the most significant increase in June was in Vecmīlgrāvis (+ 23 %). But the most significant decrease was seen in Teika (- 19 %).

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

In June 2018, no changes in standard apartment prices were observed in the largest housing estates in Riga. In most of the housing estates prices remained at the level of the previous month. Prices in individual housing estates increased by 0.1 - 0.6%. The biggest price increase was registered in Jugla, where apartment prices rose by 0,6 % during the month. But in Pļavnieki, Purvciems, Mežciems, Ķengarags, Ziepniekkalns, Imanta, Zolitūde, Āgenskalns un Ilģuciems no price changes were seen in June, and the prices were at the same level as in the previous month.

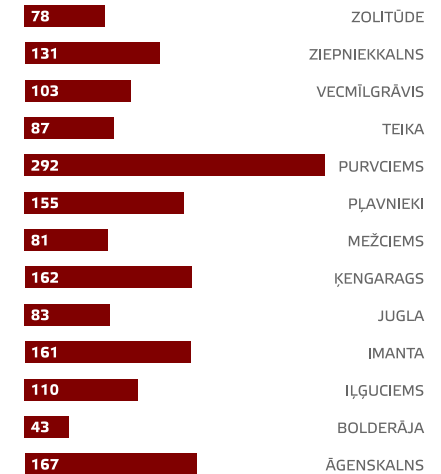
Changes in average standard-type apartment prices in Riga housing estates for 1 m², in %

	The average value per 1 m ² on 01.07.2018.	The average value per 1 m ² on 01.06.2018.	Changes, %
Jugla	791	786	0.6 ↑
Pļavnieki	834	834	0.0 →
Purvciems	849	849	0.0 →
Mežciems	823	823	0.0 →
Teika	952	949	0.3 ↑
Vecmīlgrāvis	639	638	0.1 ↑
Ķengarags	749	749	0.0 →
Bolderāja	569	568	0.2 ↑
Ziepniekkalns	829	829	0.0 →
Imanta	842	842	0.0 →
Zolitūde	851	851	0.0 →
Āgenskalns	848	848	0.0 →
Ilģuciems	769	769	0.0 →

Source: ARCO REAL ESTATE

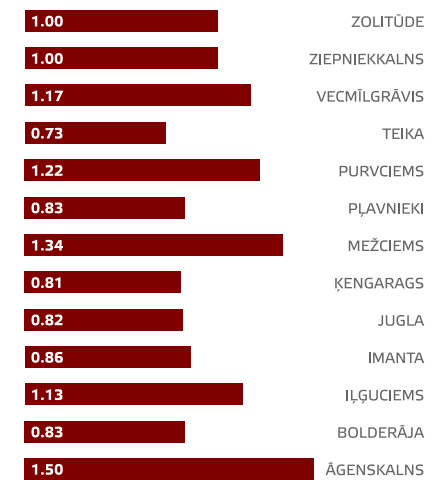
In June, standard-type apartment prices in comparison with the beginning of 2017 were higher by 12%. In turn, since the beginning of 2018, prices have increased by 3 %.

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



Source: ARCO REAL ESTATE

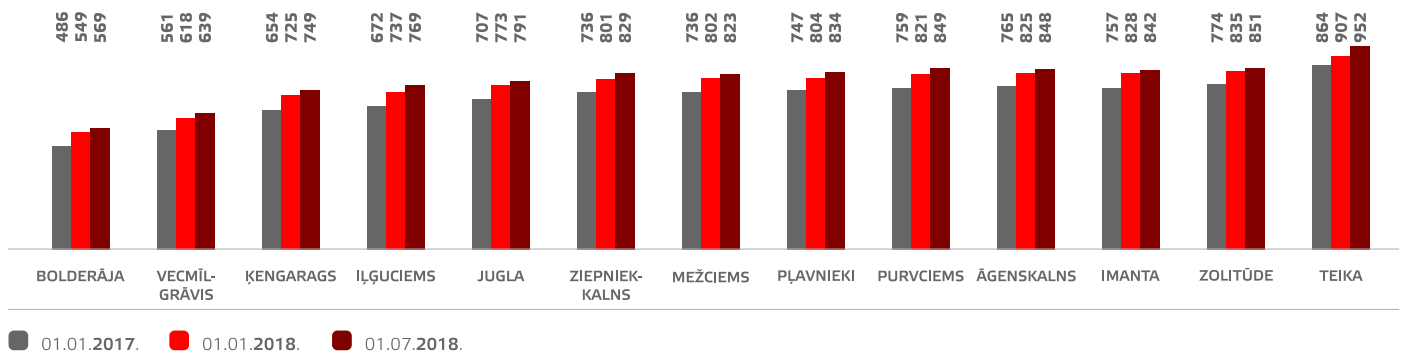
Number of apartments offered for sale in proportion to the size of the housing estates in Riga in June 2018



* 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

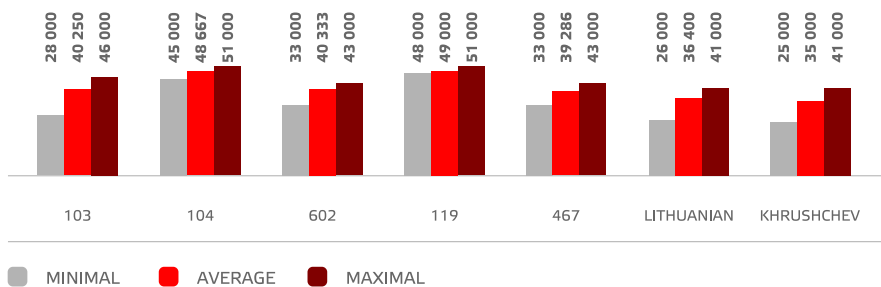


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in June 2018 still were in Teika, where the average price of one square meter increased to 952 EUR/m². The lowest average price of one square meter remained to be in Bolderāja where it increased to the position of 569 EUR/m².

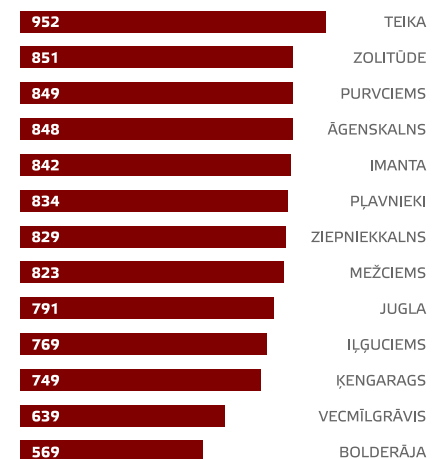
In June 2018, the most expensive apartments still were apartments in the houses of the 119th series and 104th series, where the price of 2-room apartments in a satisfactory condition varied from 45 000 to 51 000 EUR depending on the location. In turn, the so-called Lithuanian design were the cheapest 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 June 2018 (2-room apartments), EUR



Source: ARCO REAL ESTATE

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



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

Ogre

In June 2018, prices for standard-type apartments in Ogre remained unchanged. The average price of apartments remained at 586 EUR/m². In 2017, apartment prices in general in Ogre increased by 17 %, but since the beginning of this year, prices have generally risen by 5 %. The price increase in Ogre has stopped in the last two months.

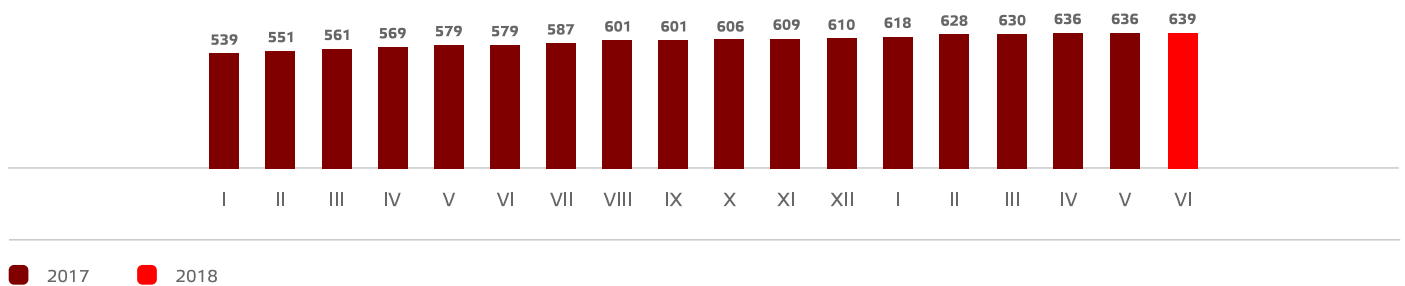
Kauguri, Jūrmala

In Kauguri, standard-type apartment prices did not change in June. The average price of apartments per square metre was 564 EUR/m². In the first half of 2018, apartment prices in Kauguri increased by 7.8 % in total. The increase in the apartment prices in Kauguri, if compared with other places in Riga and its vicinity, was the most rapid this year.

Salaspils

In June 2018, apartment prices in Salaspils increased by 0.5 %. The average price of standard-type apartments in Salaspils was 639 EUR/m². Since the beginning of 2018, standard-type apartment prices in Salaspils have increased by 4.7 % in total. In spite of the stabilization of apartment prices in Riga, apartment prices in Salaspils increased also in June.

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

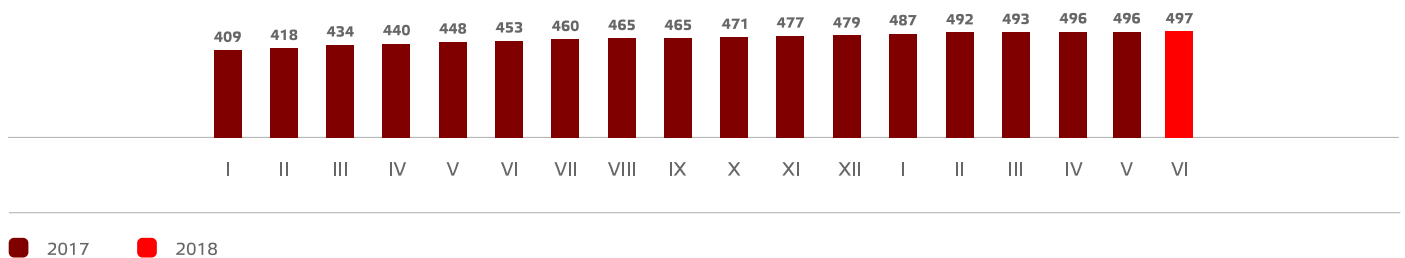


Source: ARCO REAL ESTATE

Jelgava

In June 2018, apartment prices in Jelgava increased by 0.2 %. The average price of standard-type apartments has risen to 497 EUR/m². In the first half of the year standard-type apartment prices in Jelgava increased by 3.7 %.

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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