

MARKET OVERVIEW

Standard-Type Apartments MARCH

RIGA
2018

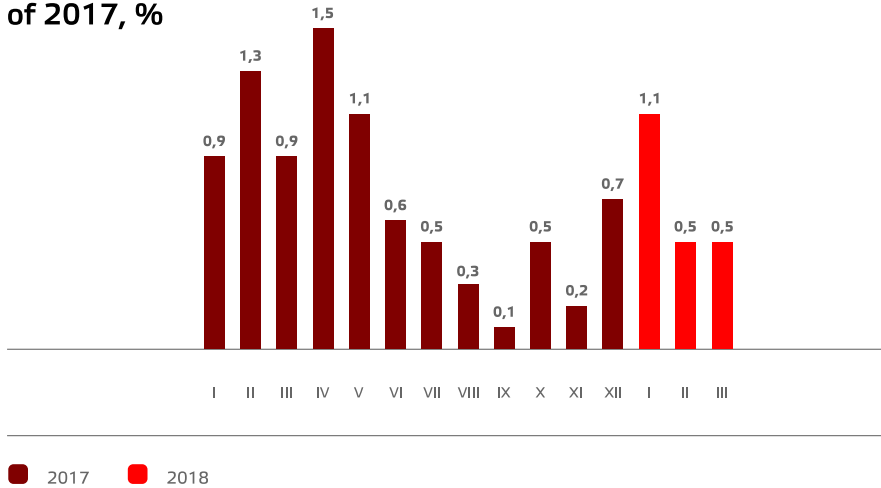


LATVIJAS
ĪPAŠUMU
VĒRTĒTĀJU
ASOCIĀCIJA

Standard-Type Apartments, April 1, 2017

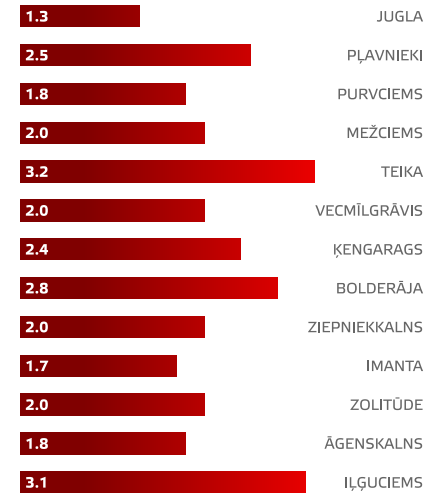
In March 2018, the prices of standard-type apartments located in Riga housing estates increased by 0.5 %. The average standard-type apartment price in January increased to 784 EUR/m². Since the beginning of 2018, the standard-type apartment prices have grown by 2.2 % in total.

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



Source: ARCO REAL ESTATE

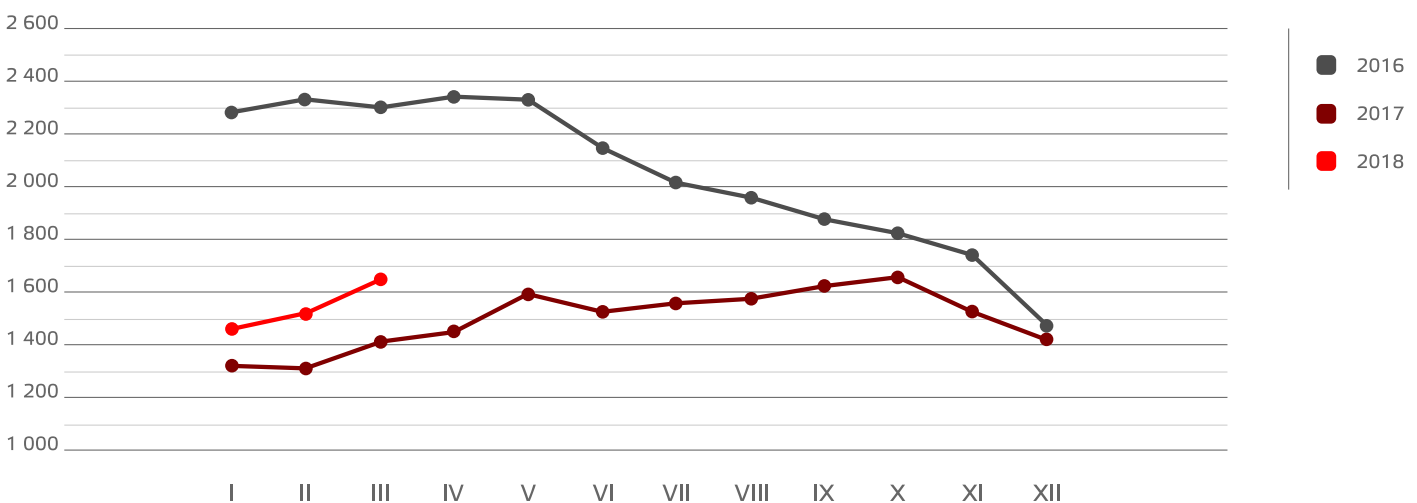
Price changes in the largest housing estates of Riga since January 1, 2018, %



Source: ARCO REAL ESTATE

Though the year 2018 began with a rather rapid increase in standard-type apartment prices, both in February and March, prices rose moderately. In March, in some of the most expensive housing estates in Riga, price changes were not observed at all. However, overall, in the first quarter of the year, prices have risen by more than 2 %, and it can be expected that the price increase this year will be similar to the last year. At the beginning of this year, the supply in the Riga's largest housing estates was higher than in the corresponding period of the last year, and, in addition, it has a growing tendency.

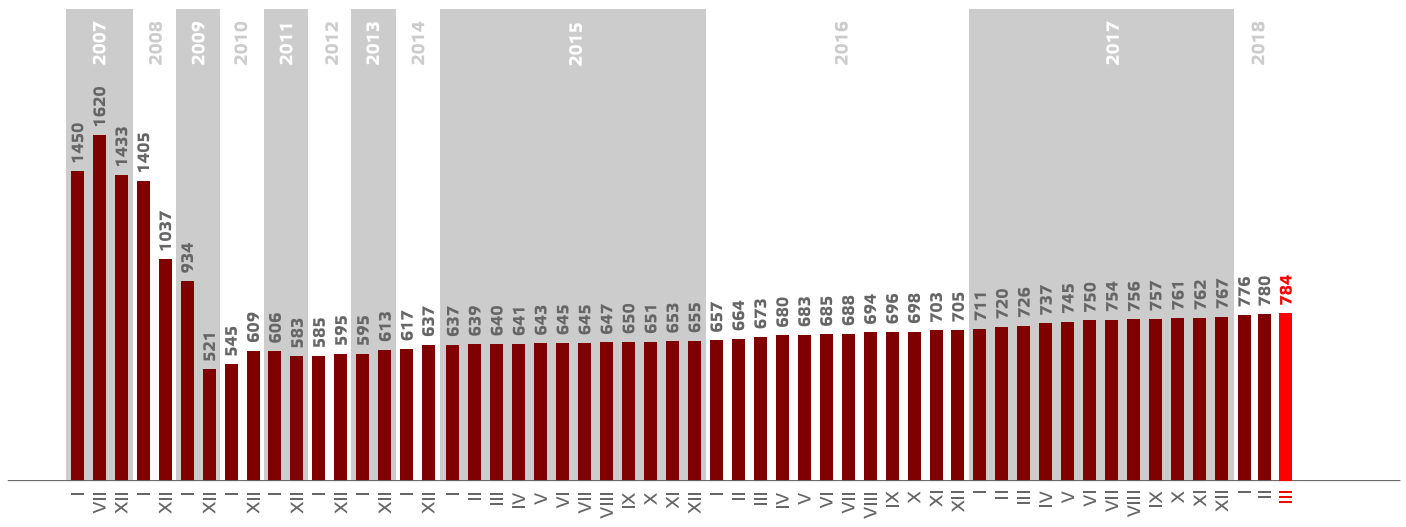
Dynamics of apartment supply in the largest housing estates of Riga, 2017 - 2018



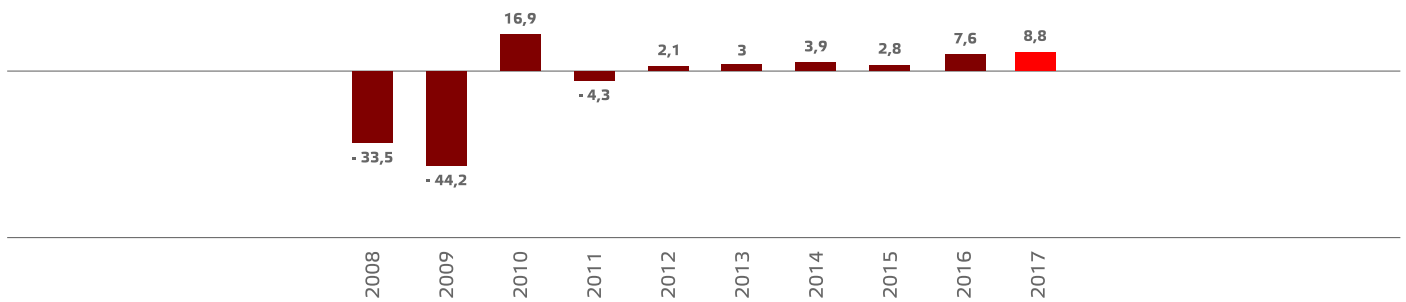
Source: ARCO REAL ESTATE

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 (+ 3.2 %). Also in other biggest housing estates of Riga the prices increased this year. The slowest apartment price growth since the beginning of this year was observed in Jugla (+ 1.3 %).

In March 2018, the average price of a standard-type apartment increased to position of 784 EUR/m². The prices on average are by 51.6 % 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 in Riga housing estates, 2008 – 2017, %


Source: ARCO REAL ESTATE

In March 2018, the prices rated by number of rooms in apartment, increased for 1 – 4-room apartments. The average price of one square meter of standard type apartment increased for one-room apartments (+ 0.4 %), two-room apartments (+ 0.6 %), three-room apartments (+ 0.5 %) and four-room apartments (+ 0.4 %).

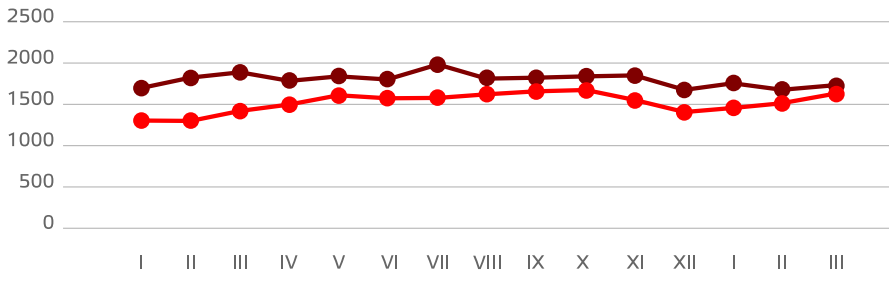
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	2016												2017												2018			
	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.	01.01.	01.02.	01.03.	01.04.								
1 room	722	728	738	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
2 rooms	667	673	681	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
3 rooms	622	626	631	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
4 rooms	602	603	607	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

Source: ARCO REAL ESTATE

In March 2018, supply of apartments in Riga compared to the previous month in total increased by 6 %. But the number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE in March increased even more - by 9 %. Compared to March 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 16 % higher.

Dynamics of supply of apartments in Riga



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 March was in Purvciems, Āgenskalns and Imanta. But the lowest apartment supply was in Bolderāja.

During the last month, the number of apartments offered for sale increased in almost all Riga housing estates. The most significant increase in the supply of apartments in March was seen in Jugla and Āgenskalns (+ 18 %) but a decrease in the supply was seen only in Ķengarags (- 7 %).

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

In March 2018, a positive change in standard-type apartment prices was observed in most of the major Riga housing estates. The prices increased in the range from 0.2 to 1.2 %. The biggest price increase was registered in Teika and Iļģuciems where apartment prices rose by 1.2 % during the month. But in Imanta and Zolitūde no price fluctuations at all were seen in March, 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, %

	The average value per 1 m ² on 01.04.2018.	The average value per 1 m ² on 01.03.2018.	Changes, %
Jugla	783	774	1.1 ↑
Pļavnieki	824	819	0.5 ↑
Purvciems	836	831	0.6 ↑
Mežciems	818	815	0.3 ↑
Teika	935	924	1.2 ↑
Vecmīlgrāvis	630	628	0.4 ↑
Ķengarags	742	740	0.3 ↑
Bolderāja	565	561	0.6 ↑
Ziepniekkalns	819	816	0.4 ↑
Imanta	842	842	0.0 →
Zolitūde	851	851	0.0 →
Āgenskalns	841	839	0.2 ↑
Iļģuciems	760	751	1.2 ↑

Source: ARCO REAL ESTATE

In March 2018, standard-type apartment prices in comparison with the beginning of 2017 were higher by 11.2 %. In turn, since the beginning of 2018, prices have increased by 2.2 %.

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



Source: ARCO REAL ESTATE

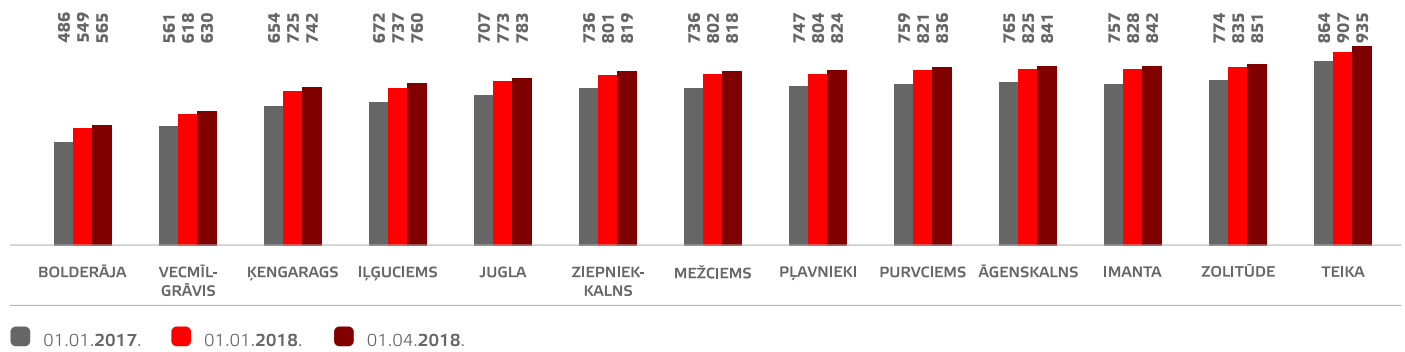
Number of apartments offered for sale in proportion to the size of the housing estates in Riga in March 2018



* 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

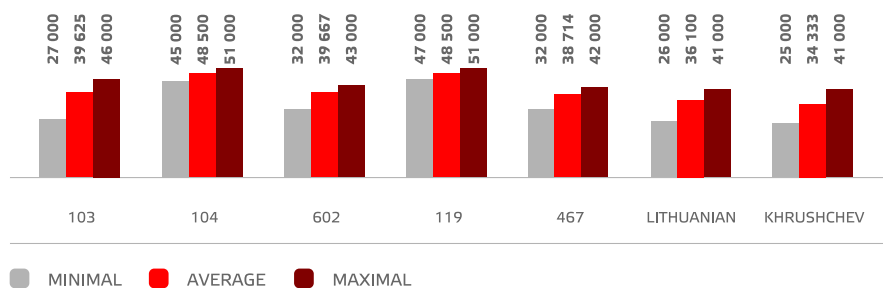


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in March 2018 still were in Teika, where the average price of one square meter increased to 935 EUR/m². The lowest average price of one square meter remained to be in Bolderāja where it increased to the position of 565 EUR/m².

In March 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 47 000 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 March 2018 (2-room apartments), EUR



Source: ARCO REAL ESTATE

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



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

Ogre

In March 2018, standard-type apartment prices in Ogre increased by 0.6 %, with the average price of apartments reaching the position of 579 EUR/m². In 2017, apartment prices in Ogre increased by 17 % overall, but since the beginning of this year they have already increased by 3.7 %. In Ogre, at the beginning of 2018, the number of apartments offered for sale remained to be low, which was one of the main reasons for price increases.

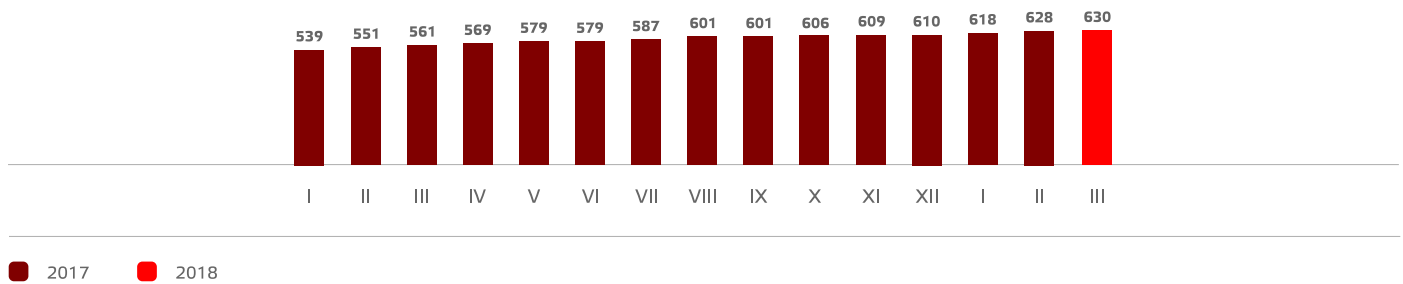
Kauguri, Jūrmala

In March 2018, the standard-type apartment prices in Kauguri increased by 0.9 %. The average price of one square meter of apartment grew up to 551 EUR/m². Since the beginning of 2018, apartment prices in general have increased by 5.3 % in Kauguri. Apartment prices in Kauguri, compared to other places in the vicinity of Riga, have so far grown slower, however, since the beginning of this year, the price growth rate has increased.

Salaspils

In March 2018, apartment prices in Salaspils grew by 0.4 %. The average price of standard-type apartments increased to 630 EUR/m². Since the beginning of 2018, standard-type apartment prices in Salaspils have increased by 3.3 % overall. As in the largest housing estates in Riga, apartment prices in Salaspils continued to increase at the beginning of this year.

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

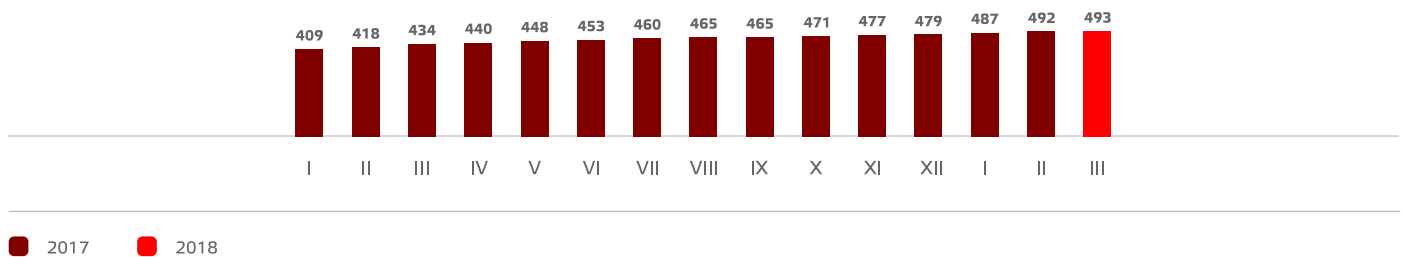


Source: ARCO REAL ESTATE

Jelgava

In March 2018, the prices of Jelgava apartments increased by 0.3 %, the average price of standard-type apartments reaching 493 EUR/m². Since the beginning of 2018, standard-type apartment prices in Jelgava have increased by 2.8 %.

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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