

MARKET OVERVIEW

# Standard-Type Apartments MAY

RIGA  
2018

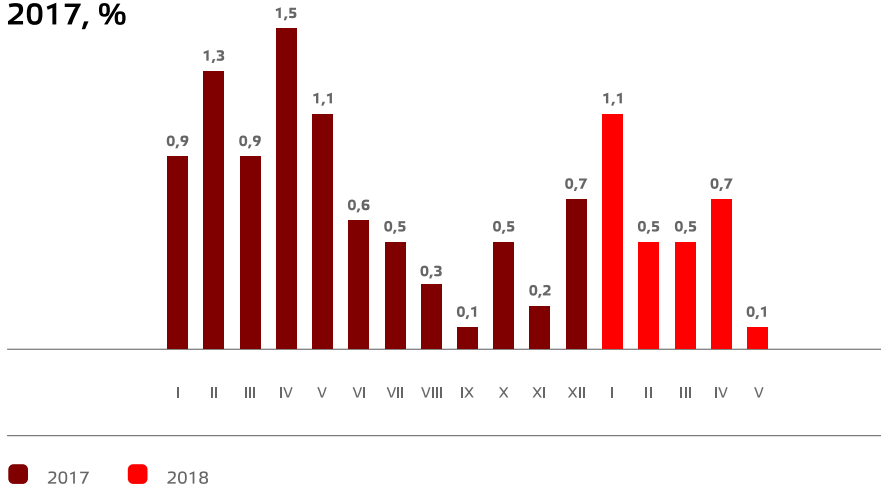


LATVIJAS  
ĪPAŠUMU  
VĒRTĒTĀJU  
ASOCIĀCIJA

## Standard-Type Apartments, June 1, 2017

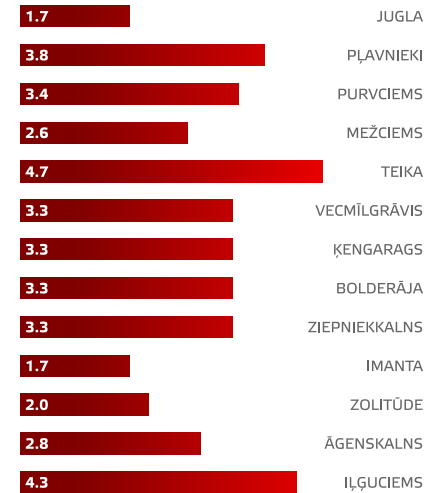
In May 2018, the prices of standard-type apartments located in Riga housing estates increased by 0.1 %, the average standard-type apartment price reaching 791 EUR/m<sup>2</sup>. Since the beginning of 2018, the standard-type apartment prices have grown by 3.1 % in total.

### 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, %

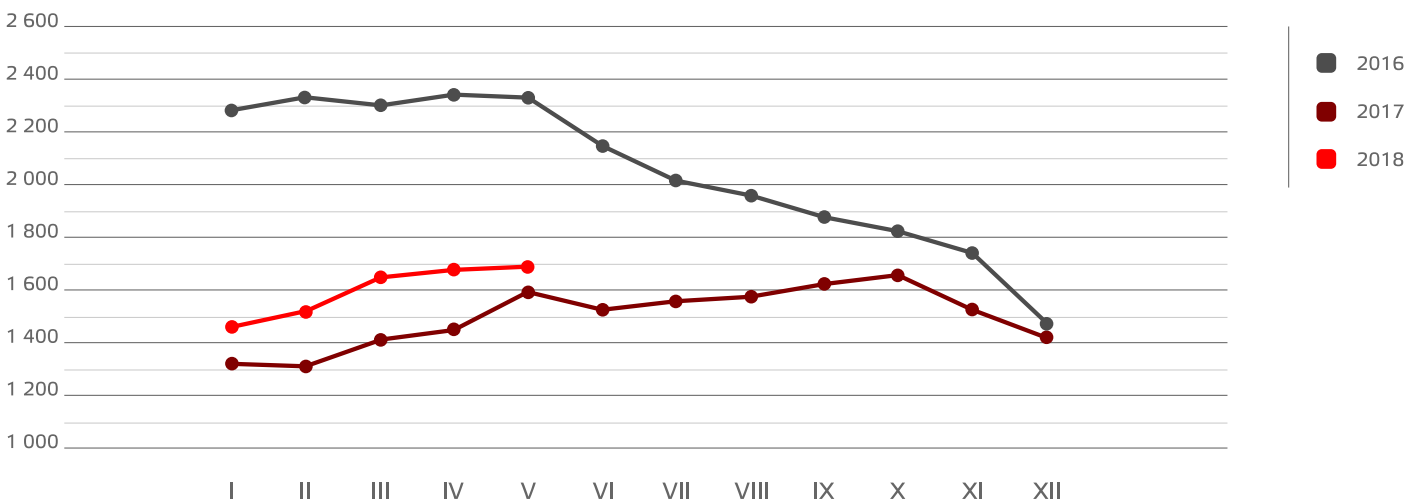


Source: ARCO REAL ESTATE

In May 2018, the price growths declined to a minimum (0.1 %), and in several housing estates there was no price change at all. The previous dynamics of price increases stopped last month. In the two most expensive housing estates in the city, namely, in Imanta and Zolitūde, price changes were not observed for the third consecutive month, which could indicate that the prices have reached the highest limit. Apartment price growth also stopped in the vicinity of Riga.

The apartment supply in Riga's largest housing estates this year is larger than in the first half of last year. However, in May, any supply growth was no longer observed, and it did not change during the month.

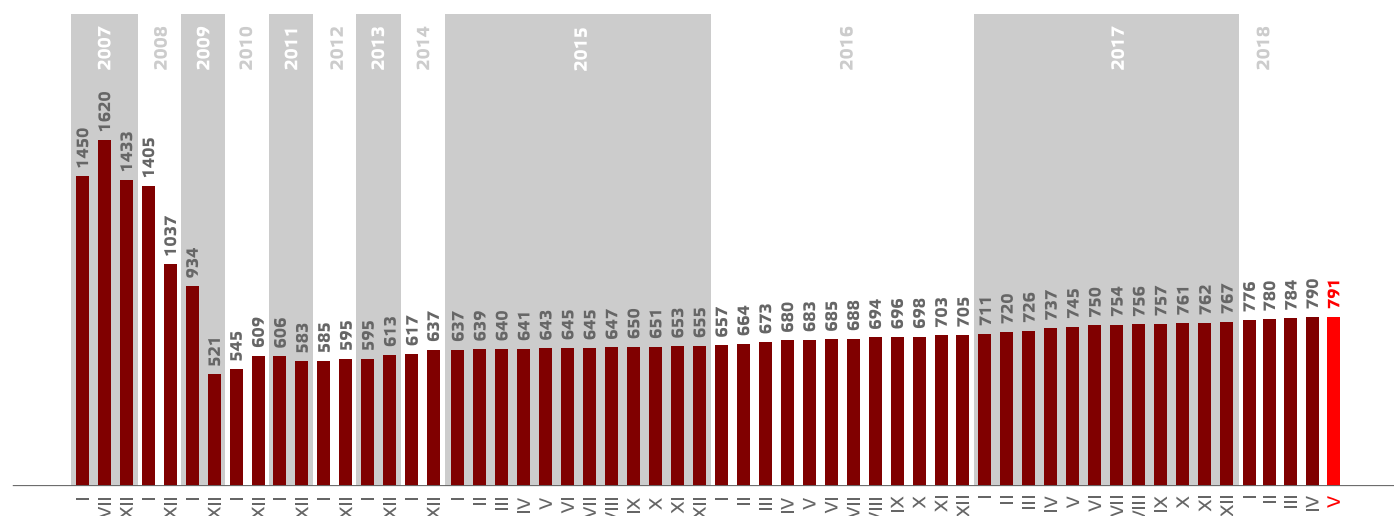
### Dynamics of apartment supply in the largest housing estates of Riga



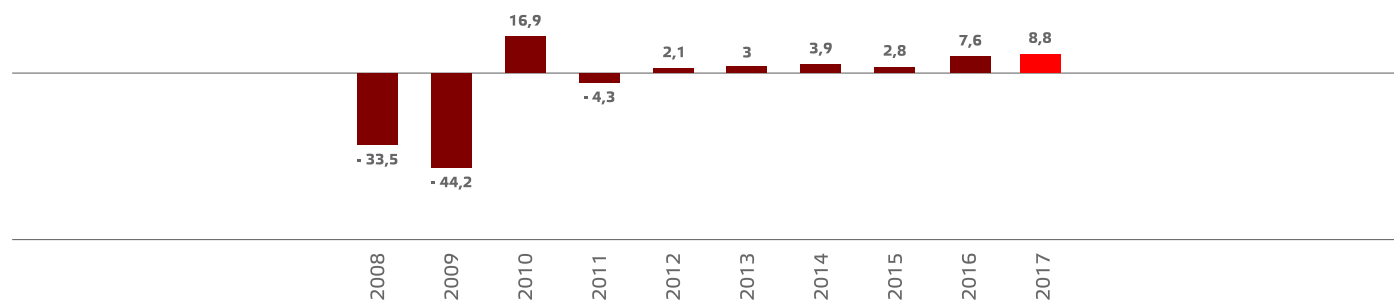
Source: ARCO REAL ESTATE

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 (+ 4.7 %). 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 and Imanta (+ 1.7 %).

In May 2018, the average price of a standard-type apartment increased to position of 791 EUR/m<sup>2</sup>. 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/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 – 2017, %**


Source: ARCO REAL ESTATE

In May 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 (+ 0.1 %), two-room apartments (+ 0.2 %), three-room apartments (+ 0.1 %) and four-room apartments (+ 0.1 %).

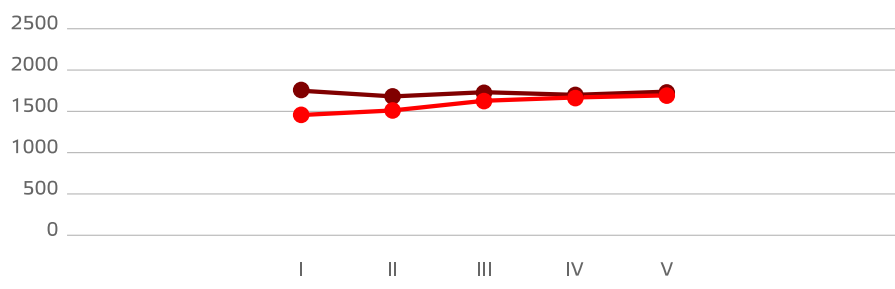
**Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m<sup>2</sup>**

	2016										2017										2018							
<b>1 room</b>	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	864	865
<b>2 rooms</b>	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	812	814
<b>3 rooms</b>	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	748	749
<b>4 rooms</b>	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	734	735
	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.	01.02.	01.03.	01.04.	01.05.	01.06.

Source: ARCO REAL ESTATE

In May 2018, supply of apartments in Riga compared to the previous month in total increased by 1 %. But the number of apartments offered for sale in the largest housing estates analyzed by ARCO REAL ESTATE remained unchanged. Compared to May 2017, the apartment supply was larger: the total number of apartments offered for sale was by 1 % higher, but the number of apartments offered for sale in the largest housing estates was by 6 % 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 May 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 was in Jugla (+ 21 %), while the number of apartments in Zolitūde decreased by 19 %.

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

In May 2018, a positive change in standard-type apartment prices was observed in almost all of the major Riga housing estates. In most housing estates, the prices increased in the range from 0.1 to 0.7 %. The biggest price increase was registered in Ziepniekkalns where apartment prices rose by 0.7 % during the month. But in Pļavnieki, Mežciems, Vecmīlgrāvis, Imanta and Zolitūde no price changes were seen in May, and the prices were at the same level as in the previous month.

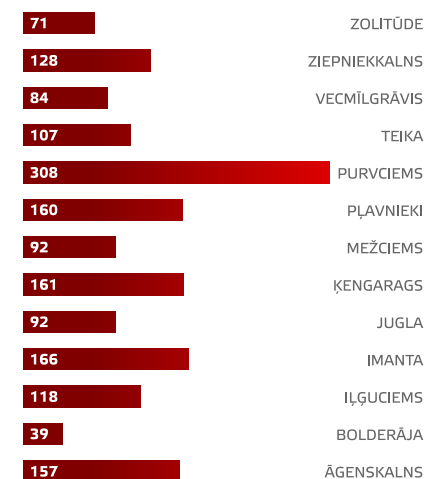
## Changes in average standard-type apartment prices in Riga housing estates for one square meter, %

	The average value per 1 m <sup>2</sup> on 01.06.2018.	The average value per 1 m <sup>2</sup> on 01.05.2018.	Changes, %
Jugla	<b>786</b>	784	0.2 ↑
Pļavnieki	<b>834</b>	834	0.0 →
Purvciems	<b>849</b>	848	0.1 ↑
Mežciems	<b>823</b>	823	0.0 →
Teika	<b>949</b>	947	0.3 ↑
Vecmīlgrāvis	<b>638</b>	638	0.0 →
Ķengarags	<b>749</b>	748	0.1 ↑
Bolderāja	<b>568</b>	567	0.2 ↑
Ziepniekkalns	<b>829</b>	823	0.7 ↑
Imanta	<b>842</b>	842	0.0 →
Zolitūde	<b>851</b>	851	0.0 →
Āgenskalns	<b>848</b>	844	0.5 ↑
Iļģuciems	<b>769</b>	768	0.2 ↑

Source: ARCO REAL ESTATE

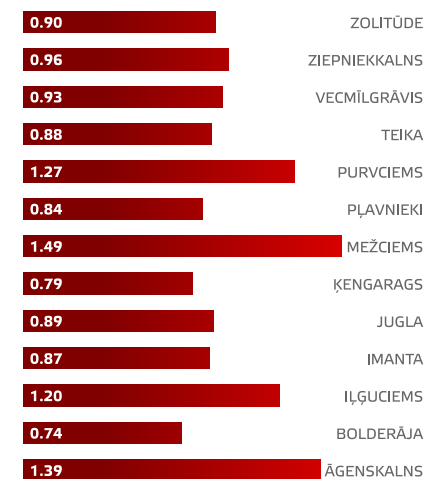
In April May, standard-type apartment prices in comparison with the beginning of 2017 were higher by 12 %. In turn, since the beginning of 2018, prices have increased by 3 %.

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



Source: ARCO REAL ESTATE

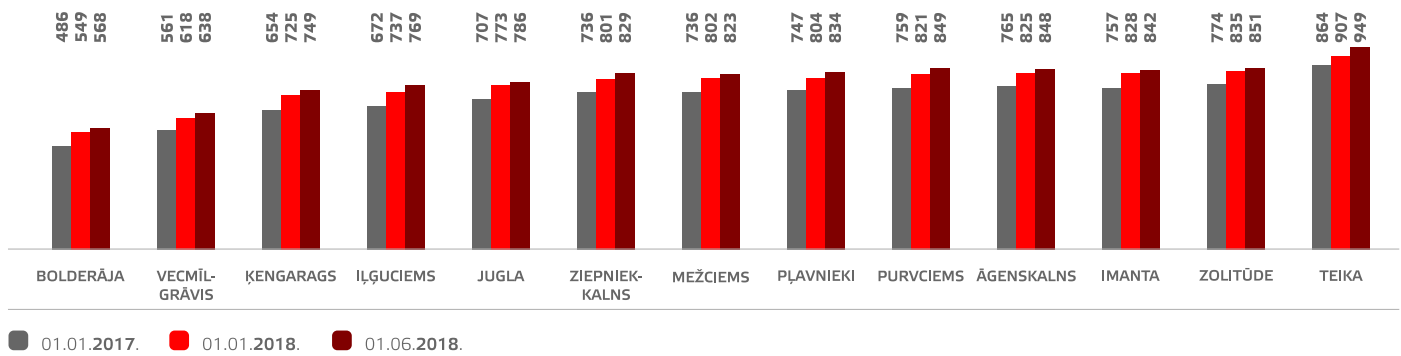
## Number of apartments offered for sale in proportion to the size of the housing estates in Riga in May 2018



\* 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/m<sup>2</sup>**

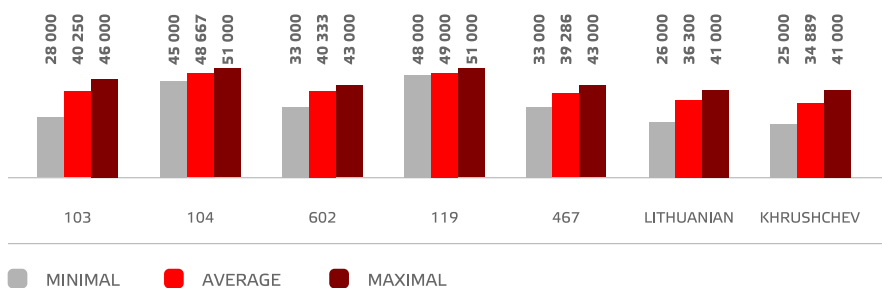


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in ApMayril 2018 still were in Teika, where the average price of one square meter increased to 949 EUR/m<sup>2</sup>. The lowest average price of one square meter remained to be in Bolderāja where it increased to the position of 568 EUR/m<sup>2</sup>.

In May 2018, the most expensive apartments still 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 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 May 2018 (2-room apartments), EUR**



Source: ARCO REAL ESTATE

**Average standard-type apartment prices in housing estates of Riga as per June 1, 2018, EUR/m<sup>2</sup>**



Source: ARCO REAL ESTATE

## Apartment market in the vicinity of Riga

### Ogre

In May 2018, the prices of standard-type apartments in Ogre did not change - the average price remained at 586 EUR/m<sup>2</sup>. In 2017, the apartment prices in Ogre grew by 17 % in total, but since the beginning of this year, prices have already increased by 5 %. Although in Ogre in 2018 there is a relatively small number of apartments offered for sale, the price increase has stopped.

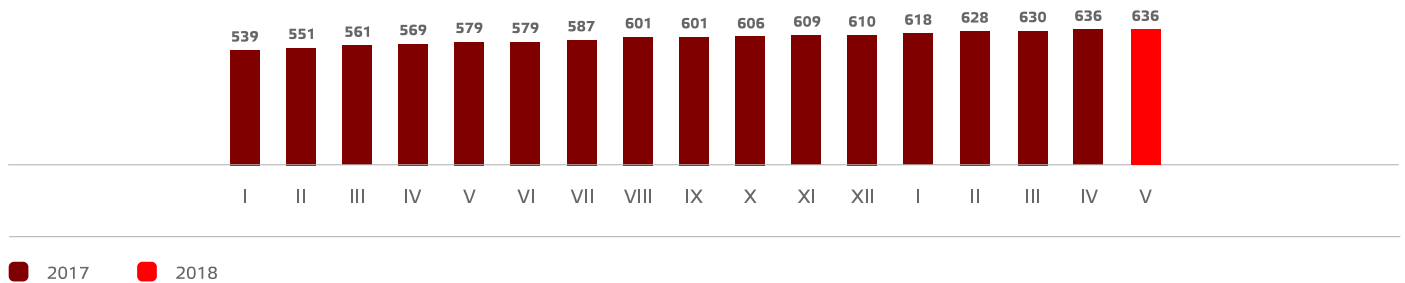
### Kauguri, Jūrmala

In May 2018, the standard-type apartment prices in Kauguri increased by 0.3 %. The average price of one square meter of apartment grew up to 564 EUR/m<sup>2</sup>. Since the beginning of 2018, apartment prices in general have increased by 7.8 % 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 significantly increased.

### Salaspils

In May 2018 apartment prices in Salaspils remained unchanged. The average price of standard-type apartments is 636 EUR/m<sup>2</sup>. Since the beginning of 2018, standard-type apartment prices in Salaspils have increased by 4.2 % in total. As in the largest housing estates in Riga, apartment prices in Salaspils continued to increase also this year.

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

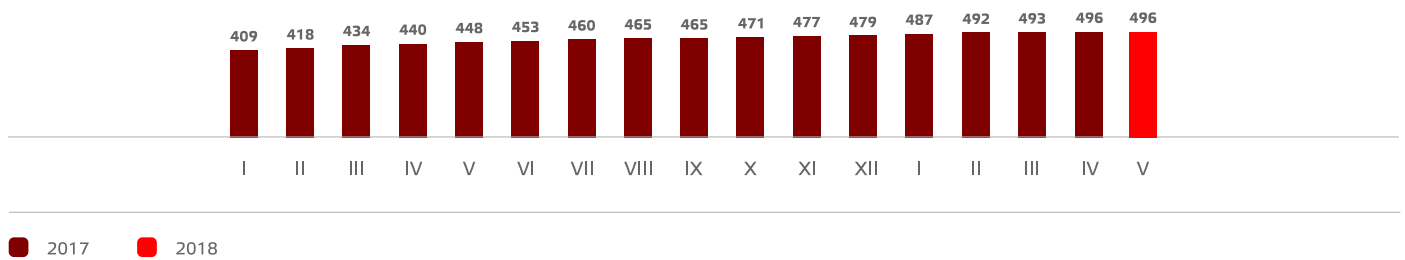


Source: ARCO REAL ESTATE

### Jelgava

In May 2018, the prices of Jelgava apartments remained unchanged. The average price of standard type apartments is 496 EUR/m<sup>2</sup>. Since the beginning of 2018, standard-type apartment prices in Jelgava increased by 3.5 %.

### 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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