

# Market review of new and renovated apartments in Riga and Pieriga in 2020

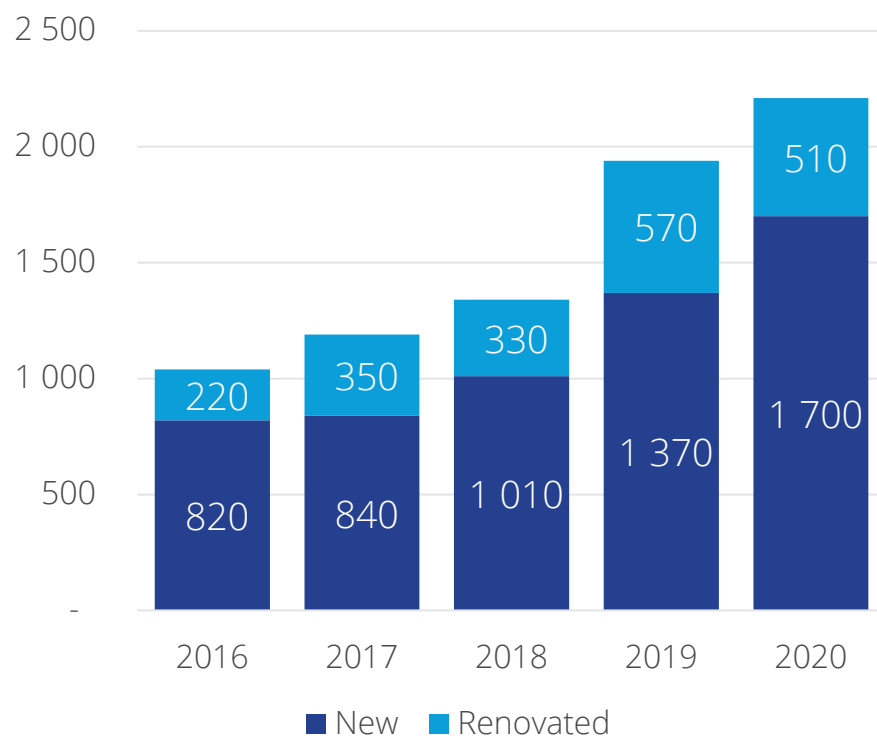
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Prepared by: Colliers International

## Riga and Pieriga

# Sales volumes of new and renovated apartments

Number of transactions in the primary market



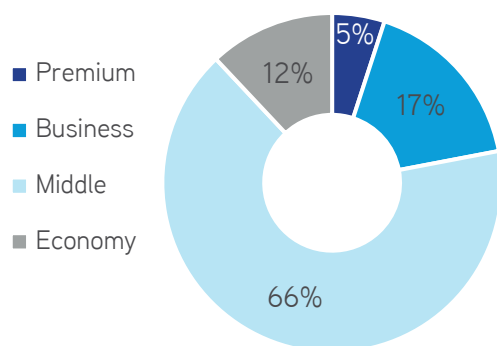
- Although the Covid-19 pandemic caused a decline in transactions in the second quarter, the market recovered in the third quarter, reaching record sales at the end of the year. In December, developers sold more than 310 new and renovated apartments, which meant an increase of 14% in the number of apartments sold overall in 2020 compared to 2019 and an increase in total transaction value of 21%. The total value of transactions in the primary market in 2020 exceeded 255 million euros.
- In 2020, the number of transactions with renovated apartments slightly decreased, which is partly explained by the sharp decrease in the number of tourists and its impact on the short-term rental market. Many of the renovated apartments are small in size and located in the central part of the city - 2 prerequisites for a successful short-term rental property.
- In 2020, the number of transactions with apartments in regions in close proximity to Riga increased, reaching 250 transactions, mainly due to the large number of transactions in the project Dreilinga developed by Bonava close to SC Saga and IKEA, as well as Mārupes nami, developed by Home 4 Living.



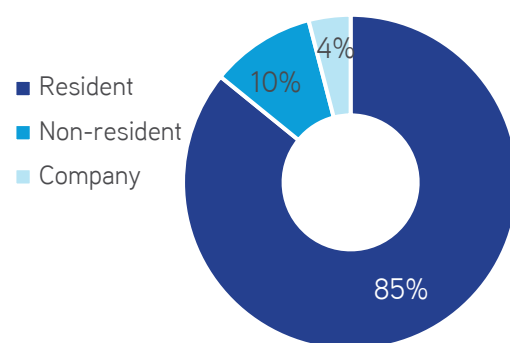
## Riga and Pieriga

## Sales transactions of new and renovated apartments by type

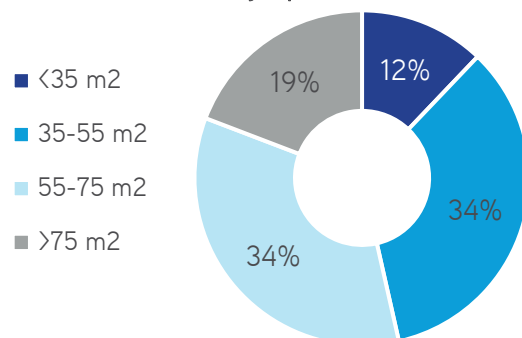
Number of apartment transactions by class



Number of apartment transactions by type of buyer



Number of apartment transactions by apartment size



- Due to the limited supply of economy class apartments in the market, the number of transactions in this segment decreased significantly in 2020 from more than 460 transactions in 2019 to 275 transactions in 2020.
- The number of transactions in the middle segment significantly increased, reaching 1,430 transactions, which is a 37% increase compared to the previous year. The average transaction value in this segment reached EUR 105,500 or approximately 1,860 EUR/m<sup>2</sup>. It should be mentioned here that most of the transactions in this segment were concluded while the property was still under construction, or 1-1.5 years before the commissioning of the building.
- Business and premium class showed stable performance with a small increase in transactions.
- The share of non-residents in the total market decreased from 12% to 10%. The share of transactions performed by non-residents in their preferred premium segment also decreased from 47% to 31%, which could largely be explained by the existing restrictions on movement and travel.
- The average size of the purchased apartment increased slightly, reaching 59.1 m<sup>2</sup>, however, this cannot be attributed to the impact of Covid-19 yet, as most transactions were concluded as reservation agreements before the pandemic.

# TOP 10 developers and their market share in 2020 by sales revenue

No	Developer	Sales revenue, mln EUR	Market share according to sales revenue	Number of apartments sold	Market share by number of apartments sold
1	Bonava	34.2	13%	364	17%
2	YIT	33.4	13%	293	13%
3	Merks	24.7	10%	157	7%
4	Hanner	24.5	10%	199	9%
5	R.Evolution	10.6	4%	37	2%
6	KBO	8.5	3%	81	4%
7	Vastint	7.9	3%	27	1%
8	Home 4 Living	6.6	3%	69	3%
9	Eften	6.3	2%	56	3%
10	Hepsor	5.0	2%	38	2%

- As in 2019, Bonava ranks first among the top developers with almost identical sales to the year before. In 2020, Bonava actively sold apartments in 6 projects. YIT is also rapidly approaching Bonava, thanks to good sales figures in the Green City and Annas Parks projects. Merks ranks third in the Top, climbing from 7th place just a year ago. Merks continues sales in the project Gailezera nami, where the first stage has already sold out, as well as in the project Merks Viesturdārzs, which was put into operation in 2020.
- Developers Vastint and R.Evolution, which so far have specialised in the development of premium projects, have also entered the TOP 10. Together, these two developers account for more than half of premium market sales.
- Two new developers have entered the Top: Home 4 Living, which put the first stage of Mārupes Nami into operation in 2020 and is currently building the second stage, and the Estonian developer Hepsor, who completed three projects in 2020: Legato and Sentimento in Āgenskalns and Strēlnieku 4B in the quiet centre.

## Riga and Pieriga

## TOP 10 projects by sales revenue

No	Project	Developer	Sales revenue, mln EUR	Number of apartments sold	Average transaction value, EUR
1	Jaunā Teika	Hanner	23.8	193	123 400
2	Green City	YIT	15.4	146	105 800
3	Annas Parks	YIT	14.7	124	118 800
4	Dreilinga	Bonava	12.2	124	98 300
5	Merks Viesturdārzs	Merks	11.6	64	181 300
6	Gaiļezera Nami	Merks	11.6	87	133 000
7	Pagalms 2.0	Bonava	9.4	103	91 100
8	Akācijas	KBO	8.2	78	105 700
9	Magdelēnas Kvartāls	Vastint	7.9	27	292 800
10	Lofts & Rosegold	R.Evolution	7.6	27	281 500

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