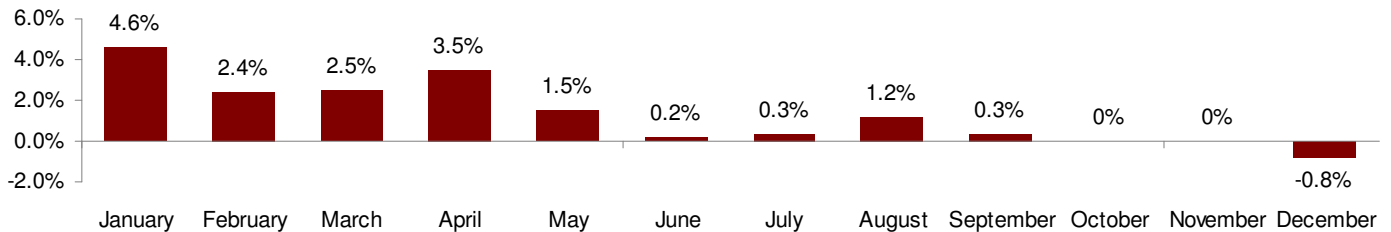


Standard-type apartments, January 1, 2011

In December 2010 there was observed the price decrease on the standard-type apartment for the first time during 2010. The prices decreased by **0.8%** on average. In December the average standard-type apartment price value was – **609 EUR/m²**. In 2010 there was observed the regular price increase during the first nine months of the year that was stopped in October and November. In 2010 the highest standard-type apartment price increase was still fixed in January – by 4,6%. In its turn there was not observed the price decrease starting from September 2009 when the average value of standard-type apartment achieved the level of 487 EUR/m².

Price changes in 2010, %



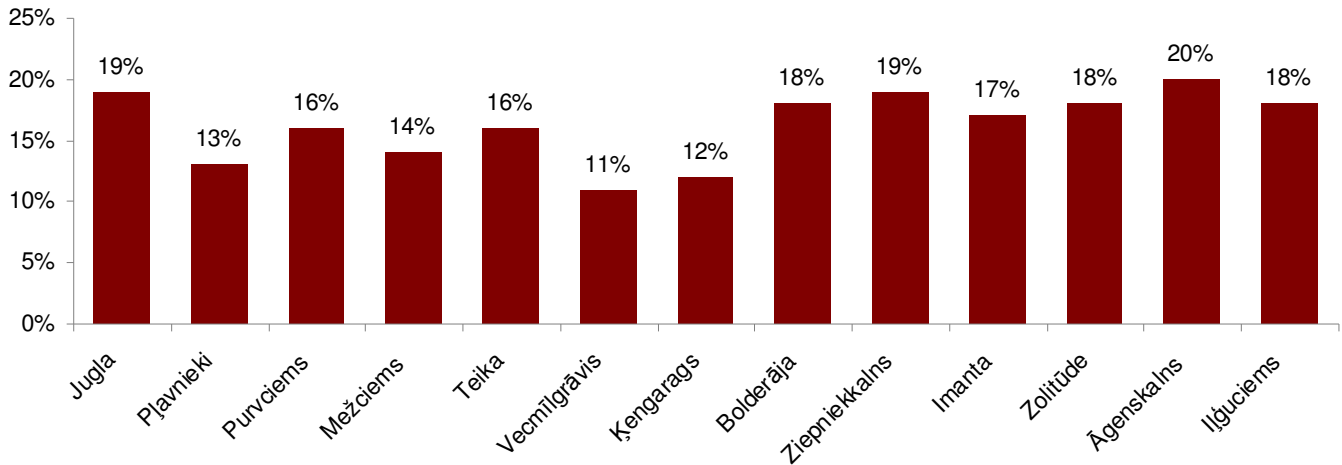
Source: ARCO REAL ESTATE

The apartments' proposal had just been increasing during 2010 till November. In November the proposals number had insignificant decrease, but in December it increased the remarkable decline of **17,8%**. In the largest housing estates it achieved 19,4%, in the other housing estates the proposal decreased by 15,6%. Certainly it indicates about the decrease of market activity that is explainable with holiday atmosphere at the end of the year, the same as the insecurity about the planned changes in system of taxes in 2011 and general raising the cost of products and services. Taking into consideration the mentioned above the same as the insignificant price decrease at the end of 2010, there are not expected the important price fluctuations in 2011. By this moment the prices for the apartments have the tendency to become stable.

The highest price decrease in December was observed in Vecmīlgrāvis (-1,6%) and Bolderāja (-1,5%). In its turn the most insignificant price decrease was established in Pļavnieki (-0,2%), the same as in Ķengarags, Ziepniekkalns and Ilģuciems (-0,3%). The prices for the apartments have been increased from September 2009 and by this moment they have increased on average by **25,1%**.

The prices for standard-type apartments increased on average for **16,9%** from the beginning of 2010. The highest price increase by January 1, 2011 was established on Āgenskalns – 20%. In its turn the smallest price increase was observed in Vecmīlgrāvis – 11%.

Price changes from January 1, 2010



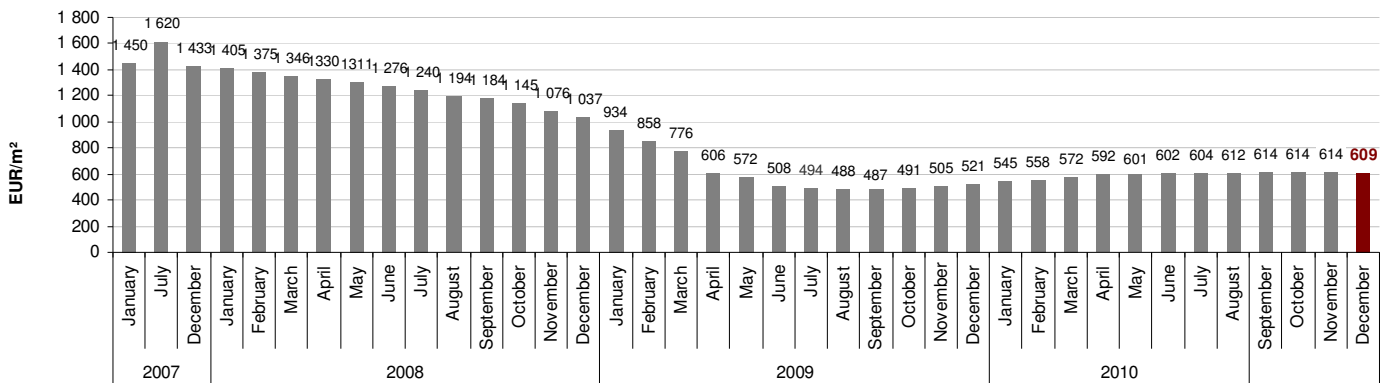
Source: ARCO REAL ESTATE

In December 2010 the prices were on the level of April 2009, when the average price value of m² was 606 EUR/m², but starting from July 2009 the prices increased by 25,1%.

The average standard-type apartment price in December 2010 increased till the level of **609 EUR/m²**. In comparison with the prices of July 1, 2007 when there was the highest price level for non-renovated standard-type apartment of 1620 EUR/m², nowadays the prices are lower for 62,4% on average. In its turn, the comparison of prices with January 1, 2009 the average non-renovated standard-type apartment price in general shows the decrease by 34,8%.

In 2008 the average prices for standard-type apartments in Riga decreased in general for 33,5% on average and during 2009 the average prices decreased in general additionally for 44,2%. In general the prices increased in 2010 on average by 16,9%.

The dynamics of average prices for standard-type apartments in Riga City housing estates



Source: ARCO REAL ESTATE

In the housing estates reviewed by ARCO REAL ESTATE in December, the average price of a 1 room apartment was 654 EUR/m² and this price, comparing with the previous month prices, has decreased by 0,8%; the average price of a 2 room standard-type apartment was 621 EUR /m² and this price, comparing with the previous month, has decreased by 1%; the average price of a 3 room standard-type apartment was 587 EUR/m² and this price, compared with the previous month, has decreased by 0,5%; and the average price of a 4 room standard-type apartment was 577 EUR/m² and this price, comparing with the previous month, has decreased by 0,2%.

The average prices of standard-type apartments in Riga City housing estates by number of rooms (EUR/m²)

	2009												2010												2011
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	1st January
1 room	949	876	795	597	562	525	513	507	499	498	517	546	568	598	614	629	654	660	658	656	663	662	661	659	654
2 rooms	943	859	768	598	567	525	512	503	496	485	496	521	541	566	574	587	606	617	617	617	624	628	626	627	621
3 rooms	941	858	781	616	579	536	518	483	479	478	478	481	496	519	532	544	561	571	573	577	588	590	590	590	587
4 rooms	901	837	759	613	592	530	487	483	479	479	471	474	480	498	515	528	548	556	562	566	575	578	578	578	577

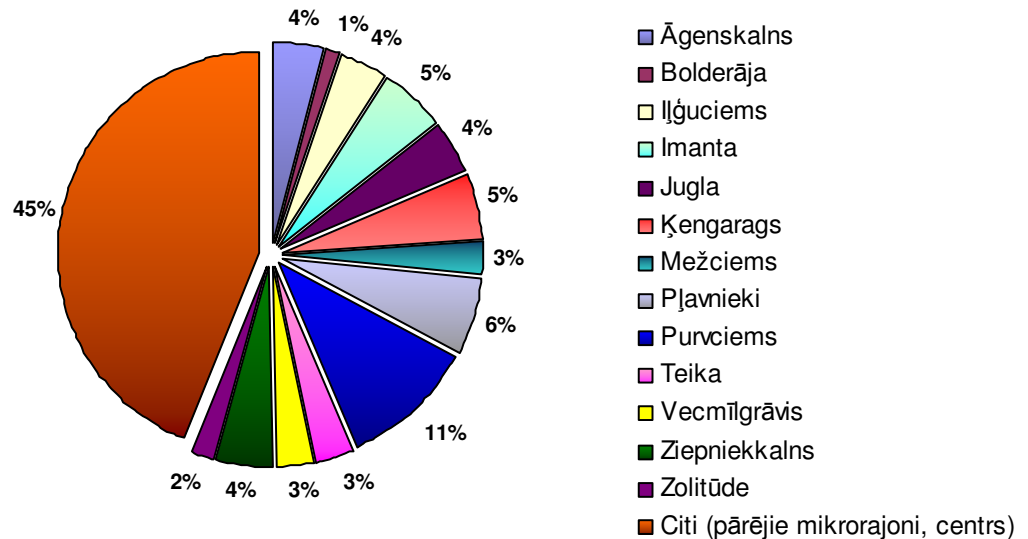
Source: ARCO REAL ESTATE

In December 2010 the number of apartments' proposals for sale decreased in comparison with the level of previous month in both the largest housing estates reviewed by ARCO REAL ESTATE (-19,4%) and the other housing estates of Riga (-15,6%). The total proposals number in December decreased by 17,8%.

Generalizing the proposals number there could be made the conclusion that the highest number of offers in December was in Purvciems, Ķengarags, Pļavnieki and Imanta. In its turn the lowest number of proposals was in Bolderāja and Zolitūde. The proposals number remarkably decreased in all the largest housing estates. The highest proposals decrease in December was established in Mežciems by 27,2%. In its turn the most insignificant proposals decrease in December was established in Ziepniekkalns – by 8%.

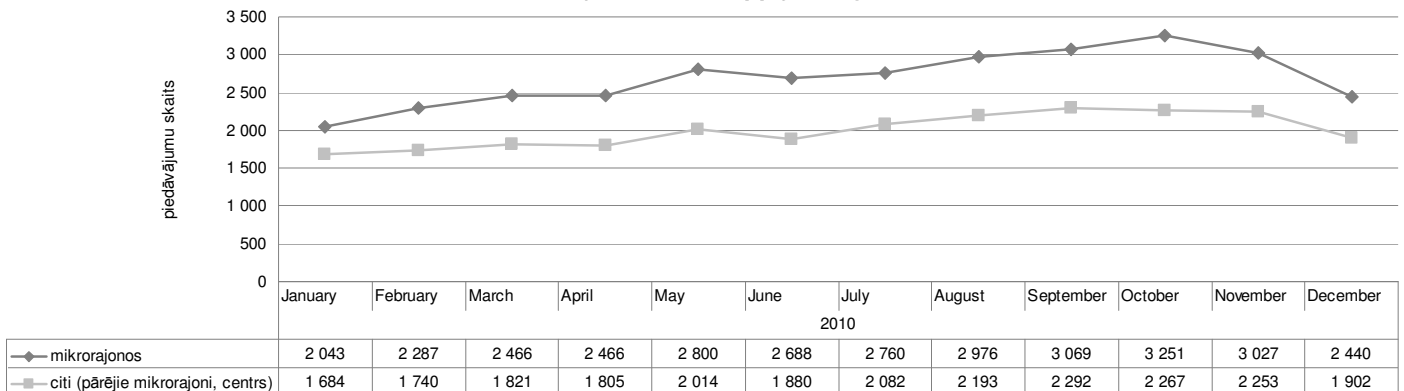
The most popular apartments in Riga housing estates were 1-room and 2-rooms apartments. In its turn the smallest interest was about 4-rooms apartments.

The structure of apartments offer by the housing estates in Riga in December 2010



Source: ARCO REAL ESTATE

The Dynamics of supply in Riga



Source: ARCO REAL ESTATE

In December there was observed the average m² price value decrease in all the largest housing estates of Riga. The average price value decrease of m² was from 0,2 till 1,5%. The highest price decrease in December was in Vecmīlgrāvis, where the price decrease was on average 1,6% and in Bolderāja where the price decrease was on average 1,5%.

In its turn the minimal price decrease was in Pļavnieki – by 0,2%, Ķengarags, Ziepniekkalns and Ilģuciems – by 0,3%.

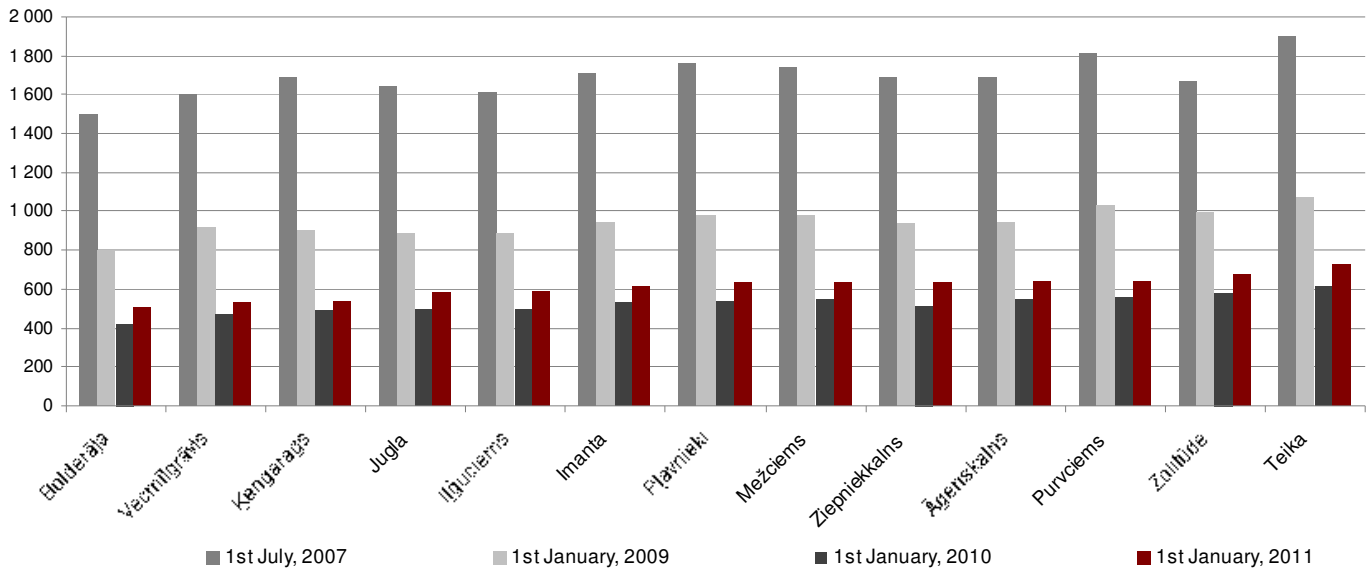
The changes of average standard-type apartment prices in Riga housing estates (%)

	Average value of 1m ² on 1st January, 2011	Average value of 1m ² on 1st December, 2010	Changes in %
Jugla	583	590	-1.3%
Pļavnieki	630	631	-0.2%
Purvciems	645	649	-0.6%
Mežciems	633	637	-0.5%
Teika	725	730	-0.8%
Vecmīlgrāvis	534	543	-1.6%
Ķengarags	541	543	-0.3%
Bolderāja	508	516	-1.5%
Ziepniekkalns	634	636	-0.3%
Imanta	620	628	-1.2%
Zolitūde	675	679	-0.7%
Āgenskalns	643	646	-0.6%
Ilģuciems	590	591	-0.3%

Source: ARCO REAL ESTATE

In comparison with the prices with the middle of July 2007 when there was established the highest price level of the apartments, in December 2010 the prices were lower for 62,4% in average and the comparison of prices with the beginning of January 2009 in general showed the decrease by 34,8%. In its turn, the prices increased on average for 16,9% from the beginning of 2010. The prices increased on average for 25,1% starting from the September 2009, when the averages prices achieved the lowest price rate and the average value of 1 m² in Riga housing estate decreased to 487 EUR.

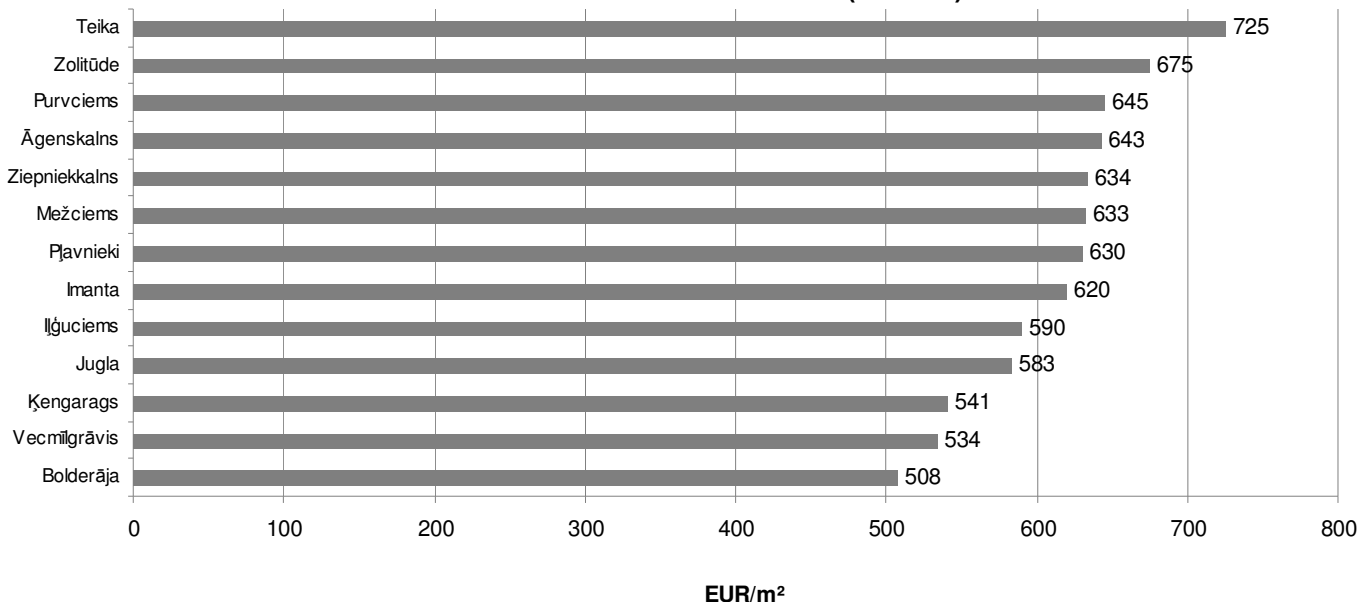
The average standard-type apartment prices in Riga housing estates (EUR/m²)



Source: ARCO REAL ESTATE

The highest prices in December 2010 were still on Teika, where the average value of 1m² decreased till 725 EUR, then follows Zolitūde, where the average price of 1m² was 675 EUR. In its turn the lowest prices in December 2010 was in Bolderāja, where the price of 1m² was 516 EUR. The average value of m² in December was very similar in Ļaivnieki, Mežciems and Ziepniekkalns.

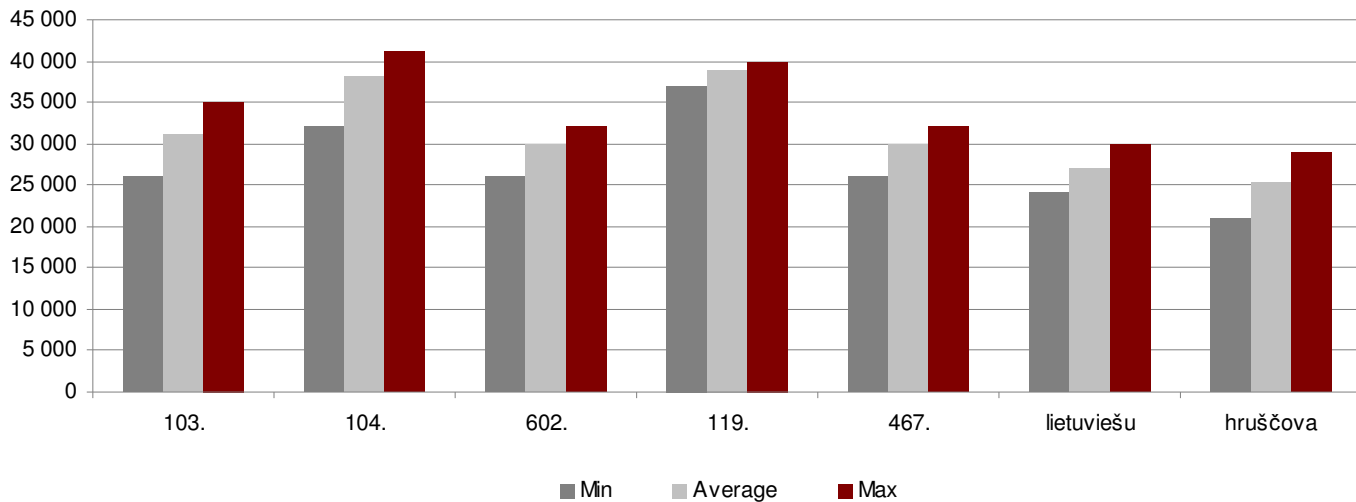
The average standard-type apartment prices in Riga housing estates in December 2010 (EUR/m²)



Source: ARCO REAL ESTATE

In December 2010, the most expensive apartments still were the apartments in the 119th and the 104th series houses, where the prices of 2-room apartments fluctuated from 32 to 41 thousands EUR, depending on the housing estate. In its turn the cheapest apartments were the apartments in so-called Lithuanian design houses, where the prices of 2-room apartments fluctuated from 24 to 31 thousands EUR, and the so-called Khrushchev-time houses, where the prices of 2-room apartments fluctuated correspondingly from 21 to 29 thousands EUR, depending on the housing estate.

**The standard-type apartment prices by series in Riga housing estates in December 2010
(prices of 2-room apartments, in EUR)**



Source: ARCO REAL ESTATE

Jūrmala Kauguri

In December 2010 the average price in Kauguri had insignificant decrease – **on average for 0,6%**. The average price in December was **456 EUR/m²**. The comparison of the average prices in Kauguri in December 2010 with those observed in the beginning of 2010 shows the price increase by 7%. At the end of 2010 the apartment price value in Kauguri had the tendency to decrease. The most expensive apartments in Kauguri still were the *103rd series* apartments, but the cheapest apartments were in the *Khrushchev-time houses* and *small-family houses*.

Jelgava

In December 2010 the average price in Jelgava had insignificant decrease – **on average for 0,5%**. The market activity in Jelgava had not been changed during the last months and still it could be considered as low. The comparison of the prices in December 2010 with those observed in the beginning of 2010 shows the price increase by 16%, **to the average price of 344 EUR/m²**. The most marketable apartments in Jelgava, the same as in Riga, still were the apartments in Centre with qualified finishing.

Salaspils

In December 2010 the average price in Salaspils had insignificant decrease – **on average for 1,7%**. The average price in December was **512 EUR/m²**. The comparison of the average prices in Salaspils in December 2010 with those observed in the beginning of 2010 shows the price increase by 22%. In 2010 the apartments' prices in Salaspils had the tendency of rising. In November the price increase stopped in Salaspils similarly to the situation in Riga. In return in December the prices decreased the same as in the largest housing estates of Riga.

Ogre

The comparison of the average prices in Ogre in December 2010 with the average prices in November 2010 shows completely insignificant price decrease – **on average for 0,5%**. The average price of one sq. m is **429 EUR/m²**. During 2010 the prices in Ogre fluctuated and there were observed both increase and decrease. For example, the prices had insignificant decrease in October, but they increased in November (+0,8%). Nevertheless, in general the prices increased by 10% starting from January 1, 2010. The most expensive apartments in Ogre were the *103rd and the 602nd series* apartments, but the cheapest apartments were in the *Khrushchev-time houses*.