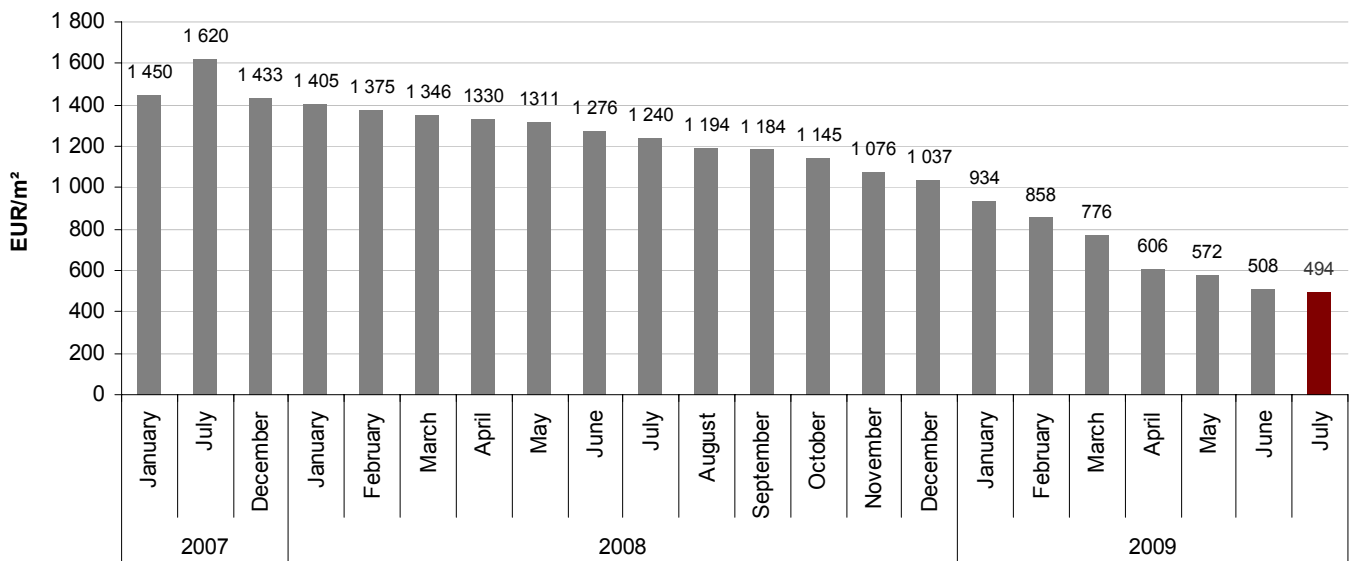


Standard-type apartments, August 1, 2009

In July 2009, in comparison with June, the price decreasing is evaluated as insignificant – the prices of standard-type apartments decreased in July by 2,8 %. It is observed that temporarily is like the process of stabilization, as people are not ready to sell their apartments cheaper. It should be also taken into consideration that in the previous summer months the same there was fairly small activity on the real estate market. In the separate housing estates is observed completely insignificant price decrease (0,3%; 0,7%). In its turn the number of proposal is even a little bit increased in comparison with the previous month. However, bearing in mind that during the previous months the number of proposal systematically reduced, this increment is still not possible to evaluate as the new market tendency. It is also observed the price leveling between different type apartments, as also 1-rooms apartment in different housing estates. 1 room apartment in the definite type of house costs similarly without reference to the location.

The average price of a standard-type apartment in July decreased to **494 EUR/m²**. Thereby the prices were on average lower by 69.5 % than on July 1, 2007, when the average price of a non-renovated standard-type apartment was 1620 EUR/m². For its part, in comparison with January 1, 2009, the average price of a non-renovated standard-type apartment reduced by 47,1%.

The dynamics of average prices for standard-type apartments in Riga City housing estates (price level on the beginning of the period)



Source: ARCO REAL ESTATE

In the housing estates reviewed by ARCO REAL ESTATE in July the average price of a 1 room apartment was 507 EUR/m² and this price, comparing with the previous month, has decreased by 1.21%; the average price of a 2 room standard-type apartment was 503 EUR /m² and this price, comparing with the previous month, has decreased by 1.63%; the average price of a 3 room standard-type apartment was 483 EUR/m² and this price, compared with the previous month, has decreased by 1.82%; and the average price of a 4 room standard-type apartment was 483 EUR/m² and this price, comparing with the previous month, has decreased by 0.81%.

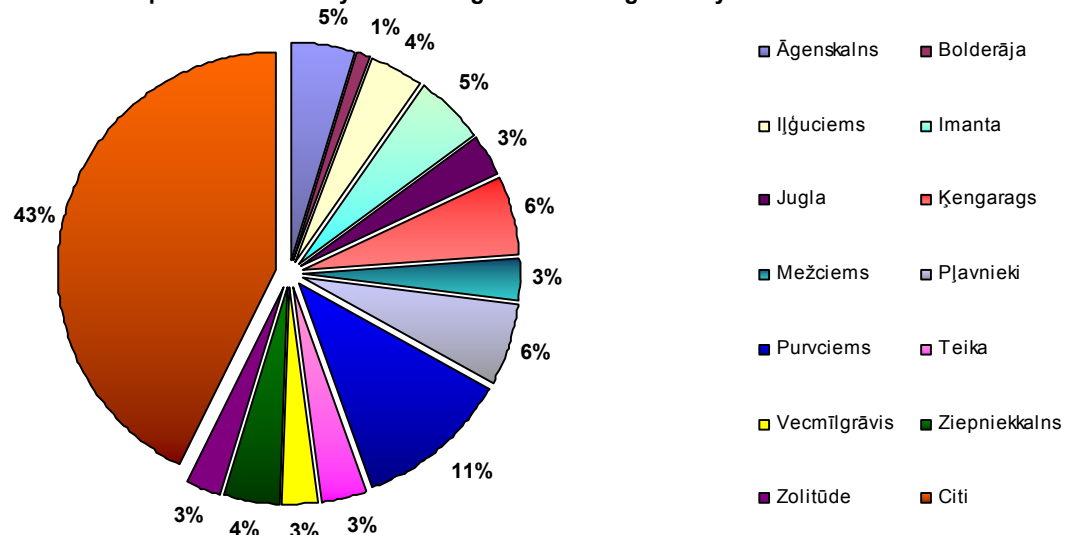
The average prices of standard-type apartments in Riga City housing estates by number of rooms, on the beginning of the period (EUR/m²)

	2008												2009							
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August
1 room	1553	1505	1463	1440	1407	1355	1304	1257	1233	1205	1135	1084	949	876	795	597	562	525	513	507
2 rooms	1450	1424	1390	1369	1340	1291	1252	1199	1192	1154	1082	1039	943	859	768	598	567	525	512	503
3 rooms	1336	1318	1294	1285	1269	1243	1212	1165	1160	1127	1069	1038	941	858	781	616	579	536	518	483
4 rooms	1283	1254	1238	1228	1226	1215	1194	1155	1152	1093	1017	987	901	837	759	613	592	530	487	483

Source: ARCO REAL ESTATE

- The supply of apartments for sale in July 2009 is a little bit increased in comparison with the level of the previous month. The total quantity of proposal in July is increased by 4,3 %. Wherewith it allows come to the conclusion that the proposal decrease does not have so definite market feature any more.
- The summary of the apartments offered for sale shows that biggest quantity of offers in July was in Purvciems, Ķengarags, Pļavnieki and Imanta. By contrast, the smallest number of offers was in Bolderāja, Teika and Vecmīlgrāvis. The highest supply increase is established in Vecmīlgrāvis and Teika – correspondingly by 26,8% and 32,3%.
- The most popular flats in Riga housing estates in July were 2-rooms and 3-rooms apartments. In its turn the smallest interest related to 4-rooms apartments.

The structure of apartments offer by the housing estates in Riga in July 2009



Source: ARCO REAL ESTATE

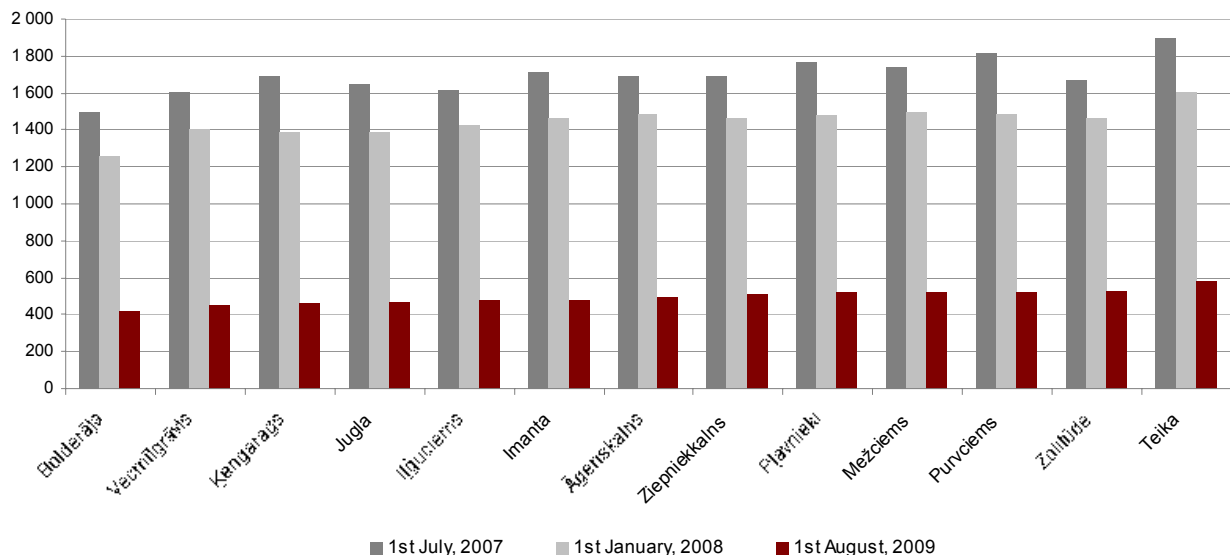
In housing estates of Riga, comparing the prices of July 2009 with the prices of June 2009, the highest price decreasing was observed in Mežciems (-5,6%). In its turn there was not ascertained any average price fluctuation in July in Bolderāja (0,0%).

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

	Average value of 1m ² on August 1, 2009	Average value of 1m ² on July 1, 2009	Change, in %
Jugla	471	474	-0,7%
Pļavnieki	519	526	-1,3%
Purvciems	523	535	-2,3%
Mežciems	519	549	-5,6%
Teika	577	589	-2,1%
Vecmīlgrāvis	452	455	-0,7%
Ķengarags	459	468	-1,9%
Bolderāja	421	421	0,0%
Ziepiņkalns	509	516	-1,5%
Imanta	480	498	-3,5%
Zolitūde	529	551	-4,1%
Āgenskalns	500	511	-2,1%
Iļģuciems	477	481	-1,0%

Source: ARCO REAL ESTATE

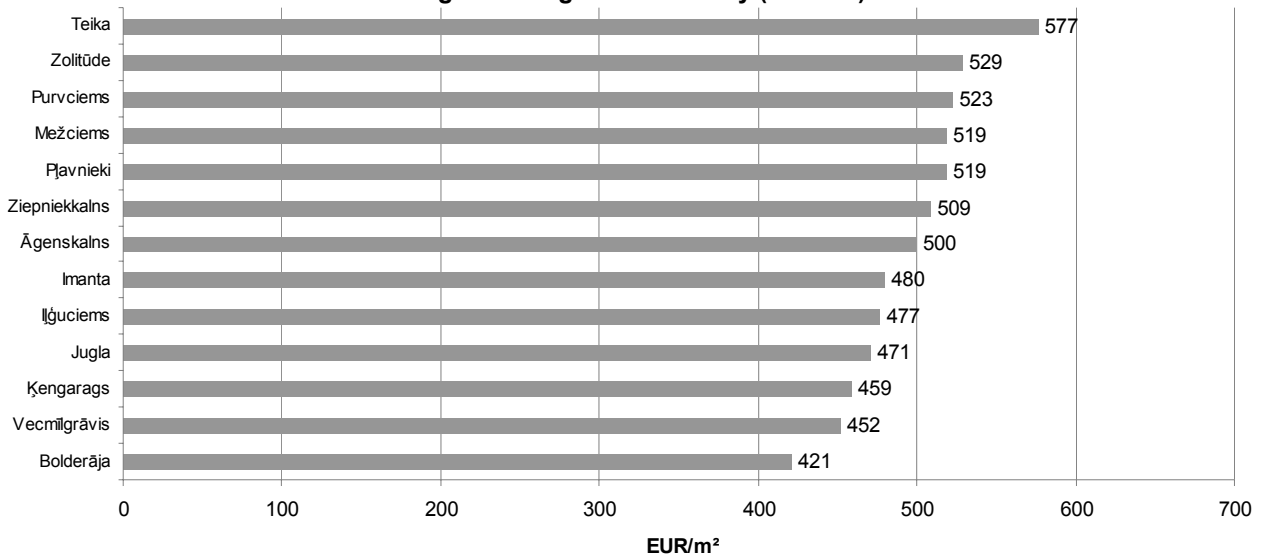
Due to the price decline in the recent two years, the standard-type apartment prices in Riga housing estates in July 2009 had already been lower for 69.5% than those were in the beginning of July 2007 and for 47.1% comparing with the prices in the beginning of 2009.

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


Source: ARCO REAL ESTATE

The highest prices in July 2009 were fixed on Teika, where the average price of 1m² was 577 EUR. After it follows Zolitūde, where the average price of 1m² was 529 EUR. In its turn, the lowest prices in July 2009 were in Vecmīlgrāvis and Bolderāja, where the average price of 1m² was 452 EUR and 421 EUR correspondingly.

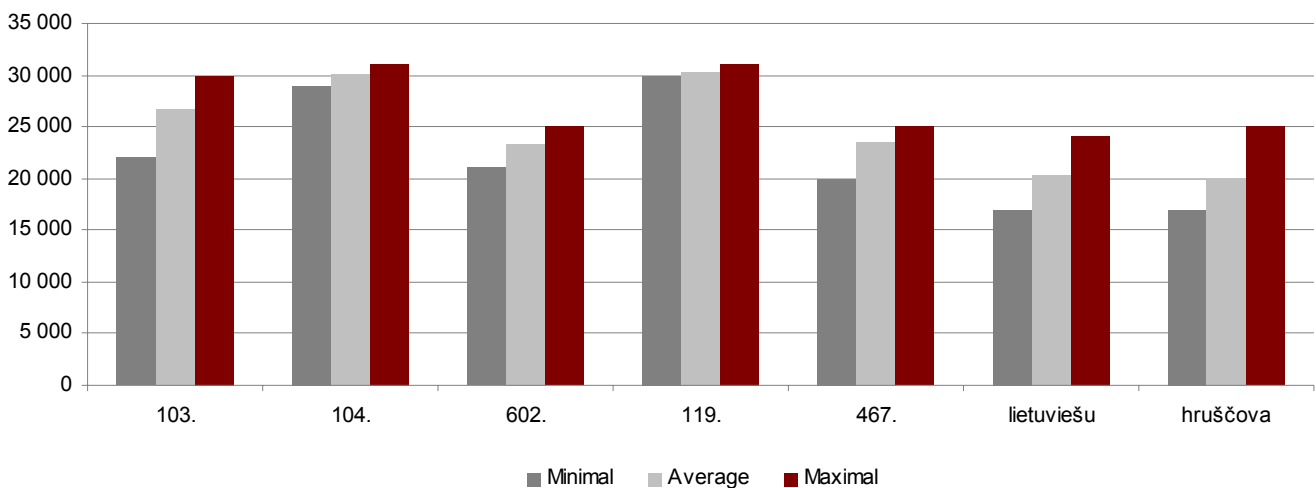
The average standard-type apartment prices in Riga housing estates in July (EUR/m²)



Source: ARCO REAL ESTATE

In July 2009, the most expensive apartments still were the apartments in the 119th and 104th series houses, where the prices of 2-room apartments fluctuated from 29 to 31 thousand EUR depending on the housing estate. In its turn the cheapest were so-called *Lithuanian design houses*, where the prices of 2-room apartments fluctuated from 17 to 24 thousand EUR, and the so-called *Khrushchev-time houses*, where the prices of 2-room apartments fluctuated from 17 to 25 thousand EUR, depending on the housing estate.

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



Source: ARCO REAL ESTATE

Jūrmala Kauguri

The comparison of the average prices in Kauguri in July 2009 with the prices in June 2009 shows the price **decline for 1%, to the average price of 406 EUR/m²**, and the comparison of the prices in July 2009 with those observed **in the beginning of 2009 shows the price decline by 50%**. 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

The comparison of the average prices in Jelgava in July 2009 with the prices in June 2009 shows a price **decline by 5,4% in average**, and the comparison of the prices in July 2009 with the prices in the beginning of 2009 shows the price decline by 55,3%, **to the average price of 327 EUR/m²**. The most expensive apartments in Jelgava still were the *104th series* apartments, but the cheapest apartments were in the *Khrushchev-time houses*

Salaspils

The comparison of the average prices in Salaspils in July 2009 with the prices in June 2009 shows a price **decline by 0,8% in average**, and the comparison of the prices of July 2009 with the prices in the beginning of 2009 shows the price decline by 53%, **to the average price of 420 EUR/m²**. The most expensive apartments in Salaspils were the *103rd series* apartments, but the cheapest apartments were in the *Khrushchev-time houses*.

Ogre

The comparison of the average prices in Ogre in July 2009 with the prices in June 2009 shows the price **decline by 1,2%**, and comparison of the prices of July 2009 with the prices in the beginning of 2009 shows the price decline by 54,2%, **to the average price of 394 EUR/m²**. The most expensive apartments in Ogre were the *103rd* and the *602nd series* apartments, but the cheapest apartments were in the *Khrushchev-time houses*.