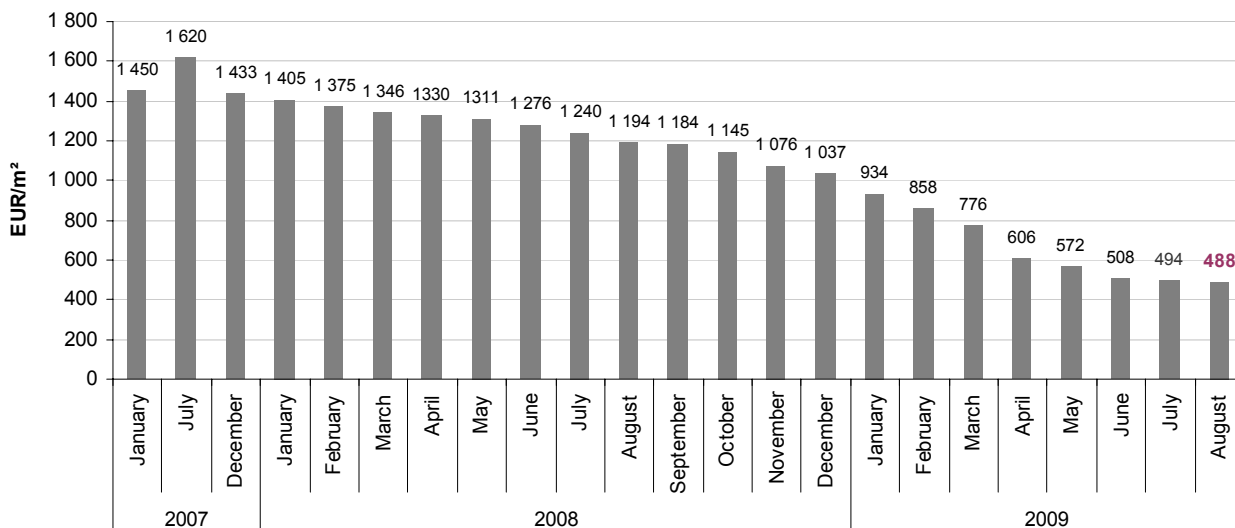


Standard-type apartments, September 1, 2009

In August 2009, in comparison with July, the price decreasing is evaluated as insignificant – the prices of standard-type apartments in Riga decreased in August by **1,2 %**. It permits to conclude that in fact price inflexions for apartments in Riga are not certified. Consequently, it is possible to speak about the continuation of price stabilization. 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 (0,7%; 0,8%). In comparison with the previous month, the number of proposals remained the same. This circumstance is also evidence of price stabilization. Accordingly, by this moment nothing also witnesses about the price increasing in the nearest future. There also continues the price equalization between different standard-type apartments, the same as for 1-rooms apartments in different housing estates.

The average price of a standard-type apartment in August decreased to **488 EUR/m²**. Thereby the prices were on average lower by 69.9 % 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 47,8%.

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 August the average price of a 1 room apartment was 499 EUR/m² and this price, comparing with the previous month, has decreased by 1.58%; the average price of a 2 room standard-type apartment was 496 EUR /m² and this price, comparing with the previous month, has decreased by 1.39%; the average price of a 3 room standard-type apartment was 479 EUR/m² and this price, compared with the previous month, has decreased by 0.83%; and the average price of a 4 room standard-type apartment was 479 EUR/m² and this price, comparing with the previous month, has decreased by 0.83%.

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	September
1 room	1553	1505	1463	1440	1407	1355	1304	1257	1233	1205	1135	1084	949	876	795	597	562	525	513	507	499
2 rooms	1450	1424	1390	1369	1340	1291	1252	1199	1192	1154	1082	1039	943	859	768	598	567	525	512	503	496
3 rooms	1336	1318	1294	1285	1269	1243	1212	1165	1160	1127	1069	1038	941	858	781	616	579	536	518	483	479
4 rooms	1283	1254	1238	1228	1226	1215	1194	1155	1152	1093	1017	987	901	837	759	613	592	530	487	483	479

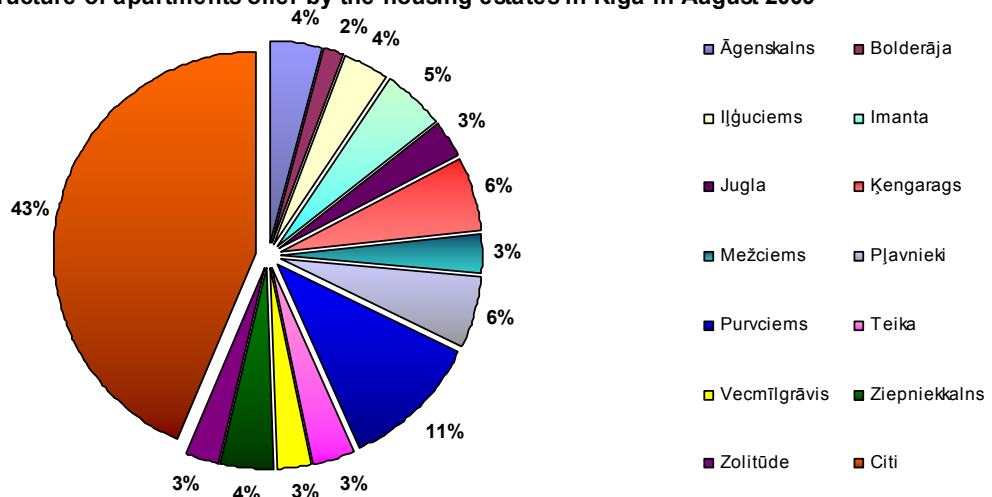
Source: ARCO REAL ESTATE

The supply of apartments for sale in August 2009 is a little bit increased in comparison with the level of the previous month. The total quantity of proposal in August is increased by 1,4 %. Wherewith it allows come to the conclusion that the proposal volume became stable - neither substantially grew up nor decreased.

The summary of the apartments offered for sale shows that biggest quantity of offers in August was in Purvciems, Ķengarags, Pļavnieki and Imanta. By contrast, the smallest number of offers was in Bolderāja and Zolitūde. The highest supply increase is established in Bolderāja – 40,8%.

The most popular flats in Riga housing estates in August 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 August 2009



Source: ARCO REAL ESTATE

In housing estates of Riga, comparing the prices of August 2009 with the prices of July 2009, the highest price decreasing was observed in Mežciems (-4,8%), like in July. In its turn the smallest fluctuation of average price in August was ascertained in Ilģuciems (-0,1%).

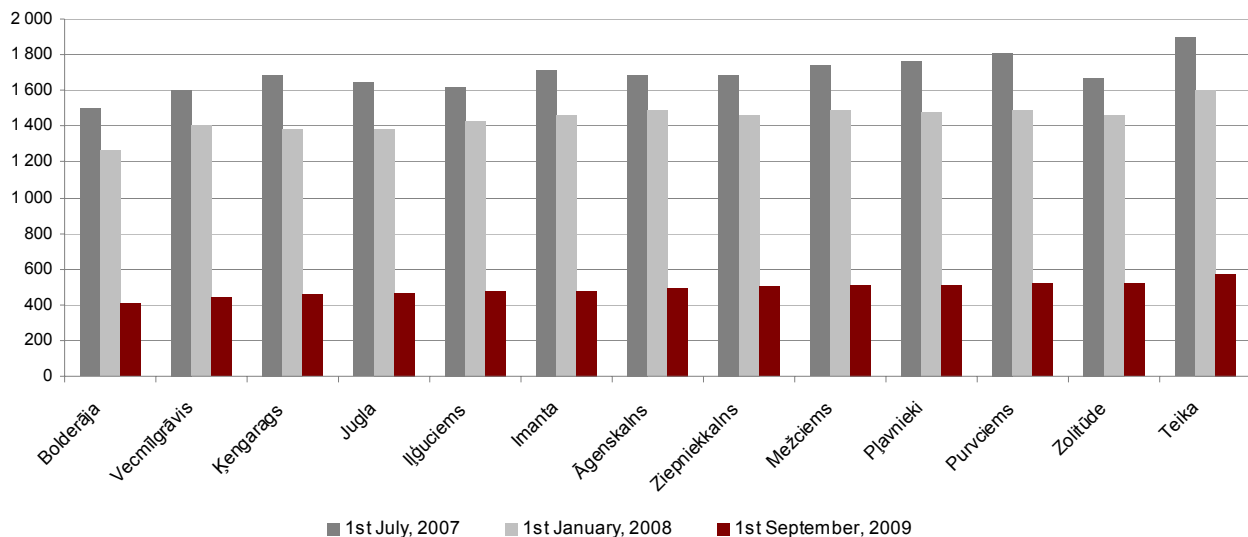
The changes of average standard-type apartment prices in Riga housing estates (%)

	Average value of 1m ² on September 1, 2009	Average value of 1m ² on August 1, 2009	Change in %
Jugla	469	471	-0,5%
Pļavnieki	512	524	-2,2%
Purvciems	516	529	-2,4%
Mežciems	511	536	-4,8%
Teika	573	577	-0,7%
Vecmīlgrāvis	443	451	-1,8%
Ķengarags	456	460	-1,0%
Bolderāja	407	421	-3,2%
Ziepniekkalns	502	509	-1,3%
Imanta	476	481	-1,1%
Zolitūde	522	542	-3,6%
Āgenskalns	495	500	-1,1%
Ilģuciems	473	474	-0,1%

Source: ARCO REAL ESTATE

Due to the price decline in the recent two years, the standard-type apartment prices in Riga housing estates in August 2009 had already been lower for 69.9% than those were in the beginning of July 2007 and for 47.8% comparing with the prices in the beginning of 2009.

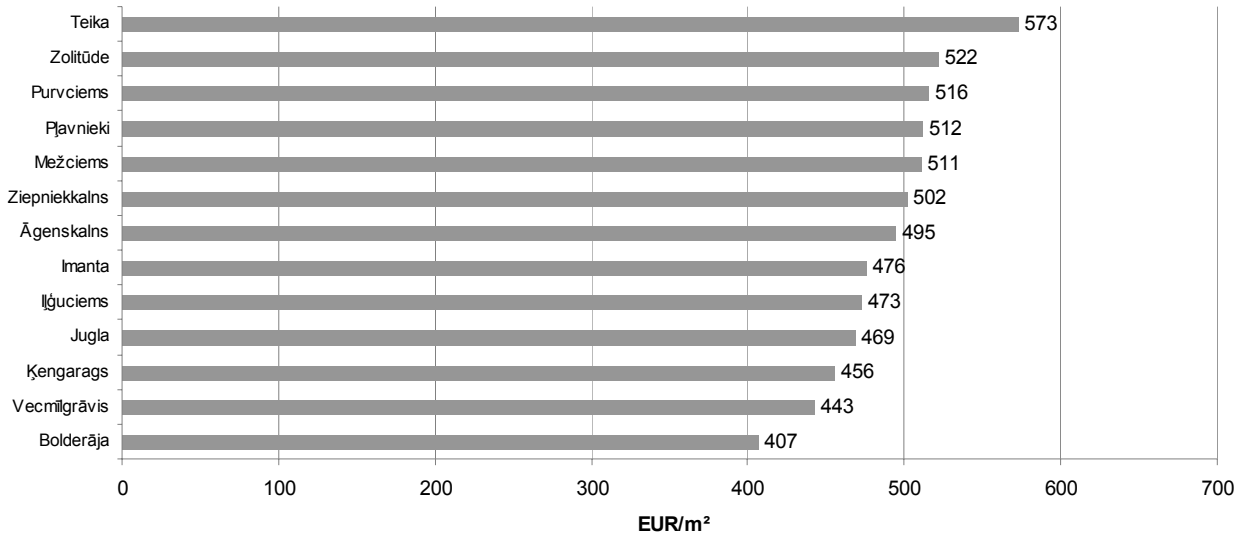
The average standard-type apartment prices in Riga housing estates (EUR/m²)



Source: ARCO REAL ESTATE

The highest prices in August 2009 still remain on Teika, where the average price of 1m² was 573 EUR. After it follows *Zolitūde*, where the average price of 1m² was 522 EUR. In its turn, the lowest prices in August 2009 were in *Vecmīlgrāvis* and *Bolderāja*, where the average price of 1m² was 443 EUR and 407 EUR correspondingly.

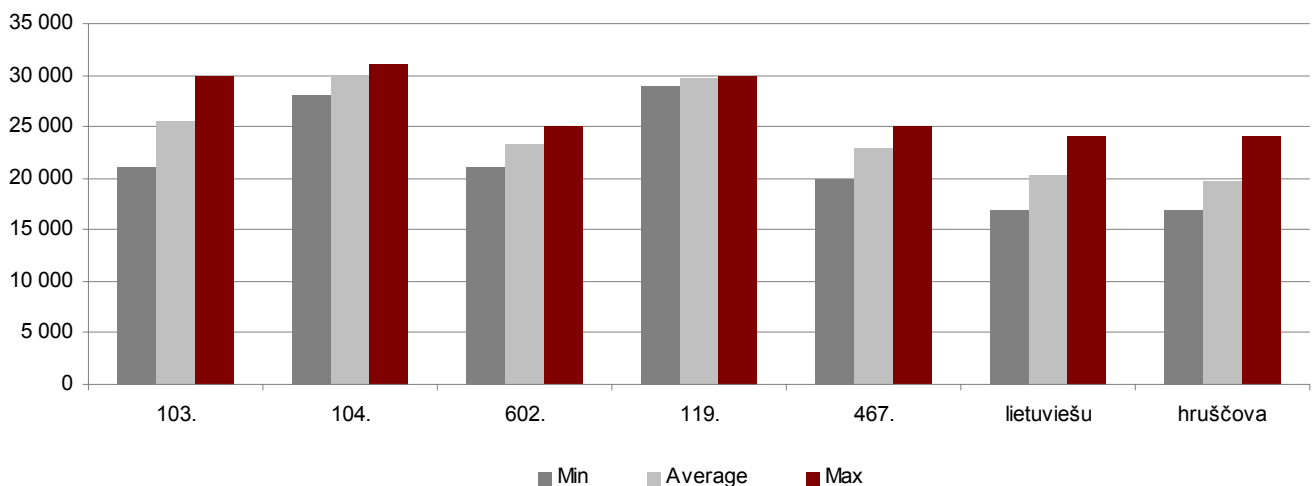
The average standard-type apartment prices in Riga housing estates in August (EUR/m²)



Source: ARCO REAL ESTATE

In August 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 28 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 24 thousand EUR, depending on the housing estate.

The standard-type apartment prices by series in Riga housing estates in August (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 July 2009, price changes were not established in Kauguri, the value of 1 m² is still **406 EUR/m²**, and the comparison of the prices in August 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 August 2009 with the prices in July 2009 shows a price **decline by 5% in average**, and the comparison of the prices in August 2009 with the prices in the beginning of 2009 shows the price decline by 57,6%, **to the average price of 312 EUR/m²**. The most expensive apartments in Jelgava still were the *104th series* apartments, but the cheapest apartments were in the *Khrushchev-time houses*. The present tendency of apartment market in Jelgava is relatively unstable, as far as the price range of the offered apartments is wide. Together with the offered high prices there are some proposals with prices doubly lower than the average indices.

Salaspils

The comparison of the average prices in Salaspils in August 2009 with the prices in July 2009 shows a price **decline by 1,4% in average**, and the comparison of the prices of August 2009 with the prices in the beginning of 2009 shows the price decline by 53,7%, **to the average price of 414 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 August 2009 with the prices in July 2009 shows the price **decline by 0,6%**, and comparison of the prices of August 2009 with the prices in the beginning of 2009 shows the price decline by 54,5%, **to the average price of 392 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*.