

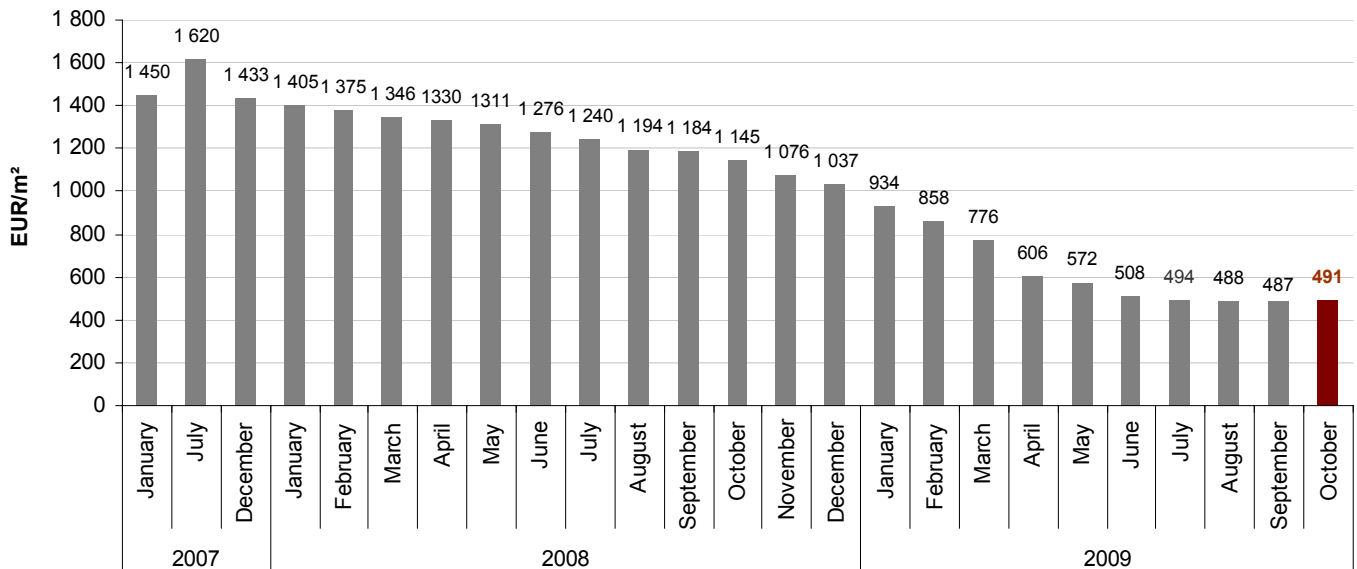
**Standard-type apartments, November 1, 2009**

In October 2009, in comparison with September, the price changes are evaluated as not significant – the prices of standard-type apartments in Riga increased in October by **0,8 %**. In the separate Riga housing estates and segments of standard-type apartments the prices a little bit decreased – in Bolderājā (-1,3%), Ziepniekkalnā (-0,1%). However, in the most parts of housing estates the prices increased in October even till 2,5%, but on average from 0.2 till 2,5%. Most probably, the total offer decrease -6.5% also influenced to this kind of price increase in the most part of housing estates that should be especially pointed out in Zolitūde – about 40%. Now it is difficult to find 1 and 2 room “low price” apartment in any housing estate of Riga by the prices that were in August and September, paying attention to the proposal decrease during the second month. As far as there is no possibility to get anything cheaper, it explains why there happen the deals with 1 and 2 room apartments with much higher prices than a few months ago. However, the prices for 3 and 4 room apartments are without significant changes. Probably, together with the low-price apartment disappearance from the offer, the small, but constant price increase would happen in the nearest months, but still it should not exceed the limit of a few percentages.

Mainly the price increase is explainable with the sharp decreasing of offers number, especially in the low-price category. As far as the most part of the deals are made without the credit attraction, it is possible that the new law of capital increase tax would stimulate to invest saved up money into this segment of the real estate. In this turn, the observed price increase in October is considered as the price stabilization on the real estate market.

The average price of a standard-type apartment in October decreased to **491 EUR/m<sup>2</sup>**. Thereby the prices were on average lower by 69.7 % than on July 1, 2007, when the average price of a non-renovated standard-type apartment was 1620 EUR/m<sup>2</sup>. For its part, in comparison with January 1, 2009, the average price of a non-renovated standard-type apartment reduced by 47,9%.

**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 October the average price of a 1 room apartment was 517 EUR/m<sup>2</sup> and this price, comparing with the previous month, has increased by 3.82%; the average price of a 2 room standard-type apartment was 496 EUR/m<sup>2</sup> and this price, comparing with the previous month, has increased by 2.27%; the average price of a 3 room standard-type apartment was 478 EUR/m<sup>2</sup> and this price, compared with the previous month, has stayed without changes; and the average price of a 4 room standard-type apartment was 471 EUR/m<sup>2</sup> and this price, comparing with the previous month, has decreased by 1.67%;

**The average prices of standard-type apartments  
in Riga City housing estates by number of rooms (EUR/m<sup>2</sup>)**

	2009.										
	January	February	March	April	May	June	July	August	September	October	1st November
1 room	949	876	795	597	562	525	513	507	499	498	<b>517</b>
2 rooms	943	859	768	598	567	525	512	503	496	485	<b>496</b>
3 rooms	941	858	781	616	579	536	518	483	479	478	<b>478</b>
4 rooms	901	837	759	613	592	530	487	483	479	479	<b>471</b>

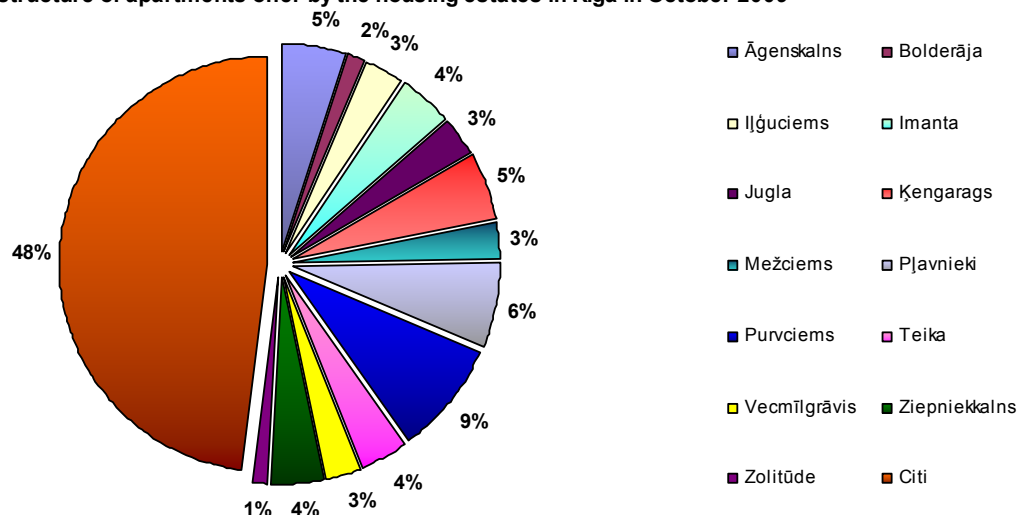
Source: ARCO REAL ESTATE

The supply of apartments for sale in October 2009 is a little bit decreased in comparison with the level of the previous month. The total quantity of proposal in October is decreased by 6,5 %. Wherewith it allows come to the conclusion that the proposal volume has insignificantly decreased for the second month indiscriminately.

The summary of the apartments offered for sale shows that biggest quantity of offers in October was in Purvciems, Ķengarags, Pļavnieki and Imanta. By contrast, the smallest number of offers was in Bolderāja and Zolitūde. The highest supply decrease in October, similar to September, is established in Zolitūde – 40,9%. It also explains that one of the highest price increases in October was observed exactly in this housing estate (2,2%).

The most popular flats in Riga housing estates in October 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 October 2009**



Source: ARCO REAL ESTATE

Price fluctuation is observed in October in housing estates of Riga. In the most part of housing estates is pointed out insignificant price increase, in its turn in some housing estates the prices decreased. Comparing the prices of October 2009 with the prices of September 2009, the highest price decreasing was observed in Vecmīlgrāvis (2,5%), Imanta (2,3%), the same as in Mežciems (2,2%) and Zolitūde (2,2%). However, the lowest price decreasing was observed in Bolderāja (-1,3%) and Ziepniekkalns (-0,1%). Nevertheless, the prices in Riga in October predominantly are not significantly changed.

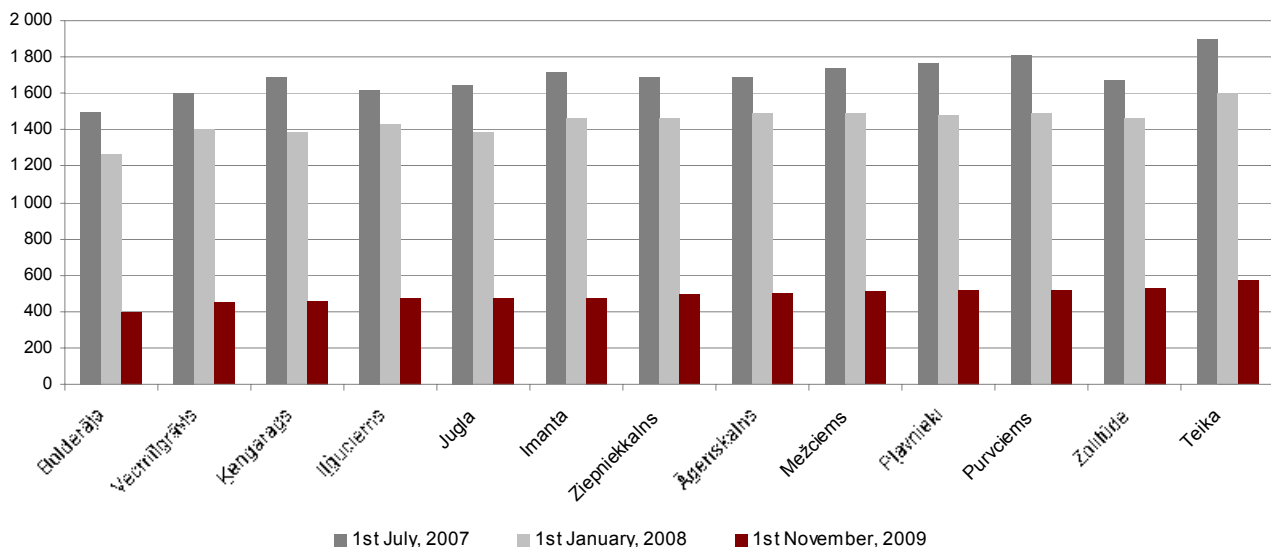
**The changes of average standard-type apartment prices in Riga housing estates (%)**

	Average value of 1m <sup>2</sup> on November 1, 2009	Average value of 1m <sup>2</sup> on October 1, 2009	Change in %
Jugla	477	469	1,8%
Pļavnieki	518	507	2,1%
Purvciems	522	512	1,8%
Mežciems	512	501	2,2%
Teika	572	567	0,9%
Vecmīlgrāvis	450	439	2,5%
Ķengarags	459	451	1,6%
Bolderāja	402	407	-1,3%
Ziepniekkalns	497	497	-0,1%
Imanta	479	468	2,3%
Zolitūde	532	521	2,2%
Āgenskalns	505	495	2,1%
Ilģuciems	474	473	0,2%

Source: ARCO REAL ESTATE

Due to the price decline in the recent two years, the standard-type apartment prices in Riga housing estates in October 2009 had already been lower for 69.7% than those were in the beginning of July 2007 and for 47.4% comparing with the prices in the beginning of 2009.

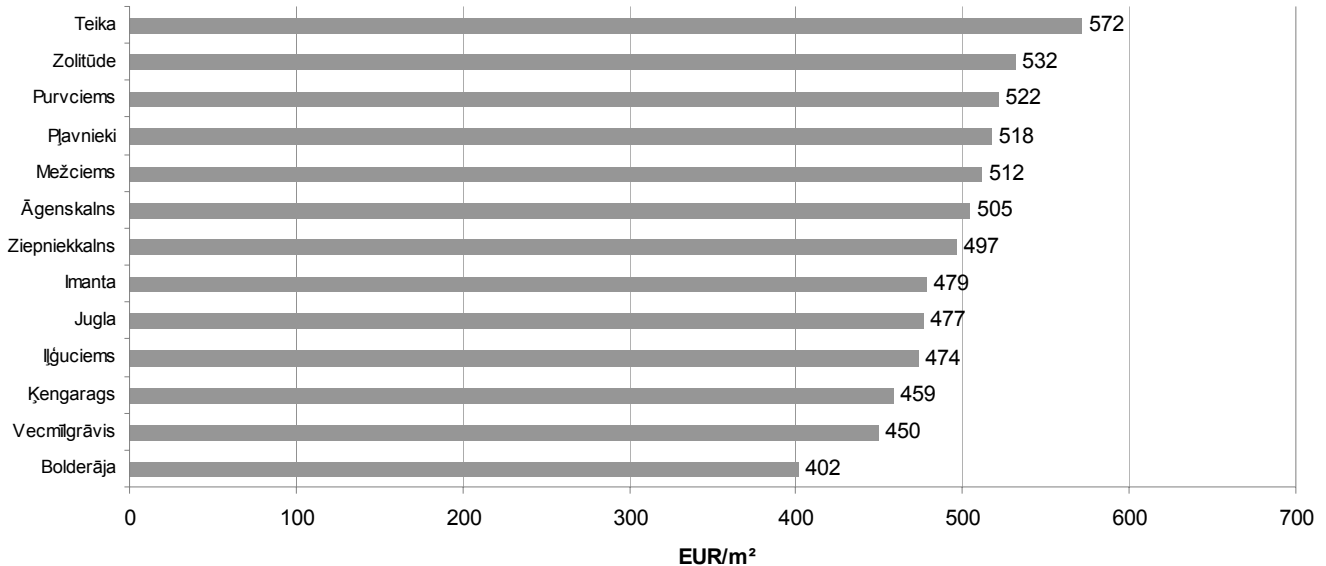
**The average standard-type apartment prices in Riga housing estates (EUR/m<sup>2</sup>)**



Source: ARCO REAL ESTATE

The highest prices in October 2009 still remain on Teika, where the average price of 1m<sup>2</sup> was 572 EUR. *Zolitūde* follows after it where the average price of 1m<sup>2</sup> was 532 EUR. In its turn, the lowest prices in October 2009 were in *Vecmīlgrāvis* and *Bolderāja*, where the average price of 1m<sup>2</sup> was 450 EUR and 402 EUR correspondingly.

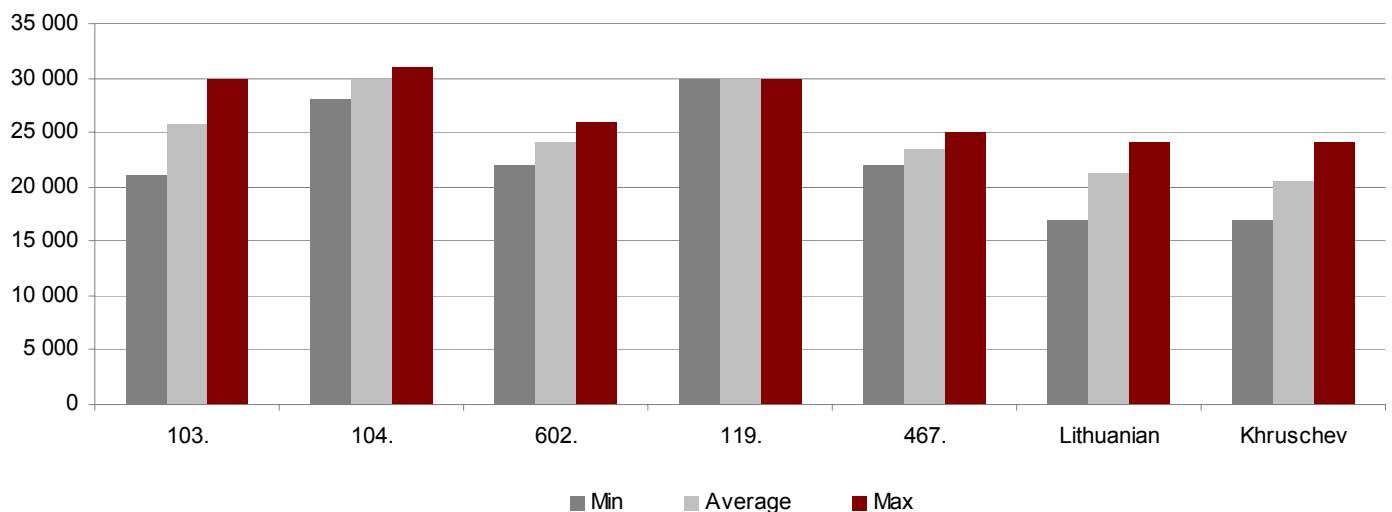
**The average standard-type apartment prices in Riga housing estates in October (EUR/m<sup>2</sup>)**



Source: ARCO REAL ESTATE

In October 2009, the most expensive apartments still were the apartments in the 119<sup>th</sup> and 104<sup>th</sup> series houses, where the prices of 2-room apartments fluctuated from 28 to 31 thousand EUR depending on the housing estate location. 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 October (prices of 2-room apartments, in EUR)**



Source: ARCO REAL ESTATE

### ***Jūrmala Kauguri***

The comparison of the average prices in Kauguri in October 2009 with the prices in September 2009 shows **a small price increase by 2.7% in average**, and the comparison of the prices in October 2009 with the prices in the beginning of 2009 shows the price decline by 49%, **to the average price of 413 EUR/m<sup>2</sup>**. The most expensive apartments in Kauguri still were the *103<sup>rd</sup> series* apartments, but the cheapest apartments were in the *Khrushchev-time and small-family houses*.

### ***Jelgava***

The comparison of the average prices in Jelgava in October 2009 with the prices in September 2009 shows a price **decline by 1% in average**, and the comparison of the prices in October 2009 with the prices in the beginning of 2009 shows the price decline by 60%, **to the average price of 294 EUR/m<sup>2</sup>**. The most expensive apartments in Jelgava still were the *104<sup>th</sup> series* apartments, but the cheapest apartments were in the *Khrushchev-time houses*.

### ***Salaspils***

The comparison of the average standard-type apartment prices in Salaspils in October 2009 with the prices in September 2009, lets make the conclusion that price changes were not established in Salaspils and the average price is **409 EUR/m<sup>2</sup>**. However, the comparison of the prices of October 2009 with the prices in the beginning of 2009 shows the price decline by 54%. The most expensive apartments in Ogre were the *103<sup>rd</sup> and the 602<sup>nd</sup> series* apartments, but the cheapest apartments were in the *Khrushchev-time houses*.

### ***Ogre***

The comparison of the average standard-type apartment prices in Ogre in October 2009 with the prices in September 2009, lets make the conclusion that price changes were not established in Ogre and the average price is **385 EUR/m<sup>2</sup>**. However, the comparison of the prices of October 2009 with the prices in the beginning of 2009 shows the price decline by 56%. The most expensive apartments in Ogre were the *103<sup>rd</sup> and the 602<sup>nd</sup> series* apartments, but the cheapest apartments were in the *Khrushchev-time houses*.