

Standard-type apartments, February 1, 2010

In January 2010 the price increase was observed in comparison with the previous month - the standard-type apartments prices in Riga in general increased on average for **4,6%** in January. The highest price increasing was observed in Ilģuciemis (7,6 %), the same as in Āgenskalns (6,6%). In its turn absolutely insignificant price increase was established on Teika (2,2%). Presently it is the fourth month when the prices have tendency to increase. The proposals quantity also increased in January by 14,4%, wherewithal returned on the level of November 2009.

The general price level increase could be interpreted by the disappearing of low-cost proposals. The owners could increase prices for their property the same as taking into consideration the growth of customers' interests that was generated by consumers who were waiting for lowest price threshold and also bought the property in November – December month period and accordingly it increased the demand.

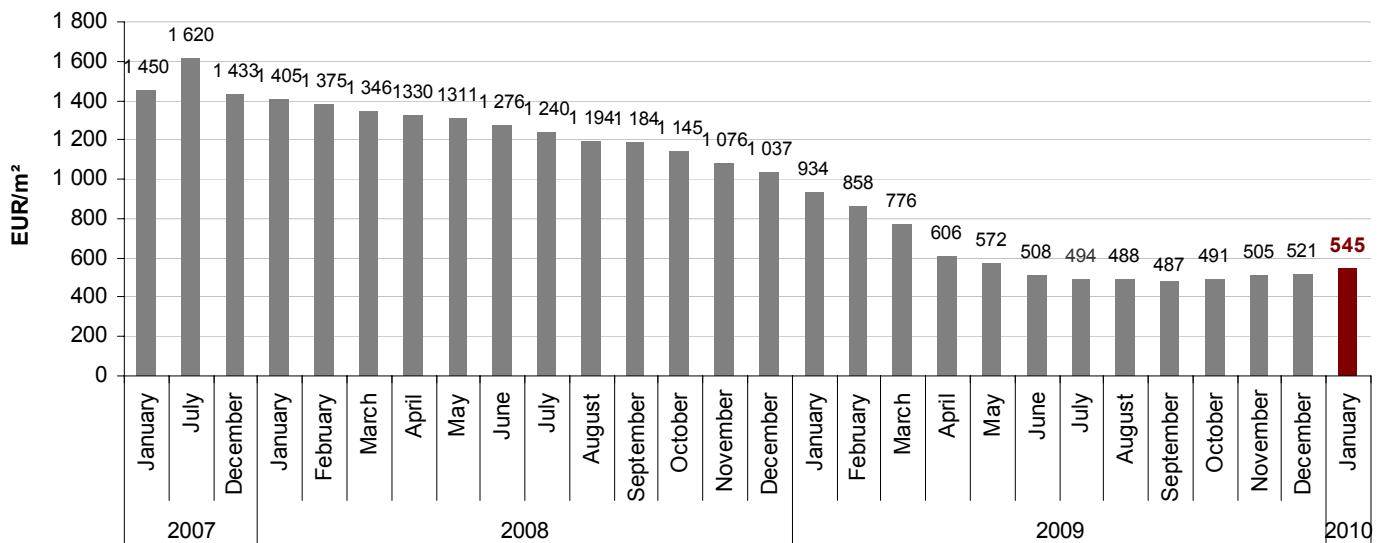
The general price level insignificantly increased also in the Central part of Riga. There is the similar situation with the new project buildings of Riga housing estates where the quantity of inexpensive proposals is decreased and the value of one square meter composes 1000-1200 EUR/m². Nevertheless there is no fundamental basis for the general property price level increase and the market situation still could be called unstable. Accordingly it is forecasted that there could be both positive and negative price fluctuations for the standard-type apartment during the first part of the year.

In January there was established the price increment to both small and large apartments. Nevertheless taking into consideration the fact that during the last time the deals are mainly concluded without the credit institutions loan brokerage, exactly the demand of small area apartments is higher wherewithal the total sums are cheaper.

The average price of a standard-type apartment in January increased to **545 EUR/m²**. Thereby the prices were on average lower by 66.4 % 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, in total the average price of a non-renovated standard-type apartment reduced by 41,6. There could be made the conclusion that in January the prices returned to the level of May/June 2009, when the average price was 508 - 572 EUR/m².

The average price of a standard-type apartment in Riga in general decreased for 33,5% on average in 2008. In its turn the average price in 2009 decreased in general additionally for 44,2%. In its turn, the beginning of 2010 is marked with the price increase.

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 January, the average price of a 1 room apartment was 598 EUR/m² and this price, comparing with the previous month prices, has increased by 5,28%; the average price of a 2 room standard-type apartment was 566 EUR/m² and this price, comparing with the previous month, has increased by 4.62%; the average price of a 3 room standard-type apartment was 519 EUR/m² and this price, compared with the previous month, has increased by 4,64%; and the average price of a 4 room standard-type apartment was 498 EUR/m² and this price, comparing with the previous month, has increased by 3,75%.

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

	2009												2010	
	January	February	March	April	May	June	July	August	September	October	November	December	January	1st February
1 room	949	876	795	597	562	525	513	507	499	498	517	546	568	598
2 rooms	943	859	768	598	567	525	512	503	496	485	496	521	541	566
3 rooms	941	858	781	616	579	536	518	483	479	478	478	481	496	519
4 rooms	901	837	759	613	592	530	487	483	479	479	471	474	480	498

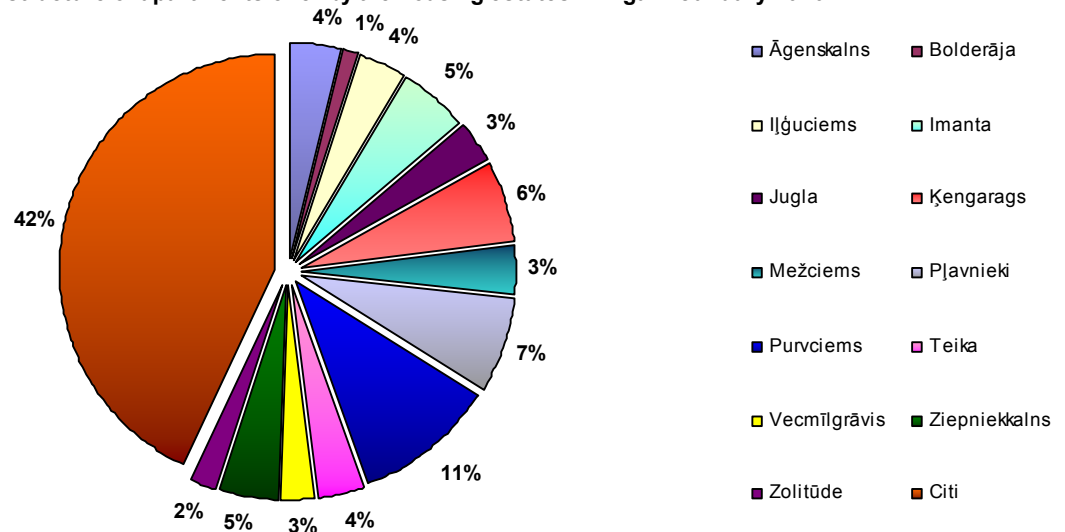
Source: ARCO REAL ESTATE

The supply of apartments for sale in January 2010 has increased in comparison with the level of the previous month in Riga. In general, the number of apartments offered for sale in January increased by 14,4%. According to the mentioned above there could be made the conclusion that the offers volume is in progress to move down till the level that was observed in November (in December 2009 there was the decline by 14,9%).

As the result of the apartments summary offered for sale there could be made the conclusion that the biggest quantity of offers in January was in Purvciems, Ķengarags, Pļavnieki and Imanta. By contrast, the smallest number of offers was in Bolderāja and Zolitūde. The highest proposals decrease in January was in Āgenskalns – 36,9%.

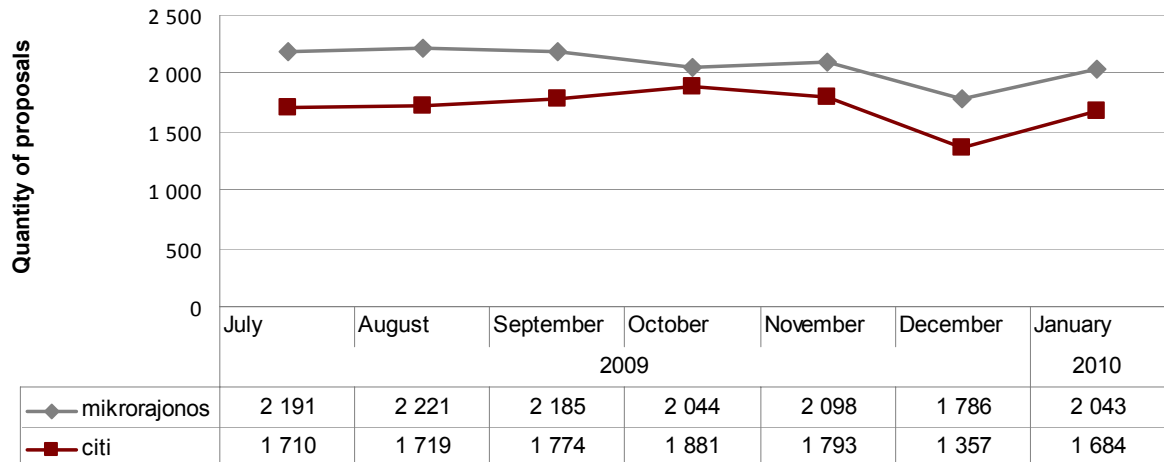
The most popular flats in Riga housing estates in December were 1-rooms and 2-rooms apartments. But the smallest interest was to 4-rooms apartments.

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



Source: ARCO REAL ESTATE

The dynamics of proposals in Riga



Source: ARCO REAL ESTATE

In all housing estates of Riga there was observed the price increase in January. Comparing the prices of January 2010 with the prices of December 2009, the highest price increasing was observed in Iļģuciems (7,6%), the same as in Āgenskalns (6,6%).

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

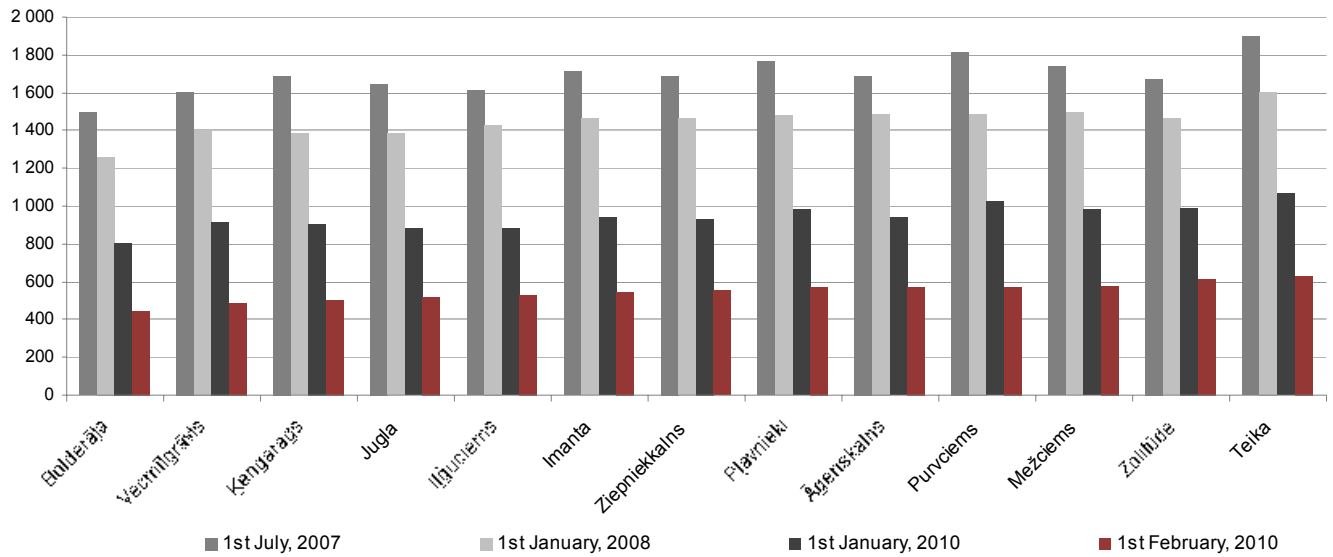
	Average value of 1m ² on February 1, 2010	Average value of 1m ² on January 1, 2010	Change in %
Jugla	522	498	4.7%
Pļavnieki	569	549	3.6%
Purvciems	573	552	3.9%
Mežciems	578	559	3.4%
Teika	630	616	2.2%
Vecmīlgrāvis	488	471	3.7%
Ķengarags	506	486	4.1%
Bolderāja	444	424	4.9%
Ziepniekkalns	556	530	4.8%
Imanta	546	516	5.7%
Zolitūde	616	583	5.8%
Āgenskalns	572	536	6.6%
Iļģuciems	531	494	7.6%

Source: ARCO REAL ESTATE

Due to the price decline in the recent two years, the standard-type apartment prices in Riga housing estates in January 2010 had already been lower for 66,4% than those in the beginning of July 2007 and for 41.6% comparing with the prices in the beginning of 2009. In its turn during the period of two years starting from the beginning of 2008 the prices decreased on average for 61,2 %.

Source: ARCO REAL ESTATE

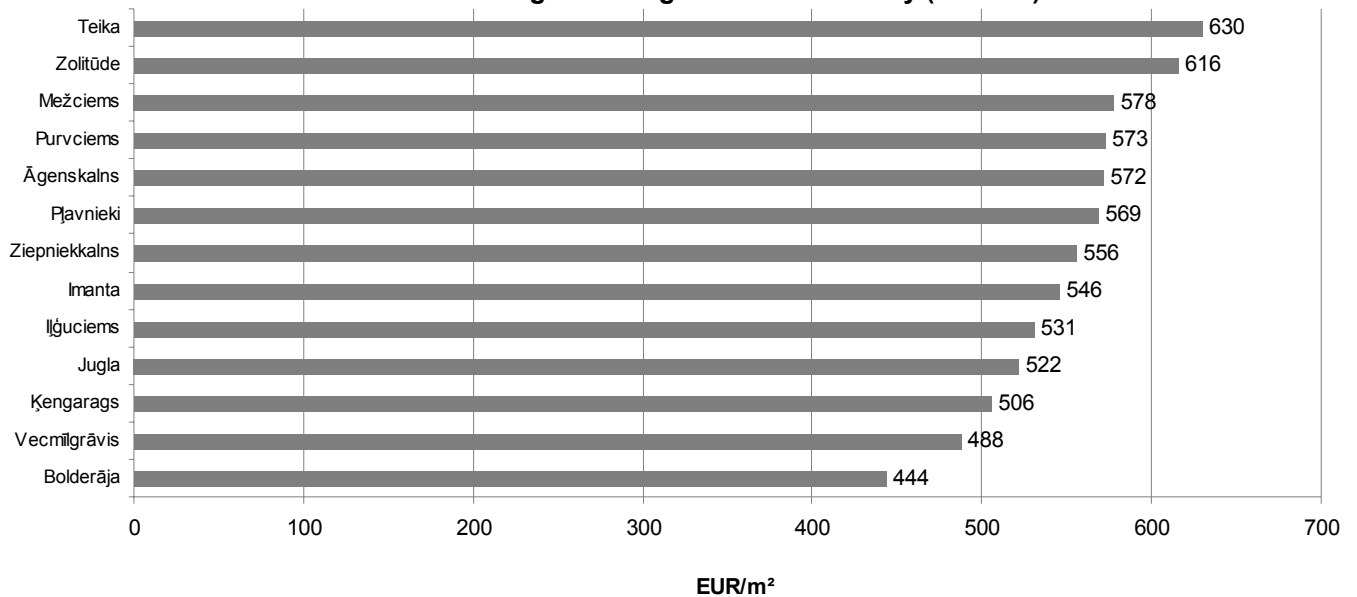
The average standard-type apartment prices in Riga housing estates (EUR/m²)



Source: ARCO REAL ESTATE

In January 2010 was exceeded the border of one sq. m average price 600 EUR/m² on Teika and Zolitūde. The highest prices in Jaanuary 2010 were still on Teika, where the average price of 1m² was 630 EUR, as well as in Zolitūde, where the average price of 1m² was 616 EUR. In its turn, the lowest prices in January 2010 were in *Vecmīlgrāvis* and *Bolderāja*, where the average price of 1m² was 488 EUR and 444 EUR respectively.

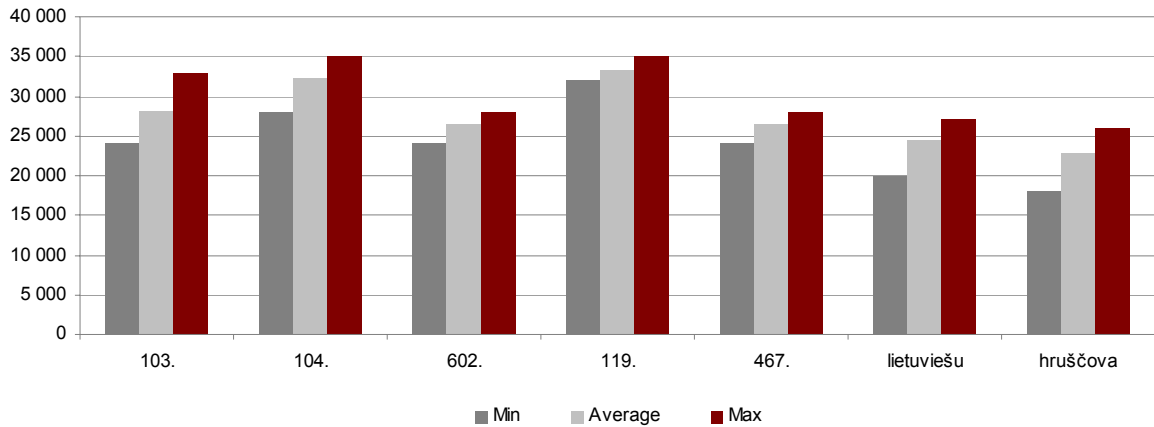
The average standard-type apartment prices in Riga housing estates in January (EUR/m²)



Source: ARCO REAL ESTATE

In January 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 28 to 35 thousands EUR, depending on the housing estate. In its turn the cheapest apartments were the apartments in the most expensive apartments still were the apartments in so-called *Lithuanian design houses*, where the prices of 2-room apartments fluctuated from 20 to 27 thousands EUR, and the so-called *Khrushchev-time houses*, where the prices of 2-room apartments fluctuated from 18 to 26 thousands EUR, depending on the housing estate.

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



Source: ARCO REAL ESTATE

Jūrmala Kauguri

The comparison of the average prices in Kauguri in January 2010 with the average prices in December 2009 shows the **insignificant price increase, on average for 2%**. The average price in January was **429 EUR/m²** and the comparison of the prices in January 2010 with those observed **in the beginning of 2009 shows the price decline by 47%**. 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 January 2010 with the average prices in December 2009 shows the **insignificant price increase, on average for 4%**. Wherewithal there could be made the conclusion that prices in Jelgava similarly to Riga have the tendency to increase. The comparison of the prices in January 2010 with those observed in the beginning of 2009 shows the price decline by 59%, **to the average price of 304 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 January 2010 with the prices in December 2009 shows **price increase, on average for 5%**. The average price in January was **433 EUR/m²** and the comparison of the prices in January 2010 with those observed **in the beginning of 2009 shows the price decline by 51%**. 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 January 2010 with the average prices in December 2009 shows the **insignificant price increase, on average for 2%**. The average price of one m² in January was **392 EUR/m²**. The comparison of the prices of January 2010 with the prices in the beginning of 2009 shows the price decline by 55%. The most expensive apartments in Ogre were the 103rd and the 602nd series apartments, but the cheapest apartments were in the *Khrushchev-time houses*.