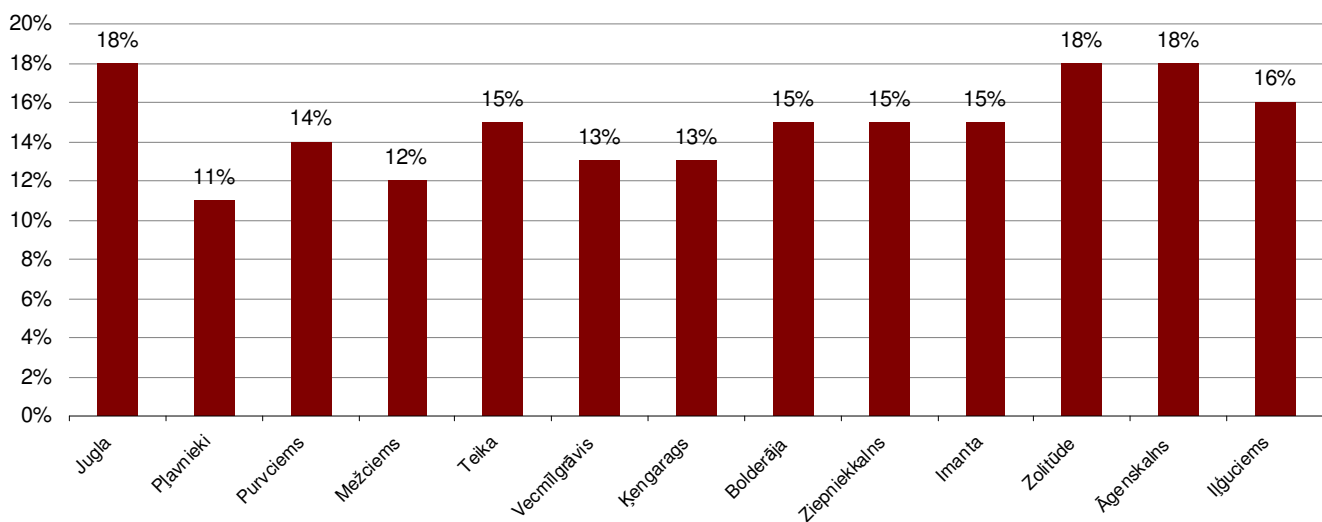




Standard-type apartments, June 1, 2010

In May 2010 the rate of price increase was reduced in comparison with the previous months and in general the prices for the standard-type apartments in Riga increased in May on average for **1,5%**. In May there was observed the price increase in all the housing estates of Riga. The highest price increase in May was observed in Zolitūde, where the average price increase was 2,6%. In its turn the lowest price increase was established on Ķengarags and Bolderāja (0,4%). The prices for the apartments continue to increase from September 2009 and by this moment they have increased on average by **23,4%**. The prices for standard-type apartments increased on average for **15,4%** from the beginning of 2010. The highest price increase during the first five months of 2010 was established on Jugla, Zolitūde and Āgenskalns – 18%. In its turn the smallest price increase was observed in Pļavnieki – 11%.

Price changes from January 1, 2010



Source: ARCO REAL ESTATE

In May there essentially increased the number of the offered proposals. In comparison with April when the increase was 0,2%, in May the increase is valued as significant – 12,4% and it affects on the general price level. The number of proposals has been already increased for the fifth month by turn.

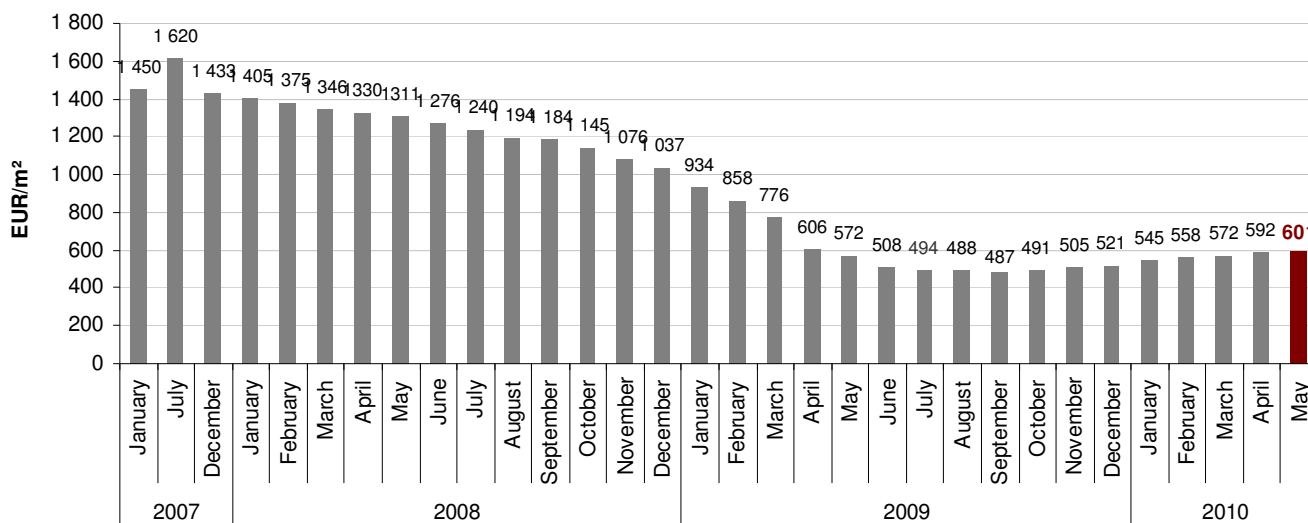
Probably, in the near future there could be expected not only upward price fluctuations as before this moment but also the price decrease in some series of the separate housing estates taking into consideration the fact that the price increase has reduced in this month the same as the number of proposals has increased essentially (12,4%). Heretofore the lack of beneficial proposals to great extend defined the price increase on the apartments market. In May 2010 the prices were on the level of April 2009, when the average price value of m² was 606 EUR/m², but starting from May 2009 the prices increased by 5,1%.

The average standard-type apartment price in May 2010 increased till the level of **601 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 62,9% 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 35,7%.

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



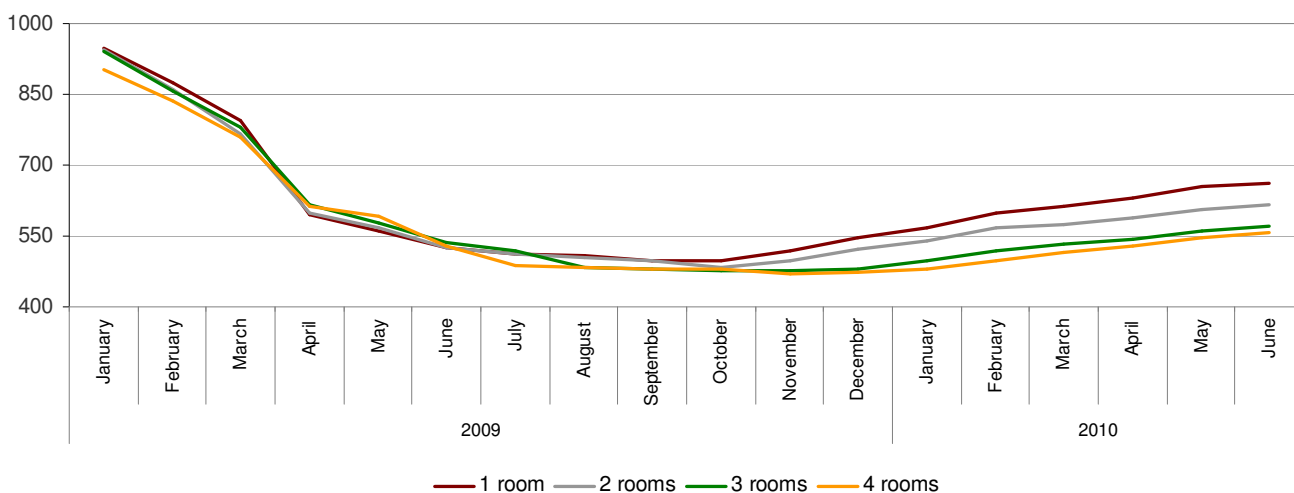
**The dynamics of average prices for standard-type apartments
in Riga City housing estates**



Source: ARCO REAL ESTATE

In the housing estates reviewed by ARCO REAL ESTATE in May, the average price of a 1 room apartment was 660 EUR/m² and this price, comparing with the previous month prices, has increased by 0,9%; the average price of a 2 room standard-type apartment was 617 EUR /m² and this price, comparing with the previous month, has increased by 1.8%; the average price of a 3 room standard-type apartment was 571 EUR/m² and this price, compared with the previous month, has increased by 1.8%; and the average price of a 4 room standard-type apartment was 556 EUR/m² and this price, comparing with the previous month, has increased by 1.5%.

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



Source: ARCO REAL ESTATE

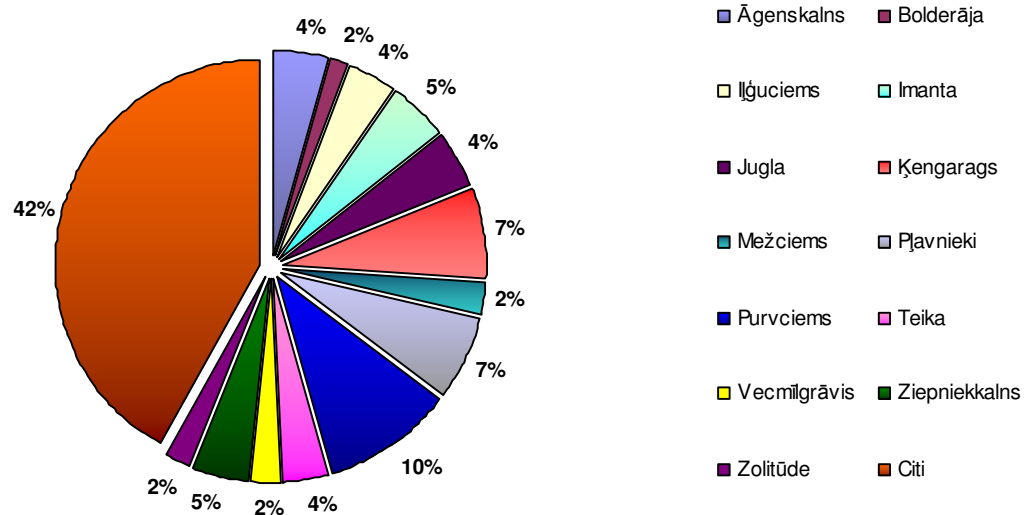


The supply of apartments for sale in May 2010 has the increase in both housing estates and Center in comparison with the level of the previous month. The total quantity of offers is increased for 12,4% in May that is evaluated as essential and that has the influence on the general price level.

As the result of the apartments summary offered for sale there could be made the conclusion that the biggest quantity of offers in May was in Purvciems, Ķengarags, Pļavnieki and Imanta. By contrast, the smallest number of offers was in Bolderāja and Zolitūde. The highest proposals increase in May was established on Jugla– by 32,3%. In its turn the most number of proposals decreased just in Mežciems – by 4,2%.

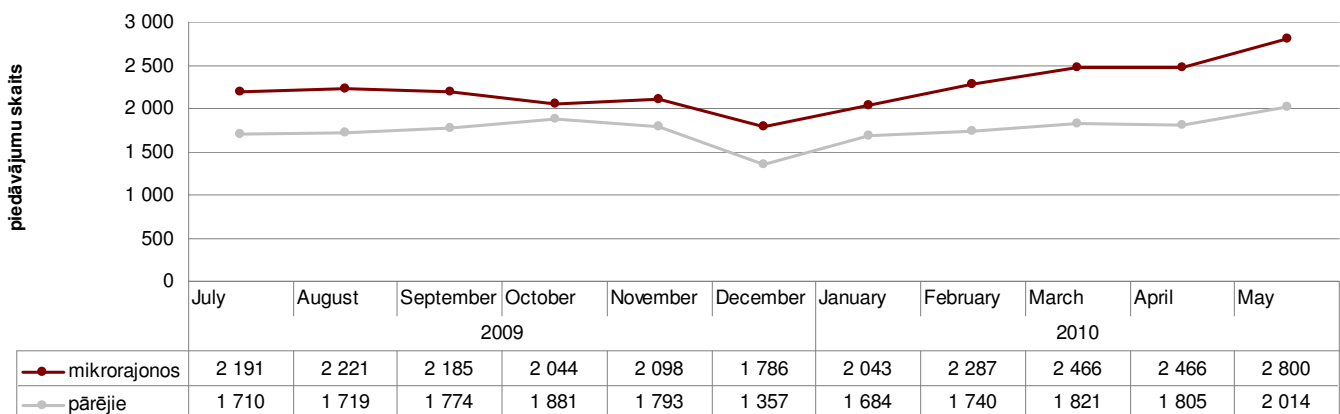
The most popular flats in Riga housing estates in May were 1-rooms and 2-rooms apartments. But the smallest interest was to 4-rooms apartments.

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



Source: ARCO REAL ESTATE

The Dynamics of supply in Riga

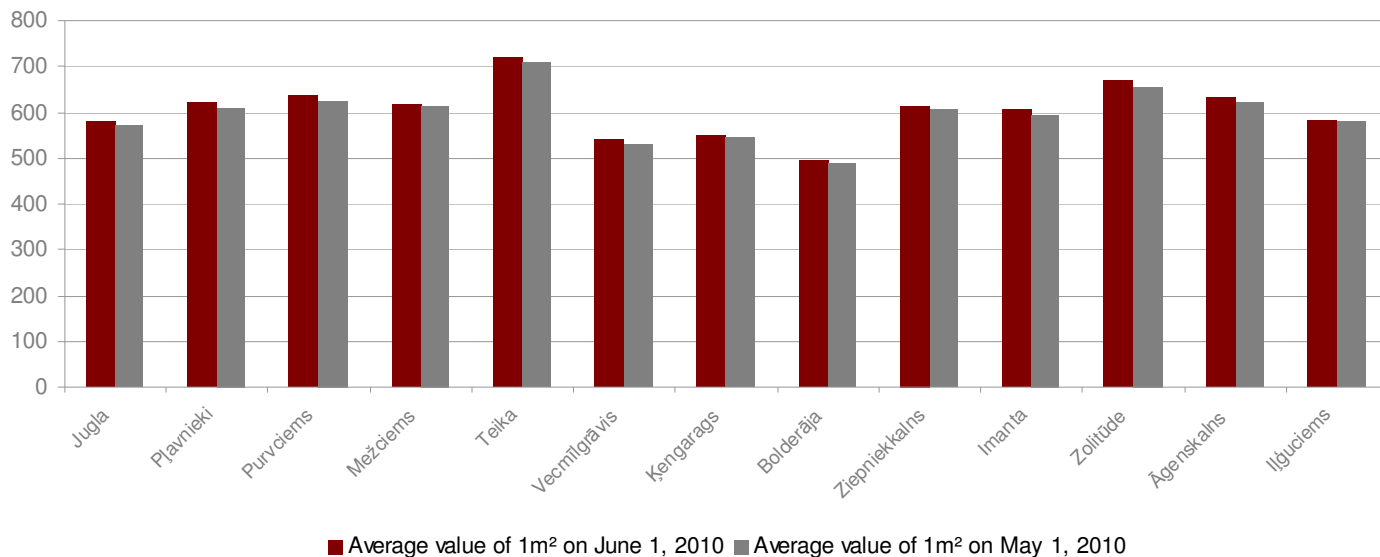


Source: ARCO REAL ESTATE



In May there was observed the price increase in all the housing estates of Riga. The comparison of the prices in May 2010 with those observed in April 2010 shows the highest price increase in Zolitūde, where the average price increase was 2,6%, in its turn the lowest price increase was established on Ķengarags and Bolderāja (0,4%). Nevertheless, there should conclude that the price increase in May declined in all the housing estates.

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



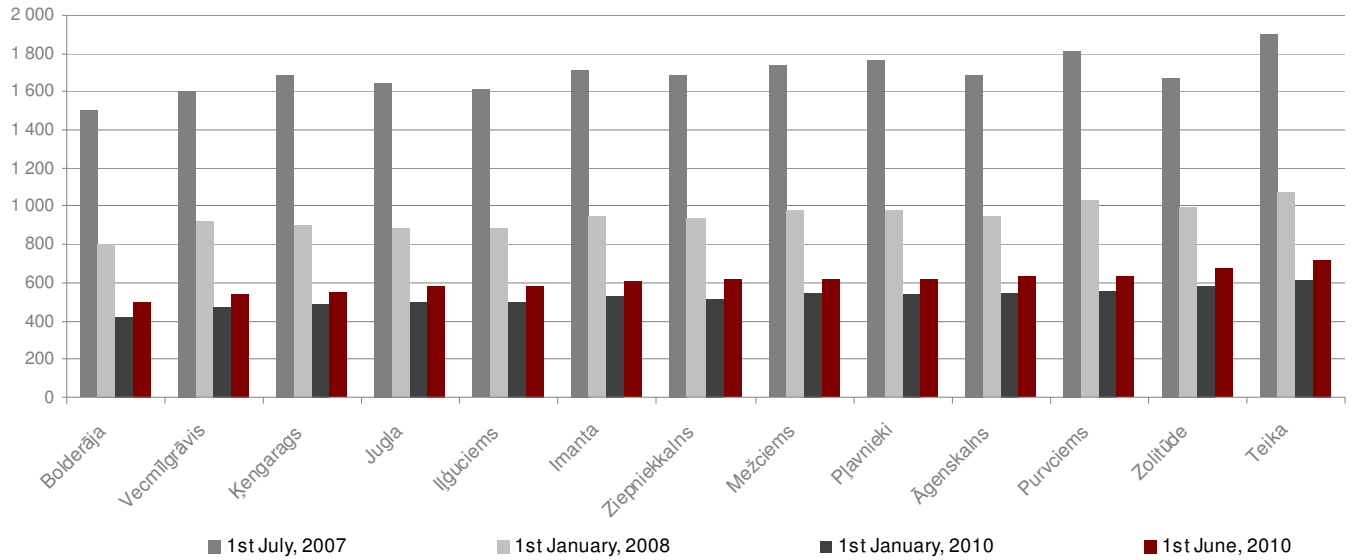
Source: ARCO REAL ESTATE

The standard-type apartments price increase is being observed from September 2009 and during these 8 months in average it has been increased by 21,6%. In April 2010 the prices have almost returned to the level of April 2009, when the average value of one m² was 606 EUR/m². The total price changes during the last year is price decrease by 2,3%.

In comparison with the prices of the middle of July 2007 when there was established the highest price level of the apartments, in May 2010 the prices were lower for 62,9% in average and the comparison of prices with the beginning of January 2009 in general showed the decrease by 35,7%. In its turn, the prices increased on average for 15,4% from the beginning of 2010. The prices increased on average for 23,4% 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.



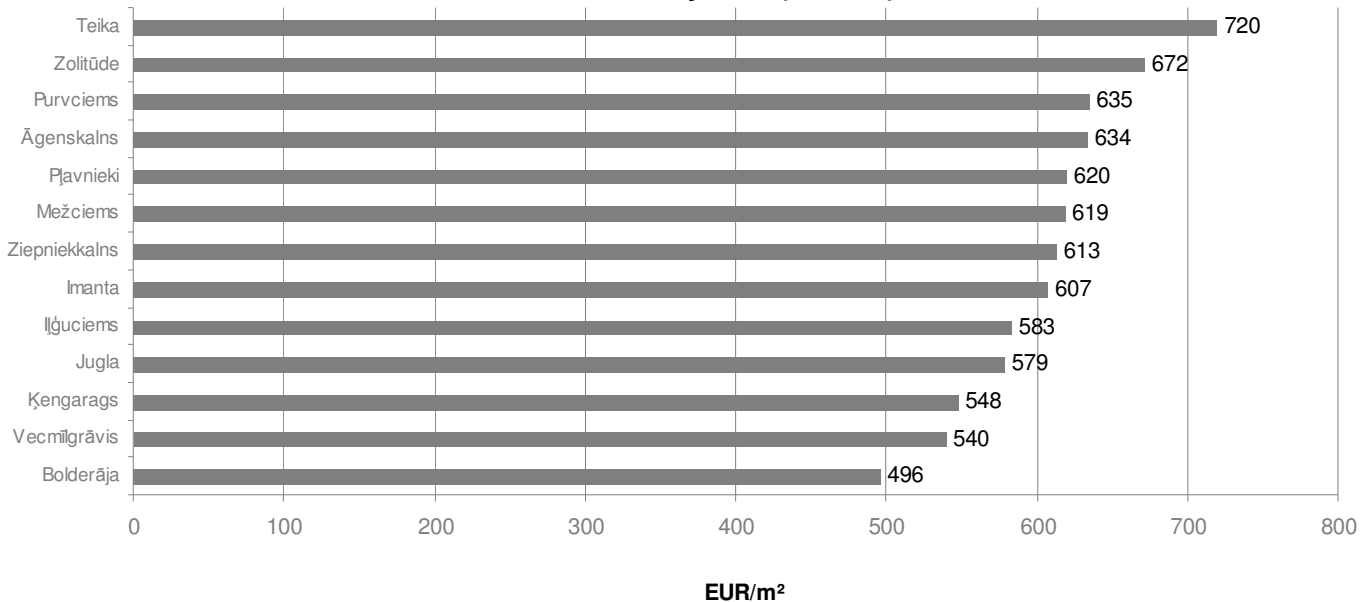
The average standard-type apartment prices in Riga housing estates in May 2010 (EUR/m²)



Source: ARCO REAL ESTATE

The highest prices in May 2010 were still on Teika, where the average value of 1m² increased till 720 EUR, then follows Zolitūde, where the average price of 1m² was 672 EUR. In its turn the lowest prices in May 2010 were in Vecmīlgrāvis and Bolderāja, where the price of 1m² was 540 EUR and 496 EUR correspondingly.

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

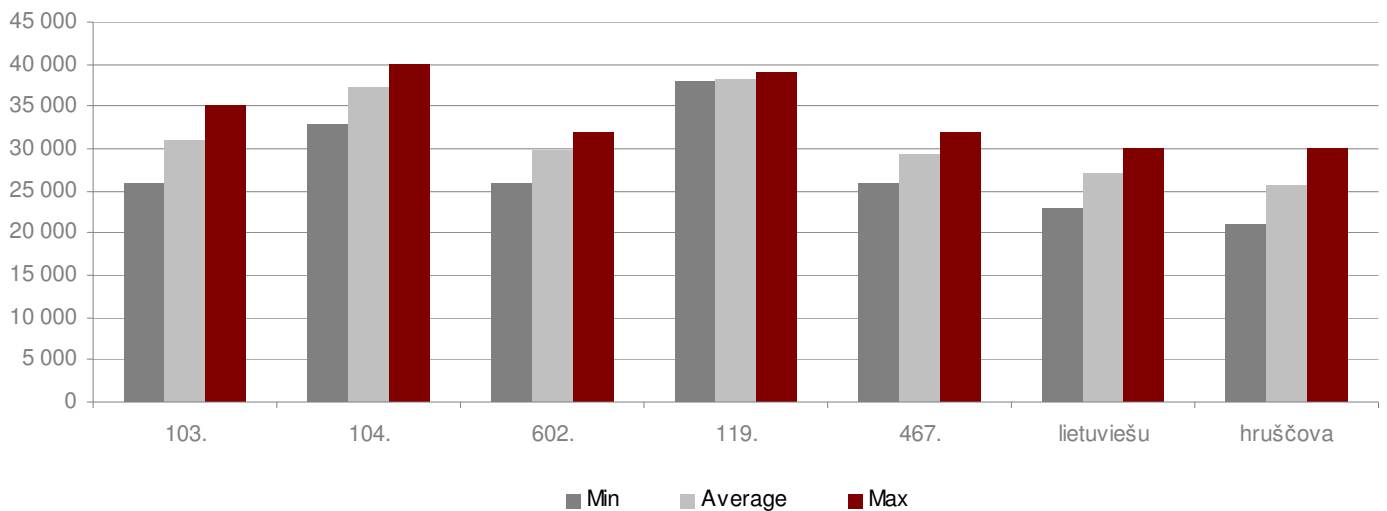


Source: ARCO REAL ESTATE



In May 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 33 to 40 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 23 to 30 thousands EUR, and the so-called *Khrushchev-time houses*, where the prices of 2-room apartments fluctuated from 21 to 30 thousands EUR, depending on the housing estate.

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





Jūrmala Kauguri

The comparison of the average prices in Kauguri in May 2010 with the average prices in April 2010 shows the **price increase, on average for 2%**. The average price in May was **447 EUR/m²** and the comparison of the prices in May 2010 with those observed **in the beginning of 2010 shows the price increase by 5%**. 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 May 2010 with the average prices in April 2010 shows the **insignificant price increase, on average for 1%** in Jelgava. There has been observed the price increase during the fifth month in Jelgava. The comparison of the prices in May 2010 with those observed in the beginning of 2010 shows the price increase by 15%, **to the average price of 340 EUR/m²**. The most marketable apartments in Jelgava, the same as in Riga, still were the apartments in Centre with qualified finishing.

Salaspils

The comparison of the average prices in Salaspils in May 2010 with the prices in April 2010 shows **the price increase, on average for 3%**. Similarly to the situation in Riga the price increase in Salaspils reduced. The average price in May was **491 EUR/m²** and the comparison of the prices in May 2010 with those observed **in the beginning of 2010 shows the price increase by 17%**. In 2010 the apartments' prices in Salaspils, the same as in Riga, has the tendency of rising.

Ogre

The comparison of the average prices in Ogre in May 2010 with the average prices in April 2010 shows the insignificant price increase – **on average for 4%**. The average price of one sq. m is **408 EUR/m²**. During 2010 the prices in Ogre fluctuated and there were observed both increase and decrease. Nevertheless, in general the prices increased by 4% 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*.