

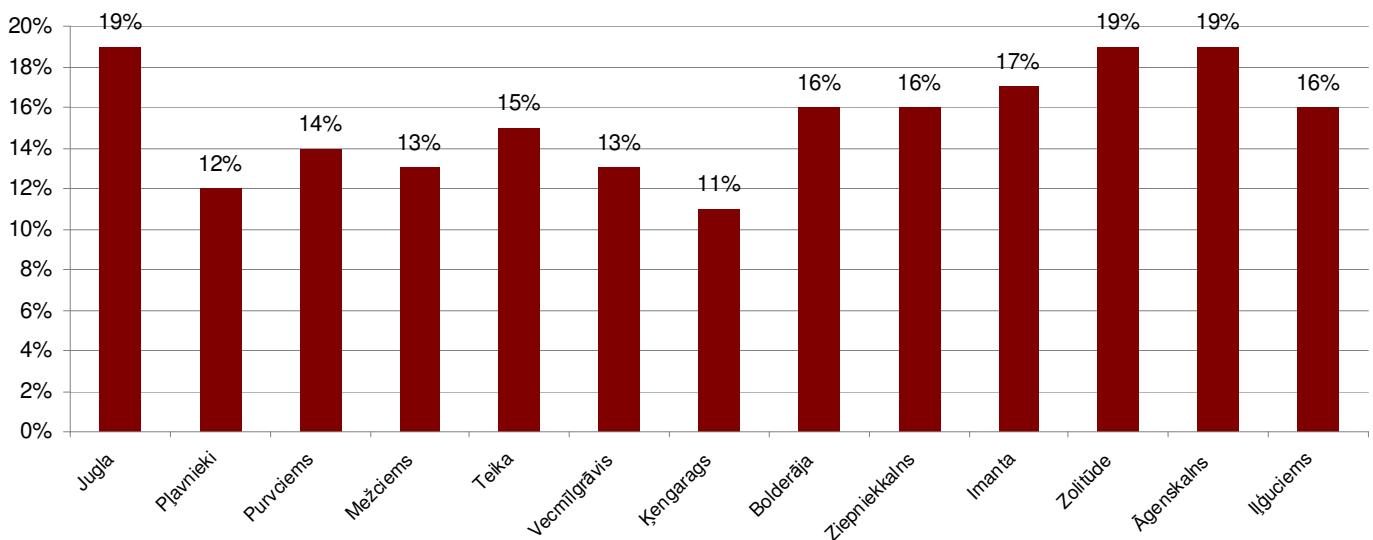
### Standard-type apartments, August 1, 2010

In July 2010 in general there was not observed the price increase in the housing estates of Riga. In general the prices for the standard-type apartments in Riga increased in July on average for **0.3%**. As far as this number is being absolutely insignificant during the second month, it is considered that the price increase is stopped. Predominantly there was absolutely insignificant price increase in all large housing estates of Riga. The highest price increase in July was observed in Bolderāja, where the average price increase was 1.7%. In its turn in July there was established price decrease in Ķengarags by 1.4%. During the last months there decreased the apartments prices for Lithuanian and Khrushchev-time houses in Ķengarags. The decrease of apartments' price the same as the stop of price increase is explainable with the general market activity reducing during the summer months. In connection with that the sellers of apartments do not increase the prices, but sometimes even reduce it. The development of residential market in the nearest future will depend on the general economical situation in the country, the same as the established in July person bankruptcy law and its influence on the further credit politics of banks.

The prices for the apartments continue to increase from September 2009 and by this moment they have increased on average by **24%**. Still the middle of 2010 is marked as the general apartment price stabilization.

The prices for standard-type apartments increased on average for **15.9%** from the beginning of 2010. The highest price increase during the first six months of 2010 was established on Jugla, Zolitūde and Āgenskalns – 19%. In its turn the smallest price increase was observed in Pļavnieki – 12% and Ķengarags – 11%.

### Price changes from January 1, 2010



Source: ARCO REAL ESTATE

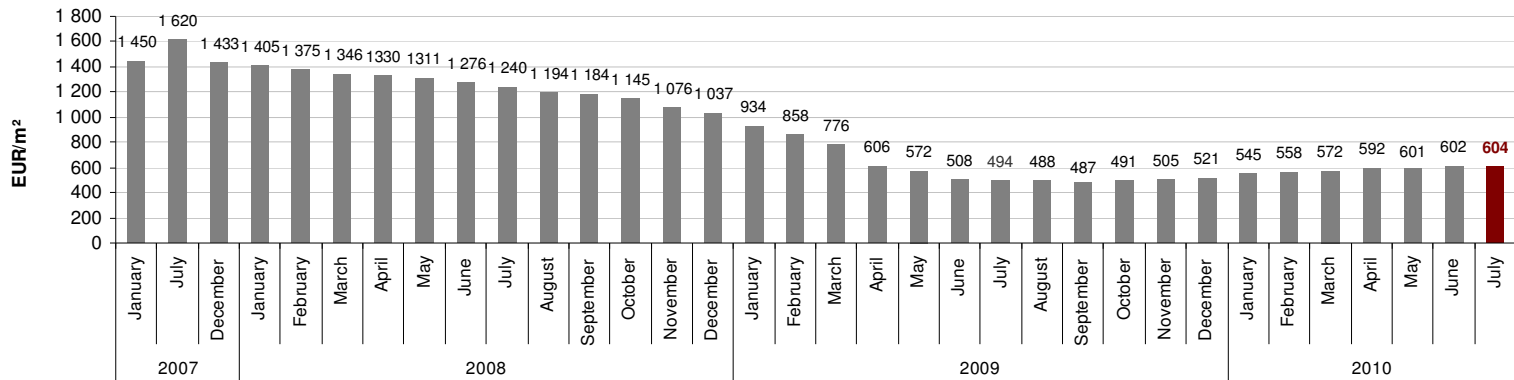
In July there the number of the offered proposals increased in general. In comparison with June when the decrease was 5.1%, in July the proposals increase was 6%. The number of proposals, similarly to the first five months of the year, had the insignificant increase again. Taking into consideration that the price increase had been stopped during the last two months and the number of the offered proposals had been fluctuated, it could indicate about the total market activity reduction. Every year the total market activity has the tendency to reduce during the summer months.

In July 2010 the prices were on the level of April 2009, when the average price value of m<sup>2</sup> was 606 EUR/m<sup>2</sup>, but starting from July 2009 the prices increased by 22.3%.

The average standard-type apartment price in July 2010 increased till the level of **604 EUR/m<sup>2</sup>**. 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/m<sup>2</sup>, nowadays the prices are lower for 62,7% 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 35.3%.

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 July, the average price of a 1 room apartment was 656 EUR/m<sup>2</sup> and this price, comparing with the previous month prices, has decreased by 0,3%; the average price of a 2 room standard-type apartment was 617 EUR /m<sup>2</sup> and this price, comparing with the previous month, has stayed unchangeable; the average price of a 3 room standard-type apartment was 577 EUR/m<sup>2</sup> and this price, compared with the previous month, has increased by 0.7%; and the average price of a 4 room standard-type apartment was 566 EUR/m<sup>2</sup> and this price, comparing with the previous month, has increased by 0.7%.

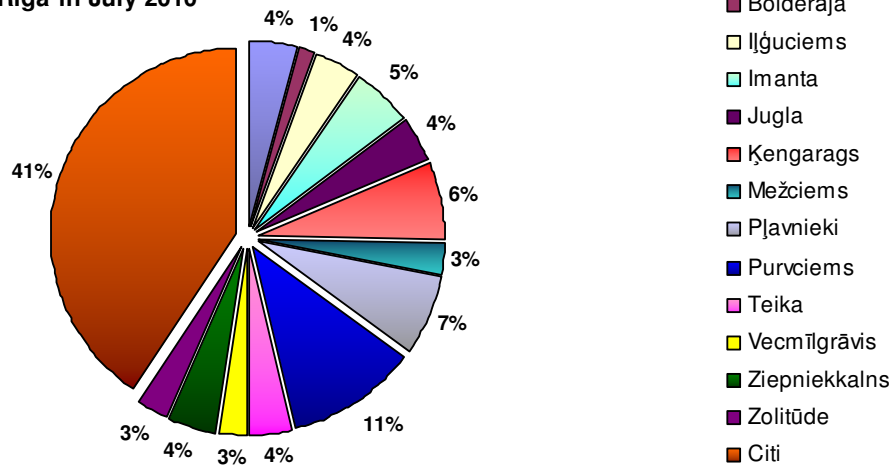
### The average prices of standard-type apartments in Riga City housing estates by number of rooms (EUR/m<sup>2</sup>)

	2009												2010							1st August
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	
1 room	949	876	795	597	562	525	513	507	499	498	517	546	568	598	614	629	654	660	658	656
2 rooms	943	859	768	598	567	525	512	503	496	485	496	521	541	566	574	587	606	617	617	617
3 rooms	941	858	781	616	579	536	518	483	479	478	478	481	496	519	532	544	561	571	573	577
4 rooms	901	837	759	613	592	530	487	483	479	479	471	474	480	498	515	528	548	556	562	566

Source: ARCO REAL ESTATE

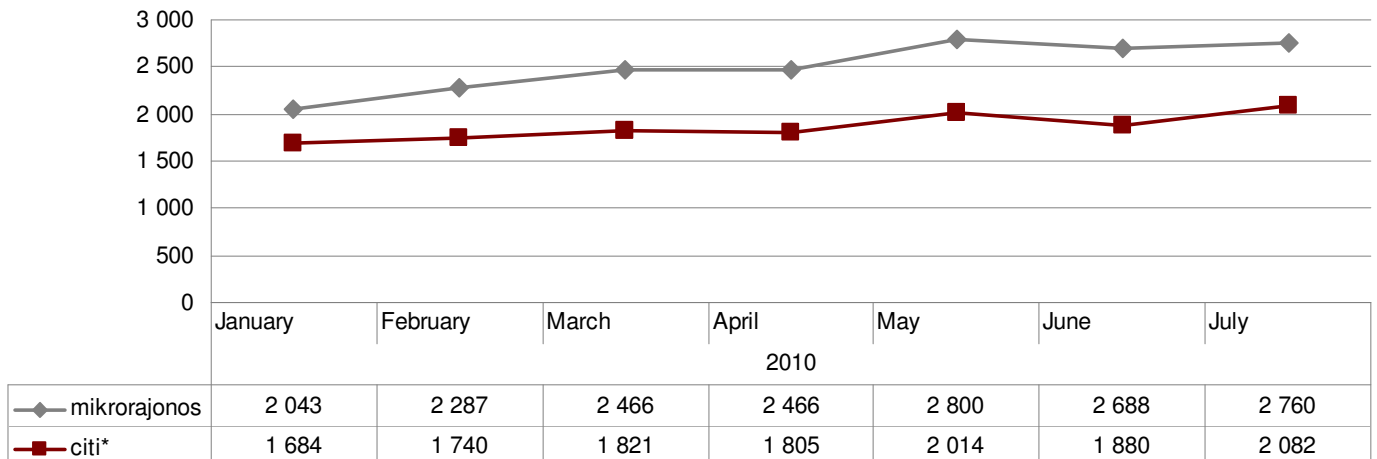
The supply of apartments for sale in July 2010 has the increase in both large housing estates and other parts of Riga including the central part in comparison with the level of the previous month. The total number of apartments offered for sale in July increased by 6% that is evaluated as insignificant. Taking into consideration the fact that the number of proposals increased in July (-5.1%), it is considered that during the last months the proposals the same as the apartments prices are unchangeable. As the result of the apartments summary offered for sale there could be made the conclusion that the biggest quantity of offers in July was in Purvciems, Ķengarags, Pļavnieki and Imanta. By contrast, the smallest number of offers was in Bolderāja and Zolitūde. The number of proposals even increased in separate housing estates. The highest proposals increase in July was established in Zolitūde– by 44.7%. In its turn the highest decrease of proposals number in July was established in Bolderāja – by 14.5%.

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



Source: ARCO REAL ESTATE

## The Dynamics of supply in Riga



\* others – all the other housing estates and parts of Riga (including central part of Riga), excluding the largest housing estates of Riga observed by ARCO REAL ESTATE.

Source: ARCO REAL ESTATE

In July, the same as in the previous month, there was not observed the essential price increase in the housing estates of Riga. There was established insignificant price increase in the particular housing estates of Riga. In its turn the price decrease was established in Ķengarags – - 1.4%. Nevertheless, the changes are in the limit of 1% with the exception of Bolderāja and it is considered as fluctuations.

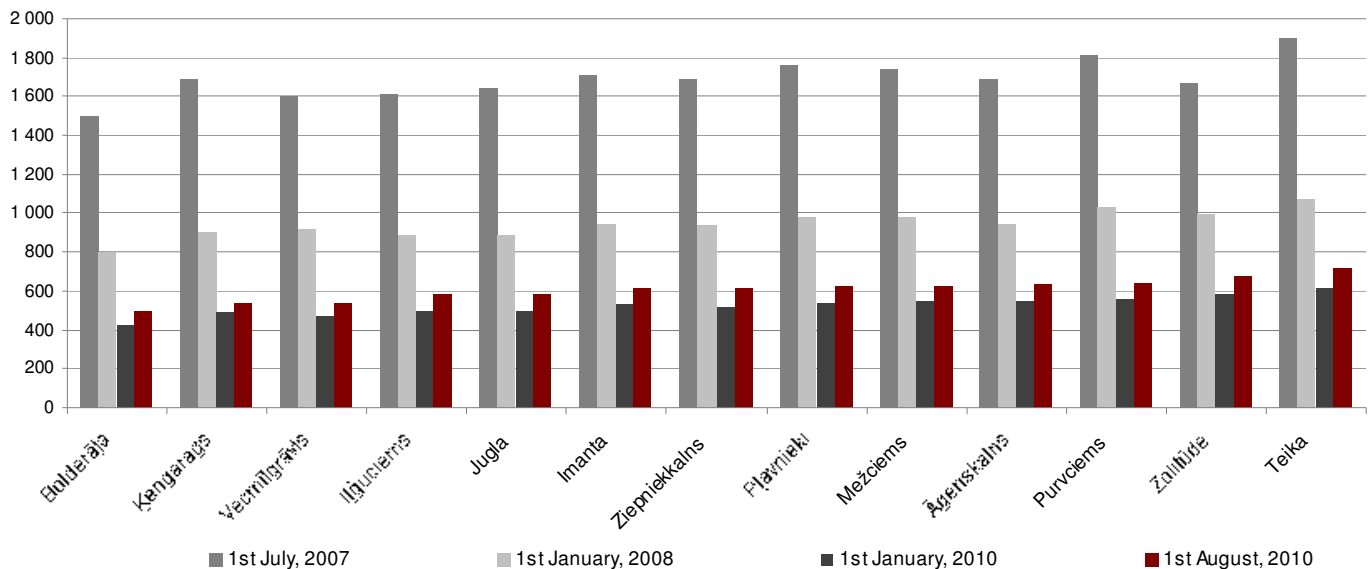
The comparison of the prices in July 2010 with those observed in June 2010 shows the highest price increase in Bolderāja, where the average price increase was 1.4%.

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

	Average value of 1m <sup>2</sup> on August 1, 2010	Average value of 1m <sup>2</sup> on July 1, 2010	Changes in %
Jugla	582	581	0.2%
Pļavnieki	622	622	0.0%
Purvciems	638	636	0.3%
Mežciems	628	626	0.2%
Teika	721	720	0.3%
Vecmīlgrāvis	542	540	0.2%
Ķengarags	536	544	-1.4%
Bolderāja	500	492	1.7%
Ziepniekkalns	620	615	0.8%
Imanta	616	611	0.8%
Zolitūde	677	675	0.3%
Āgenskalns	637	637	0.1%
Iļģuciems	581	578	0.6%

Source: ARCO REAL ESTATE

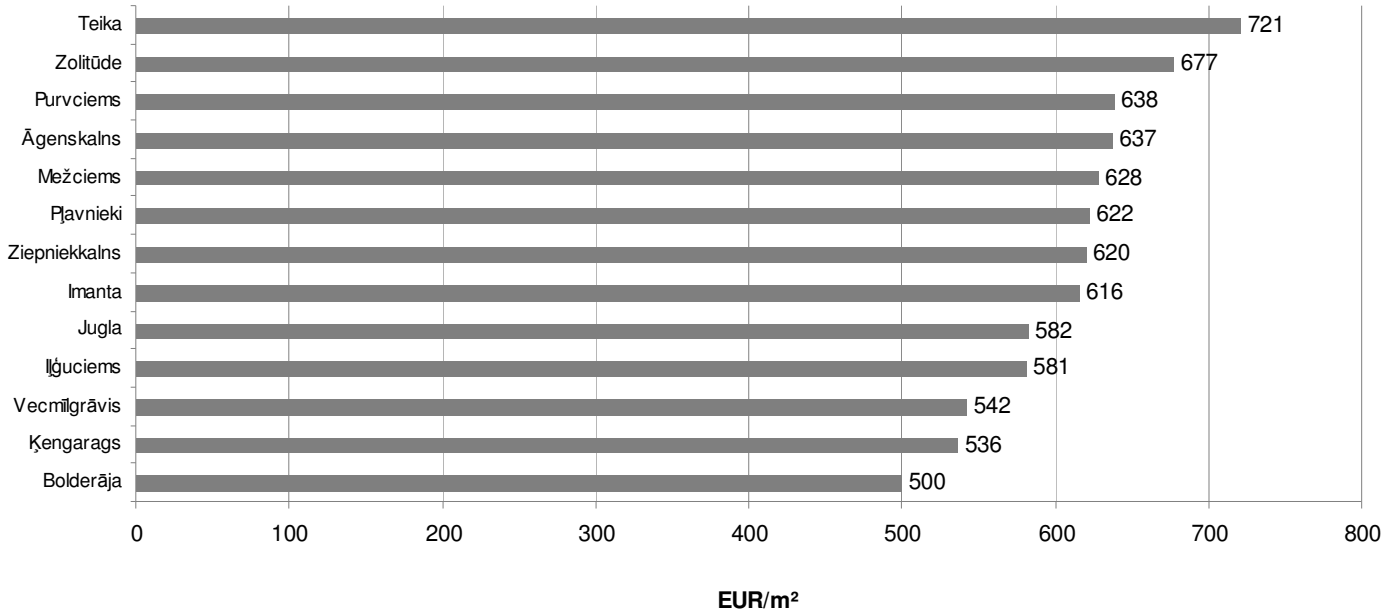
In comparison with the prices of the middle of July 2007 when there was established the highest price level of the apartments, in July 2010 the prices were lower for 62,7% in average and the comparison of prices with the beginning of January 2009 in general showed the decrease by 35,3%. In its turn, the prices increased on average for 15,9% from the beginning of 2010. The prices increased on average for 24% starting from the September 2009, when the averages prices achieved the lowest price rate and the average value of 1 m<sup>2</sup> in Riga housing estate decreased to 487 EUR.

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


Source: ARCO REAL ESTATE

The highest prices in July 2010 were still on Teika, where the average value of 1m<sup>2</sup> increased till 721 EUR, then follows *Zolitūde*, where the average price of 1m<sup>2</sup> was 677 EUR. In its turn the lowest prices in July 2010 were in *Ķengarags* and *Bolderāja*, where the price of 1m<sup>2</sup> was 536 EUR and 500 EUR correspondingly.

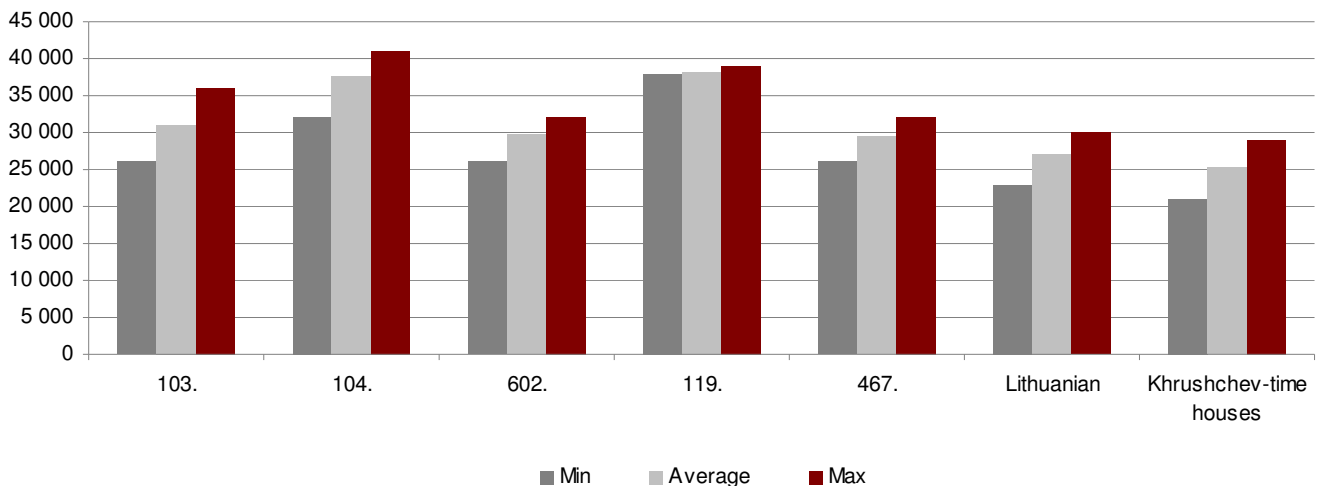
**The average standard-type apartment prices in Riga housing estates in July 2010 (EUR/m<sup>2</sup>)**



Source: ARCO REAL ESTATE

In July 2010, the most expensive apartments still were the apartments in the 119<sup>th</sup> and the 104<sup>th</sup> series houses, where the prices of 2-room apartments fluctuated from 32 to 41 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 29 thousands EUR, depending on the housing estate.

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



Source: ARCO REAL ESTATE

### ***Jūrmala, Kauguri***

The comparison of the average prices in Kauguri in July 2010 with the average prices in June 2010 shows completely insignificant price increase – **on average for 0,7%**. The average price in July was **447 EUR/m<sup>2</sup>** and the comparison of the prices in July 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 July 2010 with the average prices in June 2010 shows that **prices are unchangeable**. The price increase in Jelgava has stopped in July. The comparison of the prices in July 2010 with those observed in the beginning of 2010 shows the price increase by 15%, **to the average price of 342 EUR/m<sup>2</sup>**. 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 July 2010 with the prices in June 2010 shows price increase – **on average for 2,4%**. The average price in July was **502 EUR/m<sup>2</sup>** and the comparison of the prices in July 2010 with those observed in the beginning of 2010 shows the price increase by **20%**. In 2010 the apartments' prices in Salaspils, similarly to the situation in Riga, had the tendency of rising. Although the price increase in June and July stopped in Riga, in Salaspils there is still the insignificant growing up.

### ***Ogre***

The comparison of the average prices in Ogre in July 2010 with the average prices in June 2010 shows completely insignificant price increase – **on average for 0,7%**. The average price of one sq. m is **415 EUR/m<sup>2</sup>**.

During 2010 the prices in Ogre fluctuated and there were observed both increase and decrease. Nevertheless, in general the prices increased by 6% starting from January 1, 2010.

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*.