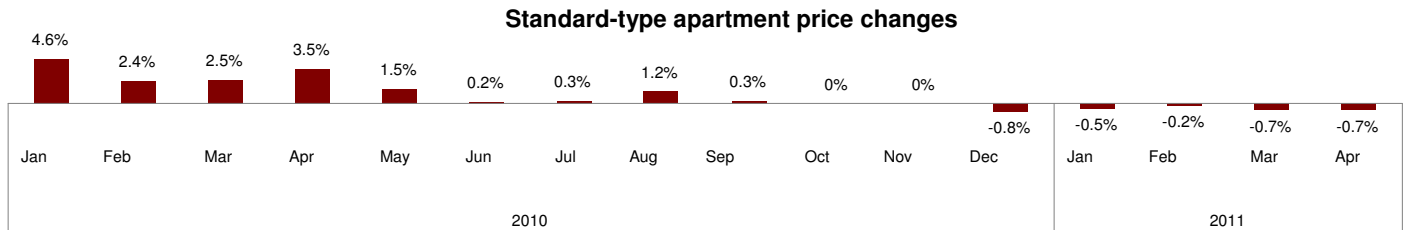


Standard-type apartments, May 1, 2011

In April 2011, a certain price change was observed in the market of standard-type apartments - the prices slightly decreased - by **0.7%** on average. The price fall was just the same as in March. The average price of 1 m² of a standard-type apartment in April 2011 dropped below 600 EUR/m² reaching **597 EUR/m²**. During the first four months of 2011, the average prices of standard-type apartments decreased by **2%**.



Source: ARCO REAL ESTATE

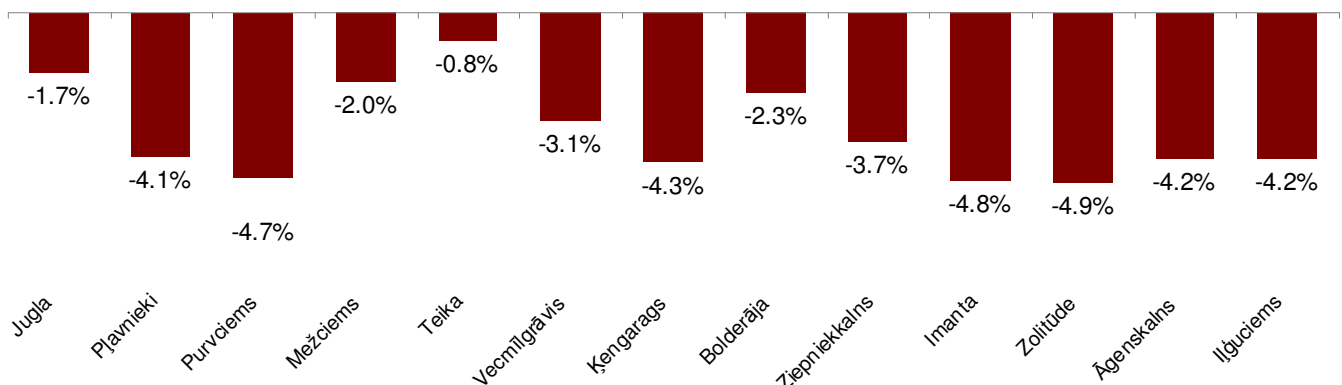
At the end of 2010 and in the beginning of 2011, the overall activity on the real estate market declined. In the first four months of 2011 the standard-type apartment prices have shown the tendency of a small decline. It can be explained by the increase in the supply of apartments, which still remains. Total number of offers of apartments in Riga in April increased by 3% and in the larger housing areas - by 5.2%. Only in the centre of Riga and in the Old Town the number of apartments offered in April has decreased - by 2.5%.

People are still very cautious and often postpone purchase of a dwelling, which also has a direct impact on demand in the real estate market and the prices of real properties. It is due to increase of other costs - gasoline prices are being raised, electricity tariffs are increased; in addition, there is expected an increase in gas prices. Although the solvency of people continued to decline, it is expected that in the spring the business activity will slightly grow, and a slight price increase is also expected. However, given the negative price fluctuations in 2011, the prices, most likely, will remain at the same level and will eventually stabilize as a whole.

The biggest price drop in April was observed at Āgenskalns (-2%). But the smallest price drop was observed at Teika (-0.2%). At Jugla and Bolderāja no price changes were observed in April.

In the first four months of 2011, the average price of 1 m² of a standard-type apartment has decreased by 2%. The biggest price drop as per May 1, 2011 was observed at Zolitūde - -4.9%. But at Teika the price drop was the smallest - only by 0,8%.

Price changes since January 01, 2011



Source: ARCO REAL ESTATE

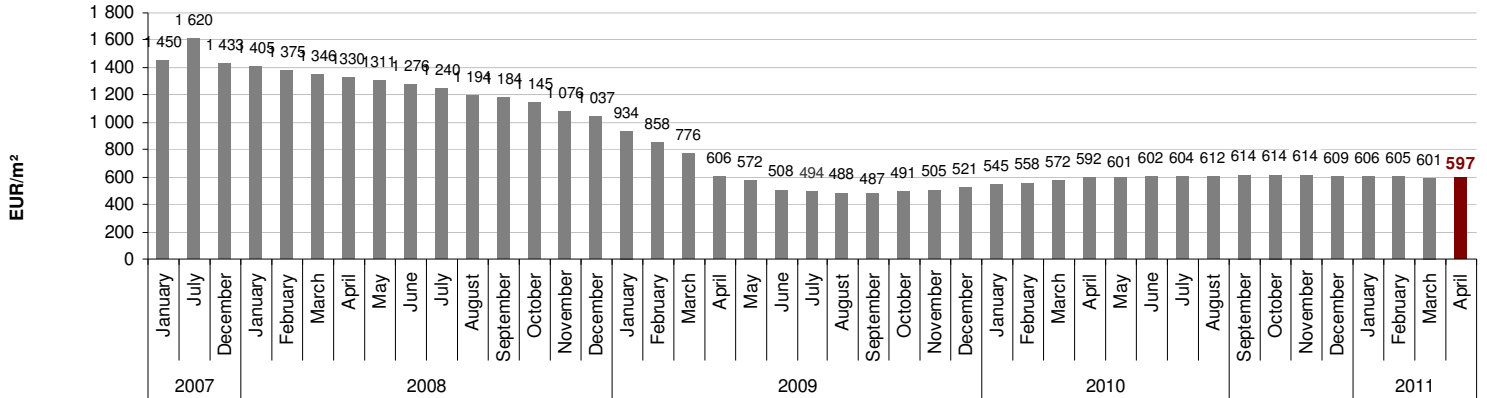
In April 2011 the apartment prices in housing estates are at the level of April/May 2010. Since September 2009 when the price level was the lowest, the prices have grown by 22,6%.

In April 2011 the average standard-apartment price has decreased to **597 EUR/m²**. The prices on average are by 63.1% lower than on July 1, 2007, when the average price of a non-renovated

standard-type apartment had reached the highest ever value of 1620 EUR/m². But the average price of a non-renovated standard-type apartment has increased by 14.6% if compared with the price level of January 1, 2010.

In 2008, the average prices of standard-type apartments in Riga decreased by 33.5% on average. In 2009, the average prices decreased by another 44,2%. In 2010 the prices grew by 16,9% in total.

Movements of average price of standard-type apartments in housing estates of Riga



Source: ARCO REAL ESTATE

In the housing estates analyzed by the ARCO REAL ESTATE in April 2011, the average price of a 1-room apartment was 633 EUR/m², and compared with the prices of the previous month, this price has decreased by 0.5%; Average price of a 2-room standard-type apartment was 604 EUR/m², and compared with the average price of the previous month, this price has decreased by 0.8%; average price of a 3-room apartment was 578 EUR/m², and compared with the prices of the previous month, this price has decreased by 0.5%; average price of a 4-room apartment was 572 EUR/m², and compared with the average price of the previous month, this price has decreased by 0,7%.

Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms (EUR/m²)

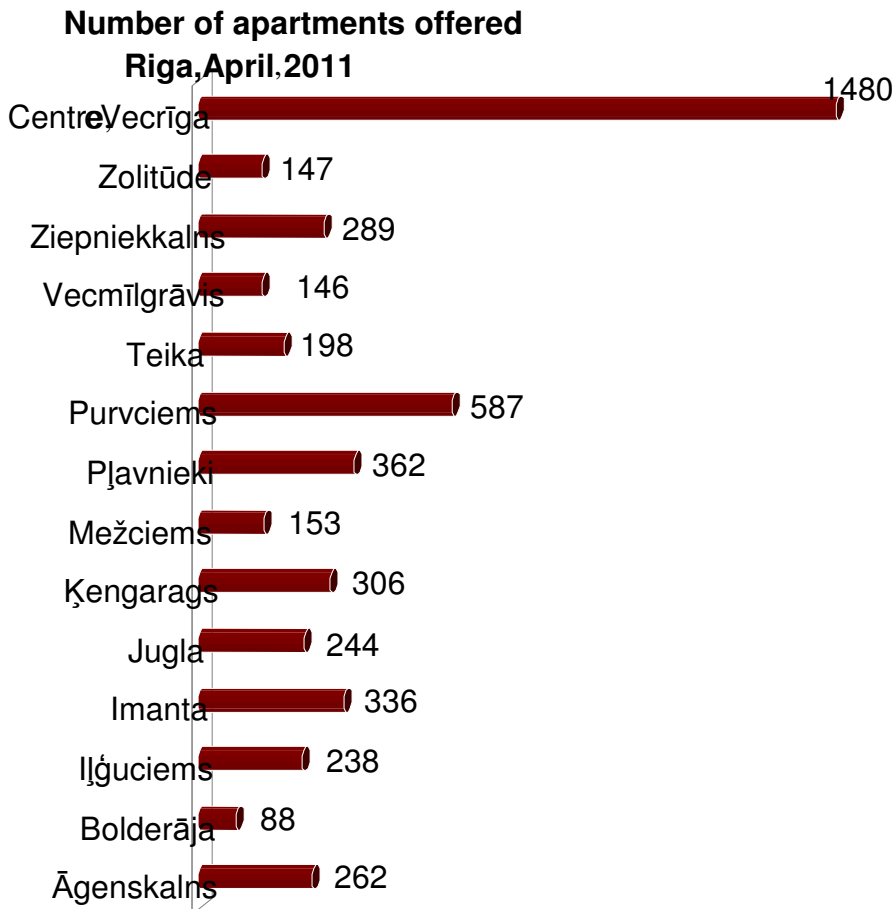
	2009												2010												2011				
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	1st May
1 room	949	876	795	597	562	525	513	507	499	498	517	546	568	598	614	629	654	660	658	656	663	662	661	659	654	649	644	636	633
2 rooms	943	859	768	598	567	525	512	503	496	485	496	521	541	566	574	587	606	617	617	617	624	628	626	627	621	615	613	609	604
3 rooms	941	858	781	616	579	536	518	483	479	478	478	481	496	519	532	544	561	571	573	577	588	590	590	590	587	584	584	581	578
4 rooms	901	837	759	613	592	530	487	483	479	479	471	474	480	498	515	528	548	556	562	566	575	578	578	578	577	575	578	576	572

Source: ARCO REAL ESTATE

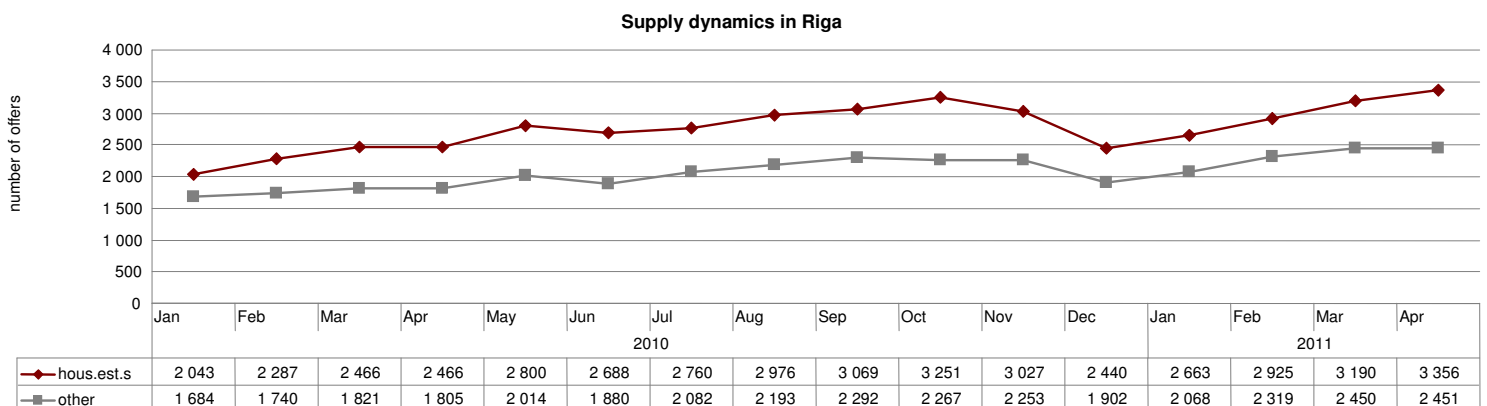
Number of apartments offered for sale in April 2011, compared with the level of the previous month, has increased both in the largest housing estates analyzed by the ARCO REAL ESTATE (5.2%), and in Riga City in total (3%). The number of apartments offered and located in the central part of Riga has decreased by 2,5%.

Having analyzed the number of apartments offered we can see that the biggest number of apartments offered in April were located at Purvciems, Pļavnieki, Imanta and Ķengarags. In contrast, the smallest number of apartments offered were located at Bolderāja and Zolitūde. In almost all largest housing estates the number of apartments offered for sale grew in April. The number of apartments offered decreased solely at Mežciems and Vecmīlgrāvis. The largest growth of number of apartments offered in April was observed at Imanta – by 17.1%. The supply of apartments at

Vecmīlgrāvis dropped by 4.6%. The most popular apartments in the housing estates of Riga were 1-room and 2-room apartments. But 4-room apartments were the less popular ones.



Source: ARCO REAL ESTATE



Source: ARCO REAL ESTATE

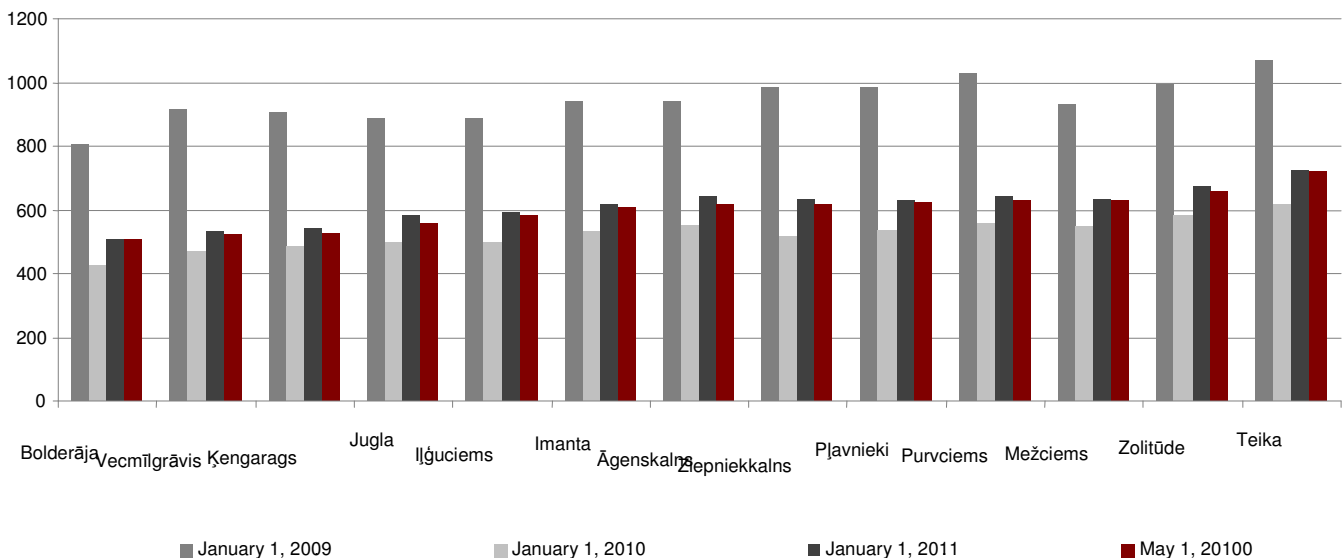
In April 2011, the average price of 1 m² was unchanged only at Jugla and Bolderāja. In the other housing estates a slight price decline was observed in April. Average price of 1m² has decreased by 0.2-2%. The biggest price drop in April was observed at Āgenskalns, where the prices decreased by 2% on average.

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

	Average 1m ² price on May 1, 2011	Average 1m ² price on April 1, 2011	Changes %
Jugla	558	558	0,0%
Pļavnieki	621	624	-0,5%
Purvciems	628	637	-1,5%
Mežciems	630	633	-0,4%
Teika	719	720	-0,2%
Vecmīlgrāvis	521	524	-0,6%
Ķengarags	528	531	-0,6%
Bolderāja	504	504	0,0%
Ziepniekkalns	619	623	-0,6%
Imanta	606	614	-1,3%
Zolitūde	656	662	-0,9%
Āgenskalns	616	628	-2,0%
Ilūciems	580	586	-0,9%

Source: ARCO REAL ESTATE

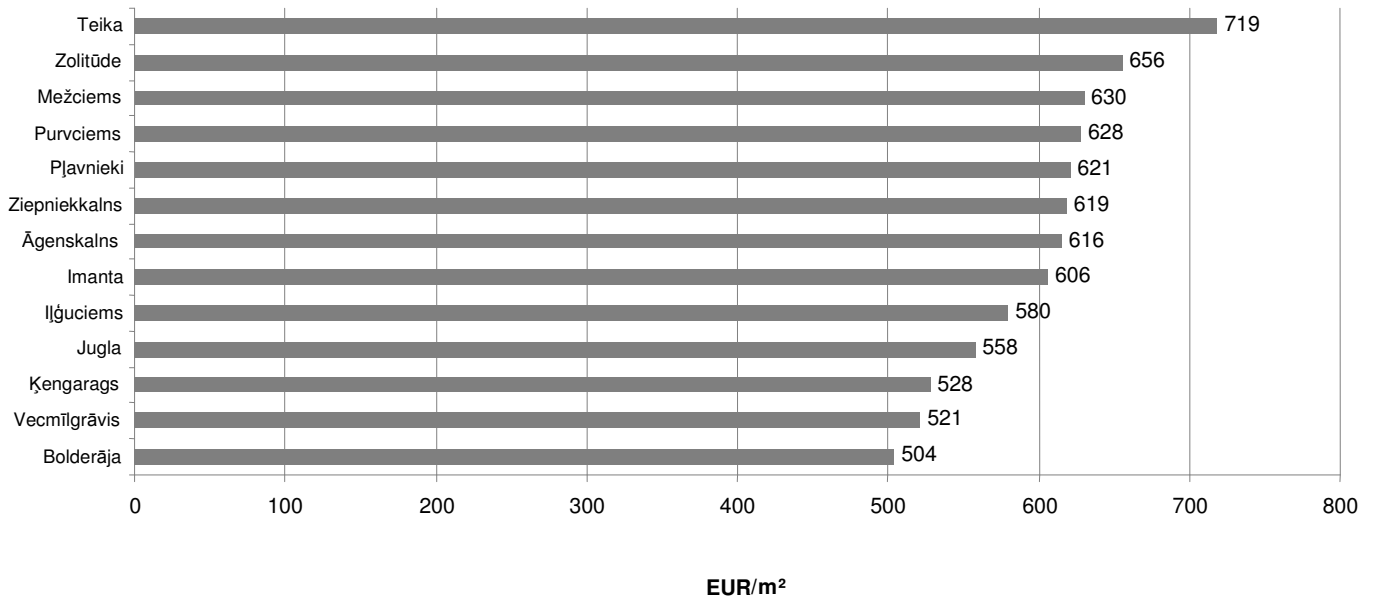
Compared with the beginning of 2009, in April 2011 the standard-type apartment prices in the housing estates of Riga were by 36.1% lower. From the beginning of 2010, the prices have grown by 14.6% on average. During the first four months of 2011, the prices decreased by 2%. Since the lowest price point in September 2009 when the average price of 1 m² in the Riga's housing estates had decreased to 487 EUR, the prices have grown by 22.6% on average.

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


Source: ARCO REAL ESTATE

The highest prices in April 2011 were still observed at *Teika*, where the average price of 1m² slightly decreased and reached 719 EUR, as well as at *Zolitūde*, where the average price of 1m² decreased to 656 EUR. In turn, the lowest prices in April 2011 were observed at *Bolderāja*, where the average price of 1m² remained unchanged and amounted to 504 EUR.

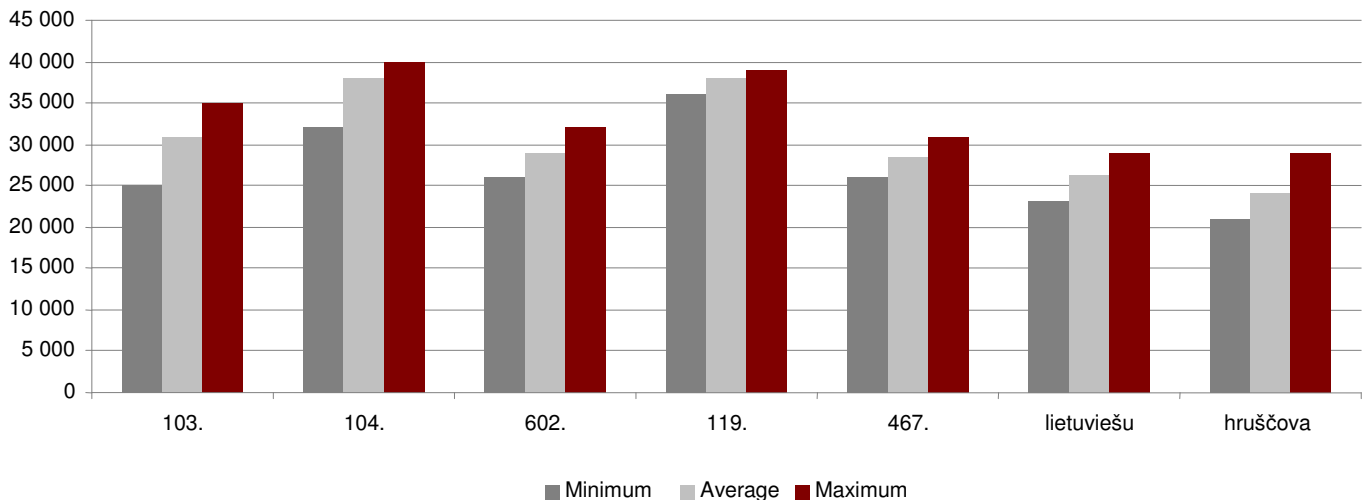
Average standard-type apartment prices in Riga housing estates in April 2011 (EUR/m²)



Source: ARCO REAL ESTATE

In April 2011, the most expensive apartments still were apartments in the houses of the 119th series and 104th series, where the prices of 2-room apartments fluctuated from 32 to 40 thousand EUR, depending on location. But the so-called *Lithuanian design houses* have been the cheapest ones, where the prices of 2-room apartments fluctuated from 23 to 29 thousand EUR, and the so-called *Khrushchev-time houses*, where the prices of 2-room apartments fluctuated from 21 to 29 thousand EUR, depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in April 2011 (prices of 2-room apartments, in EUR)



Source: ARCO REAL ESTATE

Jūrmala, Kauguri

In April 2011 the prices at Kauguri remained unchanged. The average price remained to be **437 EUR/m²** in March. Since the beginning of 2011 the prices at Kauguri have decreased by 5.7% in general. 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

In April 2011 the apartment prices in Jelgava decreased **by 0.4% on average**. The market activity in Jelgava is still low. In the first months of 2011 the apartment prices in Jelgava tended to decline, and since the beginning of the year the prices have decreased by 5.6% on average. The average price in April was **329 EUR/m²**. Like in Riga, apartments located in the central part of the city and having high-standard interior decoration are most demanded in Jelgava.

Salaspils

In April 2011, the prices in the apartment market of Salaspils remained unchanged. The average price in April was **504 EUR/m²**. In 2010 in total, the apartment prices at Salaspils increased by **22%**. In the first months of 2011 the apartment prices in Salaspils tended to decline, and during the 1st quarter the prices decreased by 2.8% on average.

Ogre

The average prices at Ogre in April 2011 remained unchanged if compared with the average prices of March 2011. The average apartment price in April was **431 EUR/m²**.

Since the beginning of the year the prices have decreased by 1.7% on average in Ogre. The activity in the apartment market of Ogre is low.