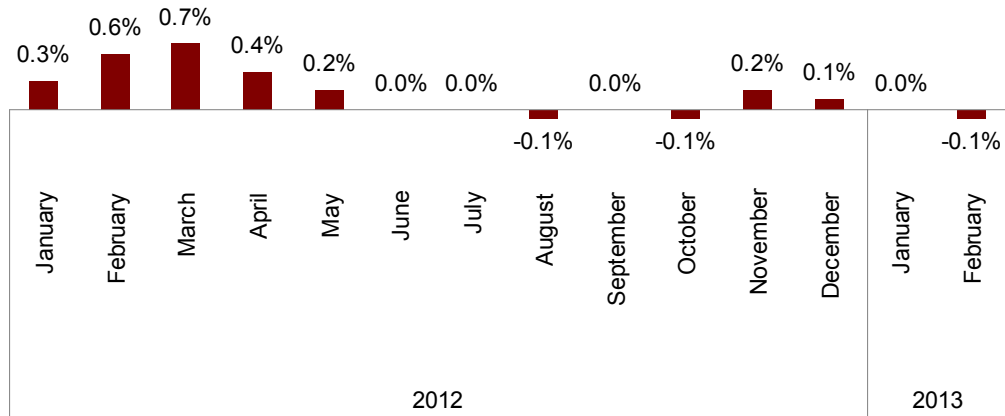


### Standard-type apartments, March 1, 2013

In February 2013, the standard-type apartment prices in the major housing areas of Riga still were stable. The average standard-type apartment price has slightly decreased and in February amounted to 594 EUR/m<sup>2</sup>.

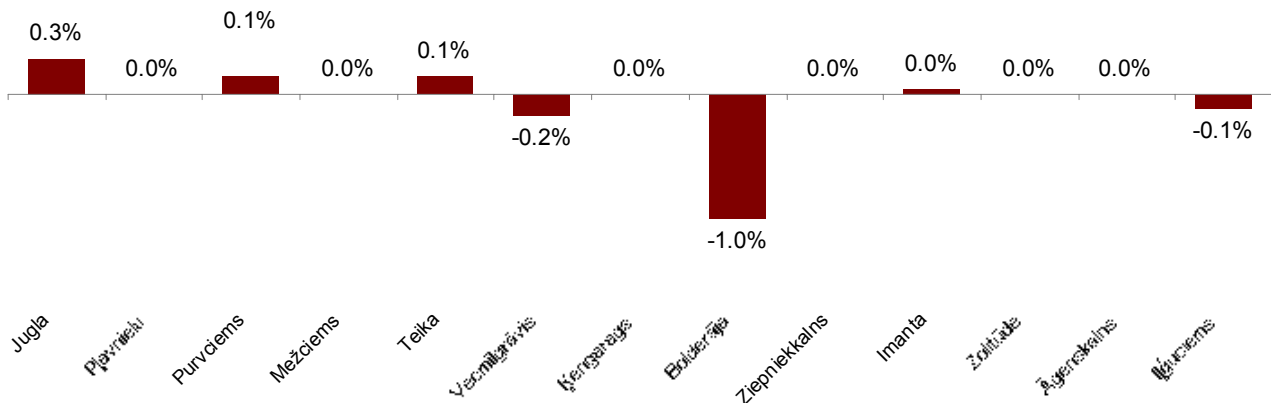


Source: ARCO REAL ESTATE

Mostly in all the largest housing estates of Riga no apartment price changes were observed in February. Only in the housing estates where the prices have been lowest, such as Bolderāja, Vecmīlgrāvis and Iļģuciems, the apartment prices tend to decline. New and increasingly cheaper apartments are being offered for sale in Bolderāja. Similar trends have been observed in Vecmīlgrāvis, where the number of supply grew significantly in February. The overall supply in the largest housing estates of Riga increased by 5% in February.

The largest average price increase of 1 m<sup>2</sup> in the housing estates of Riga since the beginning of 2013 was observed at Jugla – +0.3%. But in Bolderāja the prices decreased by 1% on average. A price decrease was observed in Bolderāja also in January 2013.

### Changes in standard-type apartment prices since beginning of 2012, in %

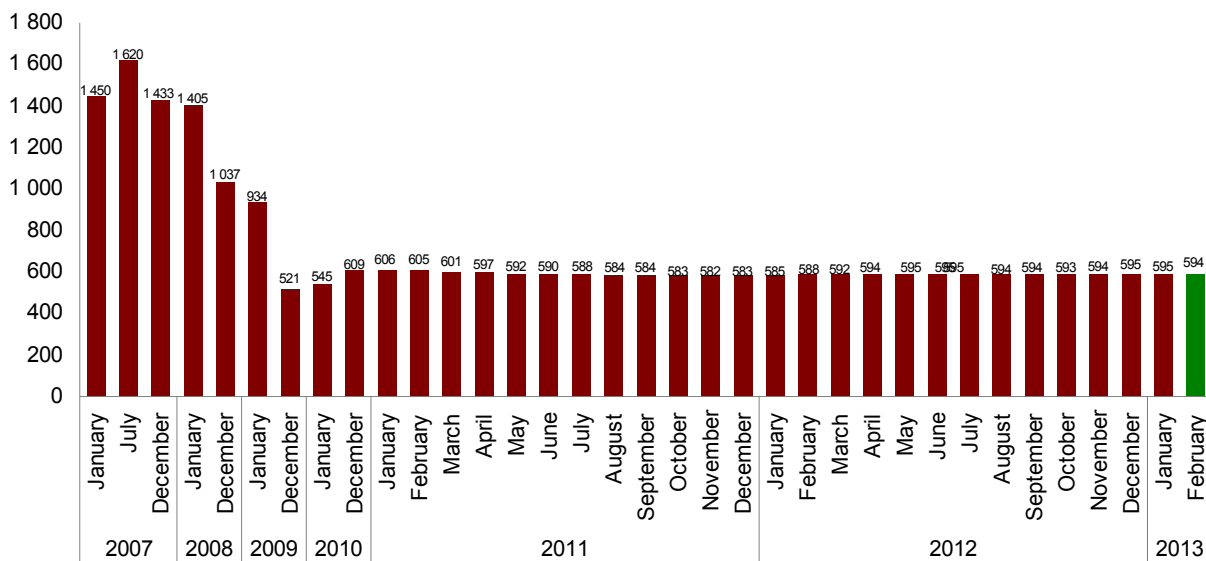


Source: ARCO REAL ESTATE

In February 2013 the average standard-apartment price was at the same level as in April 2012. In February 2013 this price decreased to **594 EUR/m<sup>2</sup>**. The prices on average are by 63.3% lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value of 1620 EUR/m<sup>2</sup>..

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%. But in 2010 the prices grew by 16.9% in total. In 2011, the prices of standard-type apartments decreased by 3.5. In 2012, the apartment prices grew by 2%. Since the beginning of 2013, the apartment prices have decreased by 0.1%.

## Movements of average price of standard-type apartments in housing estates of Riga, EUR/m<sup>2</sup>



Source: ARCO REAL ESTATE

In February 2013, the average price of 1 square metre of apartments if categorized by number of rooms has not changed.

## Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms (EUR/m<sup>2</sup>)

	2011												2012												2013		
	1st January	1st February	1st March	1st April	1st May	1st June	1st July	1st August	1st September	1st October	1st November	1st December	1st January	1st February	1st March	1st April	1st May	1st June	1st July	1st August	1st September	1st October	1st November	1st December	1st January	1st February	1st March
<b>1 room</b>	654	649	644	636	633	628	626	624	623	622	622	621	622	626	632	639	639	640	641	640	638	639	639	642	643	643	<b>643</b>
<b>2 rooms</b>	621	615	613	609	604	599	596	594	590	591	589	589	590	592	594	598	600	602	602	602	602	602	601	601	602	602	<b>602</b>
<b>3 rooms</b>	587	584	584	581	578	573	571	567	564	564	563	563	563	565	568	571	573	574	575	575	575	575	574	574	574	574	<b>574</b>
<b>4 rooms</b>	577	575	578	576	572	569	567	566	561	560	558	556	557	557	560	561	565	565	562	562	562	562	560	560	560	560	<b>560</b>

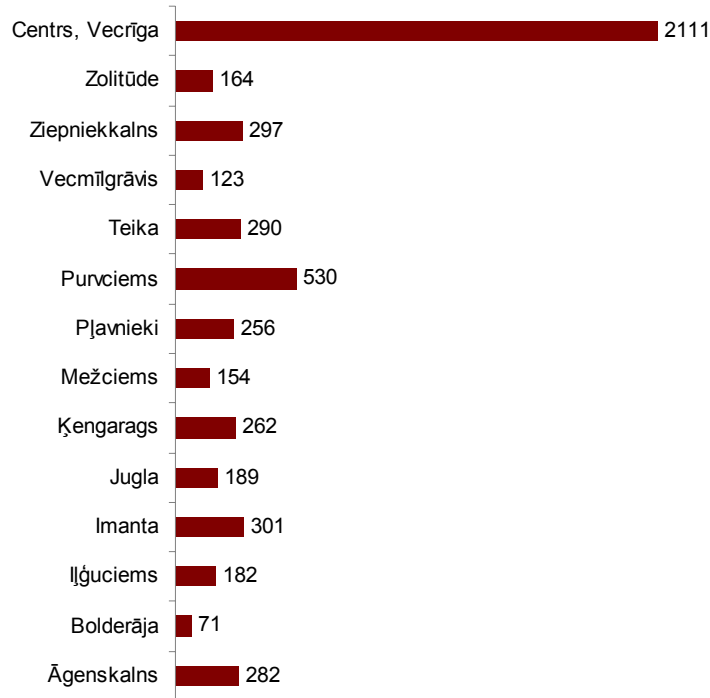
Source: ARCO REAL ESTATE

The supply of apartments continued to grow in February 2013. The number of apartments supplied has increased both in the largest housing estates analyzed by the ARCO REAL ESTATE (+8%) and in the Riga City in total (+5%). The increase of the number of apartments offered and located in the central part of Riga (city centre, Old Town) has been the lowest - by 1.9%.

Having summarized the number of apartments supplied, we can conclude that the largest supply of apartments in February was in Purvciems, Pļavnieki, Ķengarags and Imanta. But the housing estates where the number of apartments supplied was the smallest were Bolderāja and

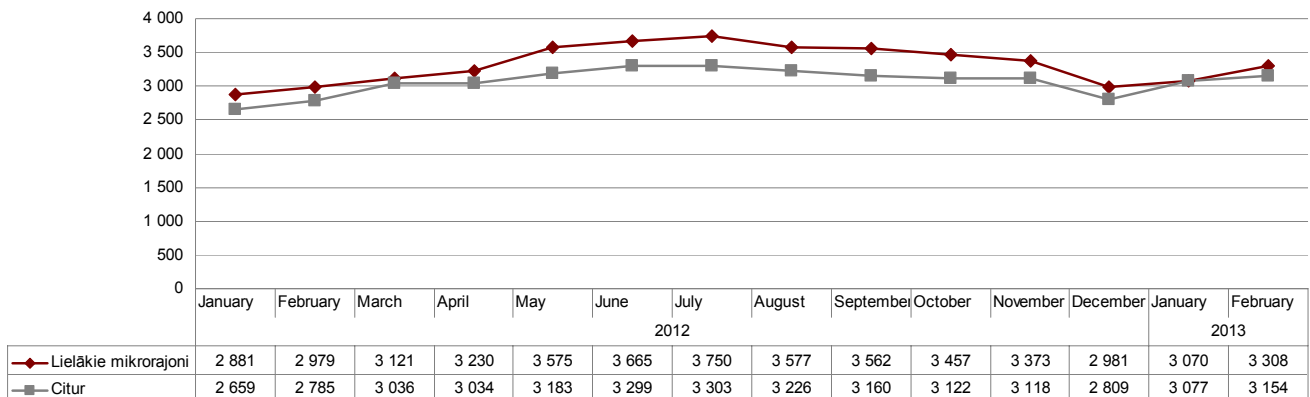
Zolitūde. In February, the number of apartments supplied has grown in almost all the largest Riga housing estates, except Zolitūde where the supply decreased by 3%. The largest growth of the supply was observed in Vecmīlgrāvis - by 37%.

**Number of apartments offered in the market in Riga in February, 2013**



Source: ARCO REAL ESTATE

**Supply dynamics in Riga**



Source: ARCO REAL ESTATE

In February 2013, the standard-type apartment market was characterized by price changes only in certain housing estates. The average price of 1 m<sup>2</sup> has slightly decreased only in Vecmīlgrāvis (-0.2%), Bolderāja (-0.3%) and Ilģuciems (-0.1%). In the other housing estates no price fluctuations were observed, and the prices should be considered to be stable.

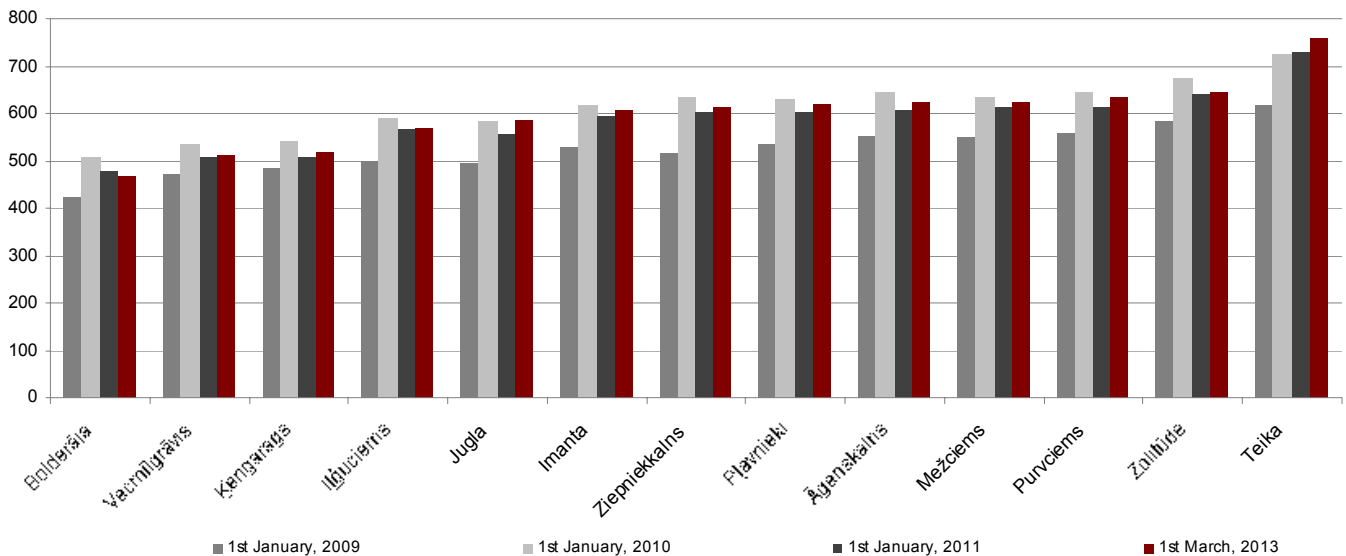
**Change of average standard-type apartment prices in Riga housing estates (%)**

	Average 1m <sup>2</sup> price on 1st March, 2013	Average 1m <sup>2</sup> price on 1st February, 2013	Price changes, %
Jugla	585	585	0.0%
Pļavnieki	622	622	0.0%
Purvciems	633	633	0.0%
Mežciems	624	624	0.0%
Teika	758	758	0.0%
Vecmīlgrāvis	513	514	-0.2%
Ķengarags	518	518	0.0%
Bolderāja	468	469	-0.3%
Ziepniekkalns	613	613	0.0%
Imanta	606	605	0.0%
Zolitūde	644	644	0.0%
Āgenskalns	623	623	0.0%
Ilģuciems	569	570	-0.1%

Source: ARCO REAL ESTATE

Since the beginning of 2012, the standard-type apartment prices have increased by 2%. Since the beginning of 2011, the prices have decreased by 2.4%. Compared with the beginning of 2010, in February 2013 the standard-type apartment prices in the housing estates of Riga were by 14.1% higher.

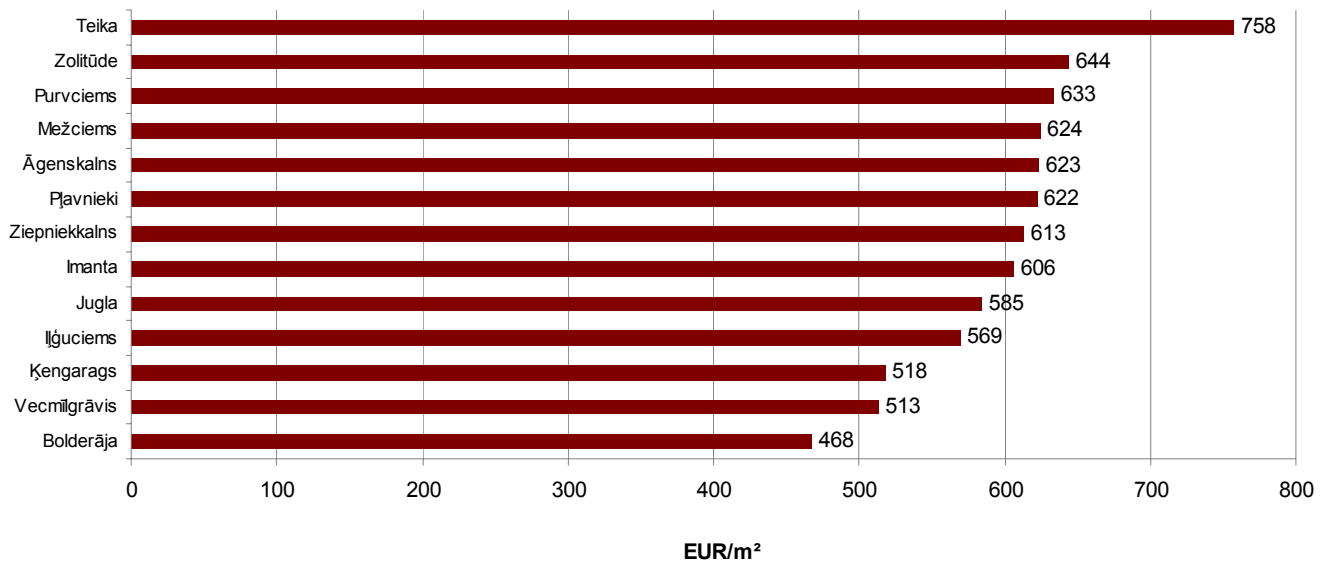
**Average standard-type apartment prices in Riga housing estates (EUR/m<sup>2</sup>)**



Source: ARCO REAL ESTATE

The highest prices in February 2013 were observed at *Teika*, where the average price of 1m<sup>2</sup> has remained to be 758 EUR. In turn, the lowest prices in February were observed at *Bolderāja*, where the average price of 1m<sup>2</sup> has decreased to 468 EUR.

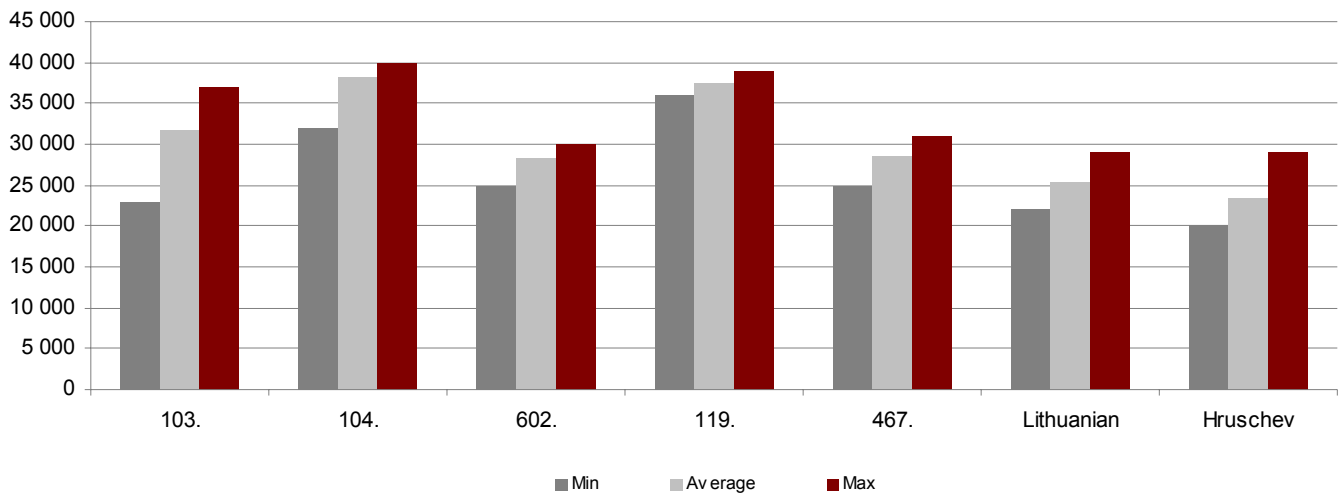
**Average standard-type apartment prices in Riga housing estates in February 2013 (EUR/m<sup>2</sup>)**



Source: ARCO REAL ESTATE

In February 2013, the most expensive apartments still were in the houses of the 119<sup>th</sup> series and 104<sup>th</sup> series, where the price of 2-room apartments varied from 32 to 40 thousand EUR, depending on location. But the so-called *Lithuanian design houses* have been the cheapest ones, where the price of 2-room apartments varied from 22 to 29 thousand EUR, and the so-called *Khrushchev-time houses*, where the price of 2-room apartments varied from 21 to 29 thousand EUR, depending on the housing estate.

**Standard-type apartment prices by series in Riga housing estates in March 2013 (prices of 2-room apartments, in EUR)**



Source: ARCO REAL ESTATE

## Apartment market in the vicinity of Riga

### *Ogre*

The average prices in Ogre in February 2013 **remained unchanged**. The average apartment price has remained to be **426 EUR/m<sup>2</sup>**. In 2012, the prices of standart-type apartments decreased by 1.3% in Ogre. However, in general, the apartment prices in Ogre have been stable.

### *Jūrmala, Kauguri*

In February 2013 the apartment prices in Kauguri **decreased b0.8%**. The average price of an apartment has dropped to **408 EUR/m<sup>2</sup>**. In 2012, the prices of standart-type apartments decreased by 3.5% in Kauguri. Apartment prices at Kauguri still remain at low level and often transactions are made at even lower prices than requested in the offer. The price decline observed in 2012 indicates a diminished interest in apartments located in this region, and the prices observed in the beginning of 2013 show the trend to decrease.

### *Salaspils*

In February 2013, the apartment prices in Salaspils **remained unchanged**. The average price remained to be **472 EUR/m<sup>2</sup>**. In 2012, the prices of standart-type apartments decreased by 3.1% in Salaspils. Apartment price changes in Salaspils usually are connected with changes in Riga housing estates where the prices are stable today. No apartment price fluctuations have been observed in Salaspils in the beginning of 2013.

### *Jelgava*

In February 2013, the apartment prices in Jelgava **remained unchanged**. The average price remained to be **287 EUR/m<sup>2</sup>**. In 2012, the prices of standart-type apartments decreased by 2.6% in Jelgava. The apartment prices observed in the beginning of 2013 in Jelgava should be considered stable.