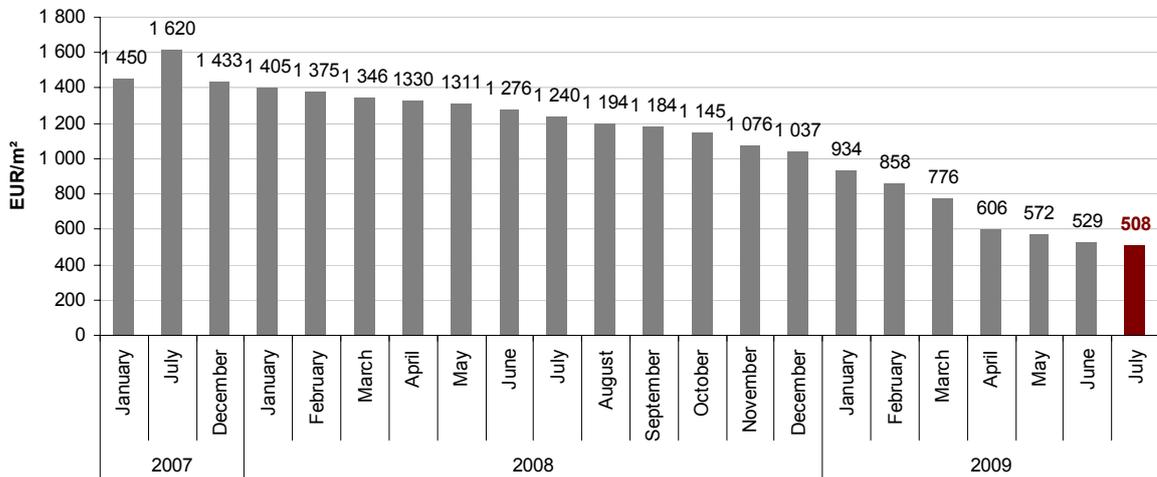


Standard-type apartments, July 1, 2009

In June 2009 the price decreasing paces decreased in comparison with the previous month - the standard-type apartments prices decreased for 4,1%. It indicates that the prices have tendency to become stable. In the separate housing districts absolutely insignificant price decreasing was observed (1,5 %, 1,7%). It gives the possibility to think that the prices approached the lowest point, when lower the sellers would not be ready to sell their apartments. The offer reduction also justifies that. It is still observed the prices equalizing between different standard-type apartments and housing estates. The apartments in better series houses of are not essentially expensive then the apartments in worse series houses.

The average price of a standard-type apartment in June decreased to **508 EUR/m²**. Thereby the prices were on average lower by 68.6 % than on July 1, 2007. But in comparison with January 1, 2009, the average price of a non-renovated standard-type apartment decreased by 45,6%. Considering the material price recession for the last two years (-68,6%), the real estate market could get back the interest of foreign investors.

The dynamics of average prices for standard-type apartments in Riga City housing estates (price level on the beginning of the period)



Source: ARCO REAL ESTATE

In the housing estates reviewed by Arco Real Estate in June, the average price of a 1 room apartment was 513 EUR/m² and this price, comparing with the previous month, has decreased by 2.29%; the average price of a 2 room standard-type apartment was 512 EUR /m² and this price, comparing with the previous month, has decreased by 2.48%; the average price of a 3 room standard-type apartment was 518 EUR/m² and this price, compared with the previous month, has decreased by 3.36%; and the average price of a 4 room standard-type apartment was 487 EUR/m² and this price, comparing with the previous month, has decreased by 8.11%.

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

	2008	2009						
	December	January	February	March	April	May	June	July
1 room	1084	949	876	795	597	562	525	513
2 room	1039	943	859	768	598	567	525	512
3 room	1038	941	858	781	616	579	536	518
4 room	987	901	837	759	613	592	530	487

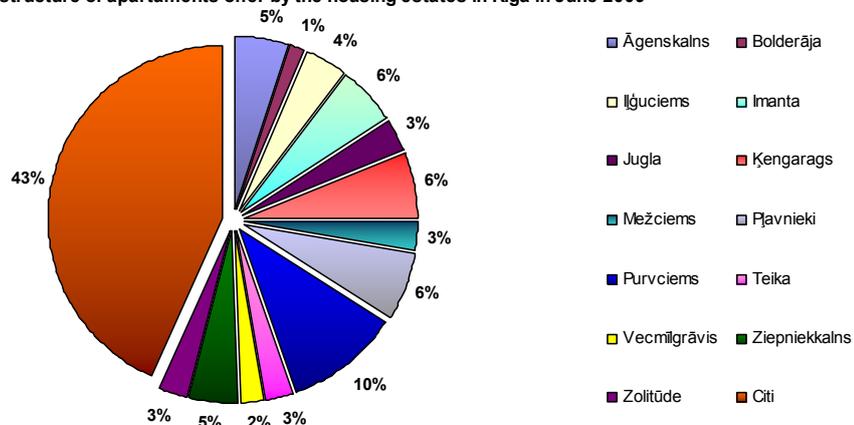
Source: ARCO REAL ESTATE

The supply of apartments for sale in June 2009 has dropped in comparison with the level of the previous month. In general, the number of apartments offered for sale on advertisement portals is reduced for 6,8% comparing with the previous month. It allows to make the conclusion that the offer decreasing is not as rapid as in May, when on average it was 30%, but still dominates the tendency of offer decrease.

The summary of the apartments offered for sale shows that biggest quantity of offers in June was in Purvciems, Ķengarags, Pļavnieki and Imanta. By contrast, the smallest number of offers was in Bolderāja, Teika and Vecmīlgrāvis. Ķengarags, unlike— by 1,2 %. In Bolderāja, Ilģuciems and Mežciems in contradiction to other housing estates stated a slight increase of supplies. The highest supply reduction, like on the previous month, was seen at Vecmīlgrāvis – by 16,3%

The most popular flats in Riga housing estates in June were 2-rooms and 3-rooms apartments. But the smallest interest was to 4-rooms apartments.

The structure of apartments offer by the housing estates in Riga in June 2009



Source: ARCO REAL ESTATE

In housing estates of Riga, comparing the prices of **June 2009 with the prices of July 2009**, the highest price decreasing was observed in Zolitūde (-8,8%). It is explained by the prices equalization between the housing estates as the average price of apartments in Zolitūde is still the highest. But the smallest decreasing was observed on Jugla (-1,5%). It should be mentioned that the biggest part of prices in Riga housing estate reduced on average for 4%.

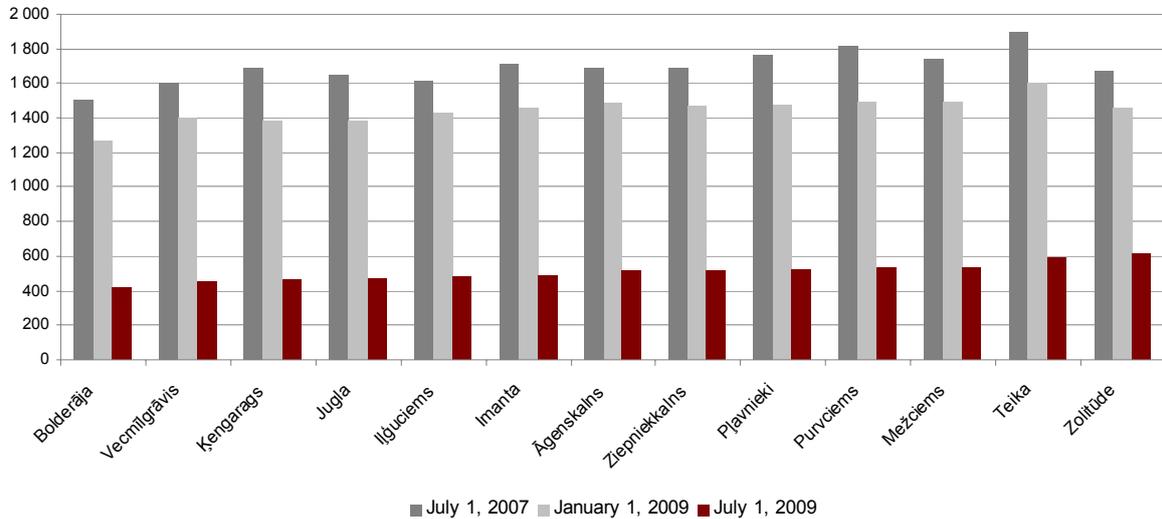
The changes of average standard-type apartment prices in Riga housing estates (%)

	Average value of 1m ² on July 1, 2009	Average value of 1m ² on June 1, 2009	Change, in %
Jugla	474	482	-1,5%
Pļavnieki	522	543	-4,0%
Purvciems	529	557	-5,0%
Mežciems	532	567	-6,1%
Teika	589	605	-2,6%
Vecmīlgrāvis	455	469	-2,9%
Ķengarags	468	477	-1,8%
Bolderāja	421	428	-1,7%
Ziepniekkalns	514	531	-3,1%
Imanta	493	513	-3,9%
Zolitūde	620	680	-8,8%
Āgenskalns	511	526	-2,8%
Ilģuciems	483	495	-2,6%

Source: ARCO REAL ESTATE

Due to the price decline in the recent two years, the standard-type apartment prices in Riga housing estates in June 2009 had already been lower for 68.6% than those in the beginning of July 2007 and for 45.6% comparing with the prices in the beginning of 2009.

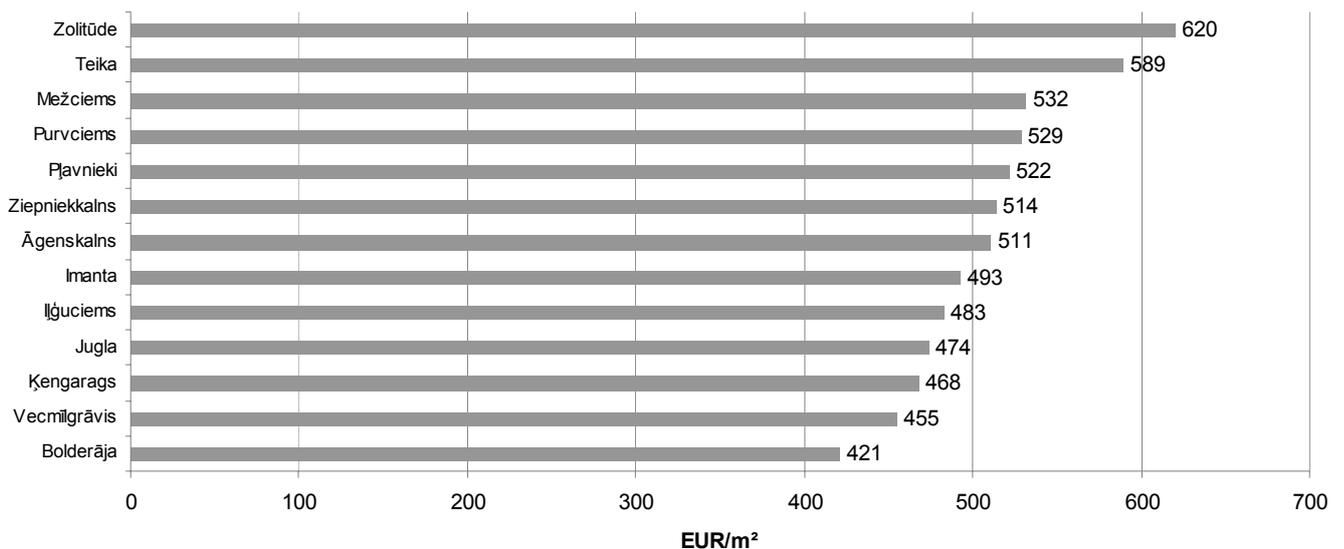
The average standard-type apartment prices in Riga housing estates (EUR/m²)



Source: ARCO REAL ESTATE

The highest prices in June 2009 were still in *Zolitūde*, where the average price of 1m² was 620 EUR, as well as on *Teika*, where the average price of 1m² was 589 EUR. In turn, the lowest prices in June 2009 were in *Vecmīlgrāvis* and *Bolderāja*, where the average price of 1m² was 455 EUR and 421 EUR respectively.

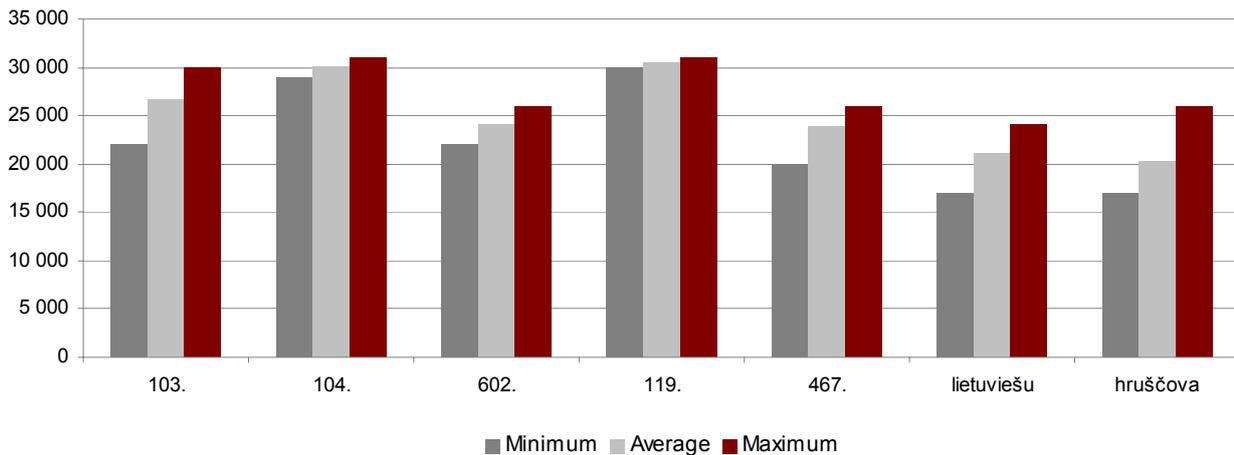
The average standard-type apartment prices in Riga housing estates in June (EUR/m²)



Source: ARCO REAL ESTATE

In June 2009, the most expensive apartments still were the apartments in the 119th series houses, where the prices of 2-room apartments fluctuated from 30 to 31 thousand EUR, and in the houses of the 104th series, where the prices of 2-room apartments fluctuated from 29 to 31 thousand EUR, depending on the housing estate. But the cheapest were so-called *Lithuanian design houses*, where the prices of 2-room apartments fluctuated from 17 to 24 thousand EUR, and the so-called *Khrushchev-time houses*, where the prices of 2-room apartments fluctuated from 17 to 26 thousand EUR, depending on the housing estate.

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



Source: ARCO REAL ESTATE

Jūrmala Kauguri

The comparison of the average prices in Kauguri in June 2009 with the prices in May 2009 shows the price **decline for 4%, to the average price of 410 EUR/m²**, and the comparison of the prices in June 2009 with those observed **in the beginning of 2009 shows the price decline by 49%**. 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 June 2009 with the prices in May 2009 shows a price **decline by 2% in average**, and the comparison of the prices in June 2009 with the prices in the beginning of 2009 shows the price decline by 52,8%, **to the average price of 347 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 June 2009 with the prices in May 2009 shows a price **decline by 11% in average**, and the comparison of the prices of June 2009 with the prices in the beginning of 2009 shows the price decline by 52%, **to the average price of 423 EUR/m²**. 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 June 2009 with the prices in May 2009 shows the price **decline by 11%**, and comparison of the prices of June 2009 with the prices in the beginning of 2009 shows the price decline by 54%, **to the average price of 400 EUR/m²**. The most expensive apartments in Ogre were the 103rd and the 602nd series apartments, but the cheapest apartments were in the *Khrushchev-time houses*.