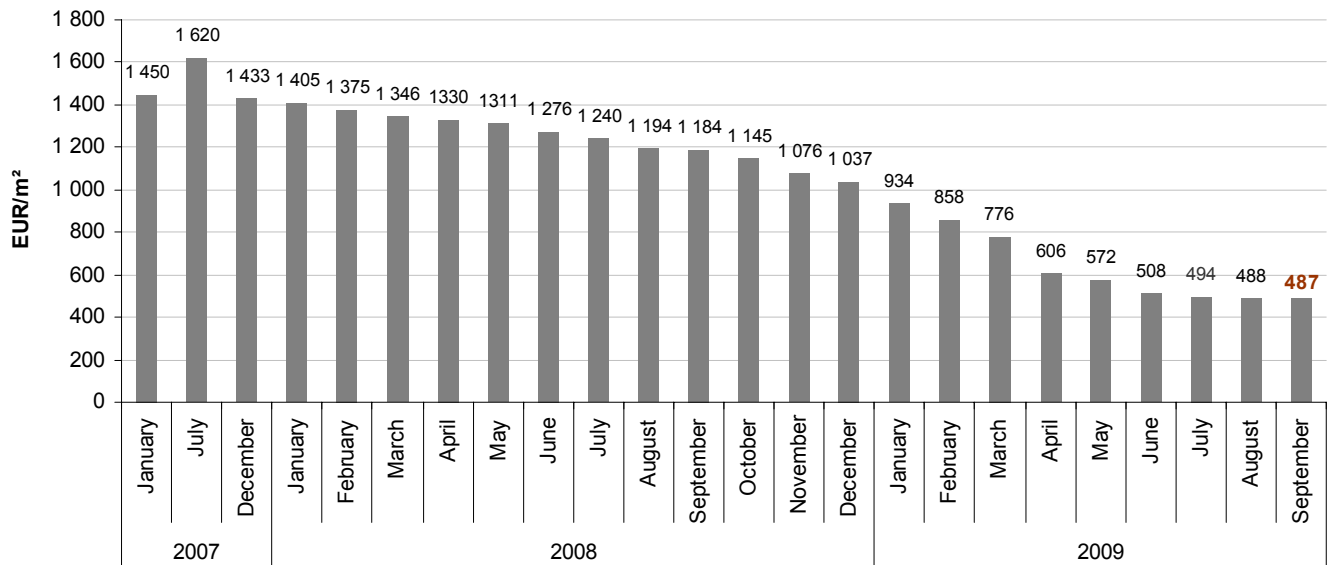


Standard-type apartments, October 1, 2009

In September 2009, in comparison with August, the price decreasing is evaluated as insignificant – the prices of standard-type apartments in Riga decreased in September by **0.2 %**. In the separate Riga housing estates and segments of standard-type apartments the prices are even a little bit increased. Taking into consideration the economical situation as a whole, especially uncleriness with taxes, including progressive income tax, then in spite of price stabilization on standard-type apartment market, there are no objective reasons for further standard-type apartment price increase. In the separate housing estates the price changes are not established at all. In comparison with the previous month the quantity offer is the same. This circumstance also is evidence of the price stabilization. The number of “low price” offer is decreased during the last month and the average price in separate housing estates a little bit increased. In spite of general situation on real estate market, there is still observed the activity in the expensive apartment segment. There are still in demand the apartments in good-type houses, with good location of the building and qualified finishing and often happen the deals. There also continues the price equalization between different standard-type apartments, the same as for 1-rooms apartments in different housing estates.

The average price of a standard-type apartment in September decreased to **487 EUR/m²**. Thereby the prices were on average lower by 69.9 % than on July 1, 2007, when the average price of a non-renovated standard-type apartment was 1620 EUR/m². For its part, in comparison with January 1, 2009, the average price of a non-renovated standard-type apartment reduced by 47,9%.

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 September the average price of a 1 room apartment was 498 EUR/m² and this price, comparing with the previous month, has decreased by 0.2%; the average price of a 2 room standard-type apartment was 496 EUR /m² and this price, comparing with the previous month, has stayed without changes; the average price of a 3 room standard-type apartment was 477 EUR/m² and this price, compared with the previous month, has decreased by 0.42%; and the average price of a 4 room standard-type apartment was 479 EUR/m² and this price, comparing with the previous month, has stayed without changes.

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

	2009									
	January	February	March	April	May	June	July	August	September	on 1st October
1 room	949	876	795	597	562	525	513	507	499	498
2 rooms	943	859	768	598	567	525	512	503	496	496
3 rooms	941	858	781	616	579	536	518	483	479	477
4 rooms	901	837	759	613	592	530	487	483	479	479

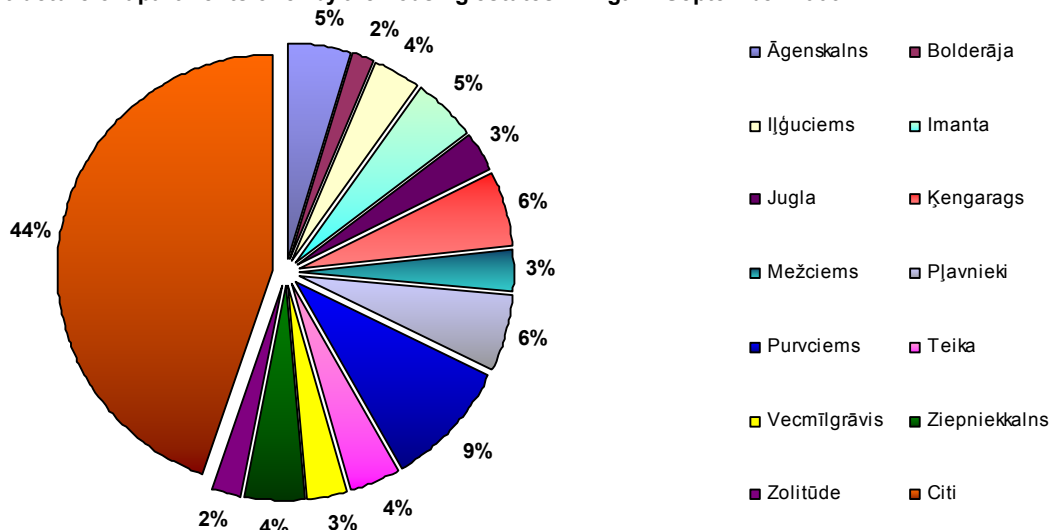
Source: ARCO REAL ESTATE

The supply of apartments for sale in September 2009 is a little bit decreased in comparison with the level of the previous month. The total quantity of proposal in September is decreased by 1,6 %. Wherewith it allows come to the conclusion that the proposal volume became stable - neither substantially grew up nor decreased.

The summary of the apartments offered for sale shows that biggest quantity of offers in September was in Purvciems, Ķengarags, Pļavnieki and Imanta. By contrast, the smallest number of offers was in Bolderāja and Zolitūde. The highest supply decrease in September is established in Zolitūde – 17,8%.

The most popular flats in Riga housing estates in September were 2-rooms and 3-rooms apartments. In its turn the smallest interest related to 4-rooms apartments.

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



Source: ARCO REAL ESTATE

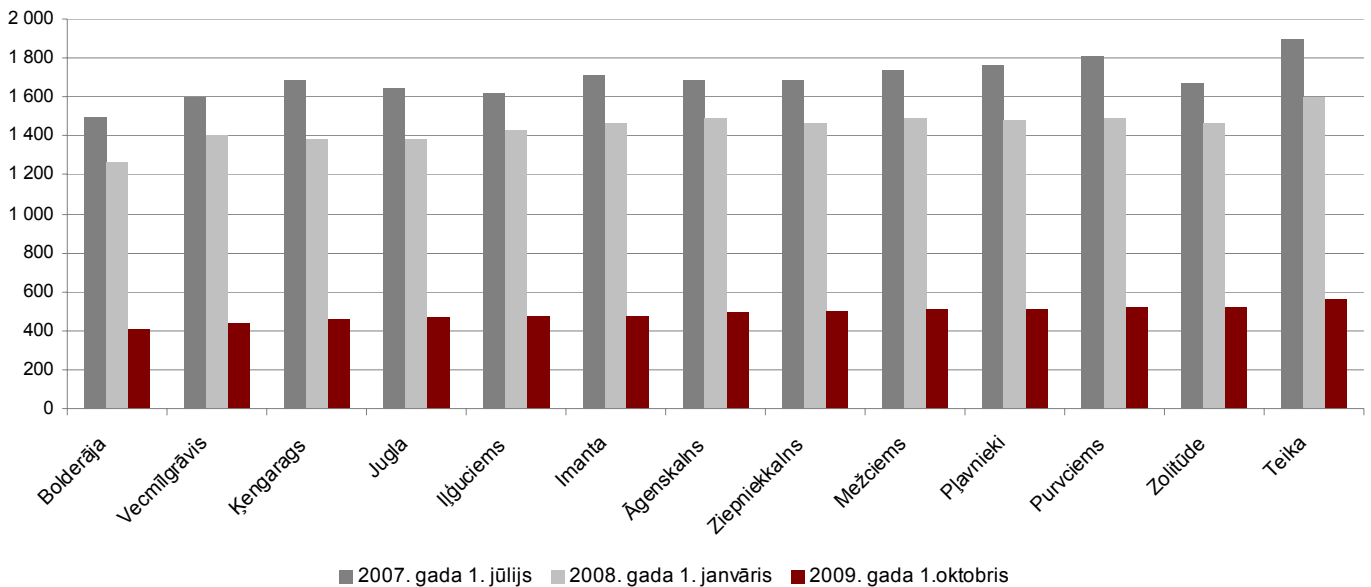
In housing estates of Riga, comparing the prices of September 2009 with the prices of August 2009, the highest price decreasing was observed on Teika (-1%), like in July. However, the prices in Riga in September predominantly are not changed.

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

	Average value of 1m ² on October 1, 2009	Average value of 1m ² on September 1, 2009	Change in %
Jugla	469	469	0,0%
Pļavnieki	512	512	0,0%
Purvciems	516	516	0,0%
Mežciems	509	511	-0,3%
Teika	567	573	-1,0%
Vecmīlgrāvis	443	443	0,0%
Kengarags	456	456	0,0%
Bolderāja	406	407	-0,4%
Ziepniekkalns	501	502	-0,2%
Imanta	476	476	0,0%
Zolitūde	521	522	-0,4%
Āgenskalns	495	495	0,0%
Iļģuciems	473	473	0,0%

Source: ARCO REAL ESTATE

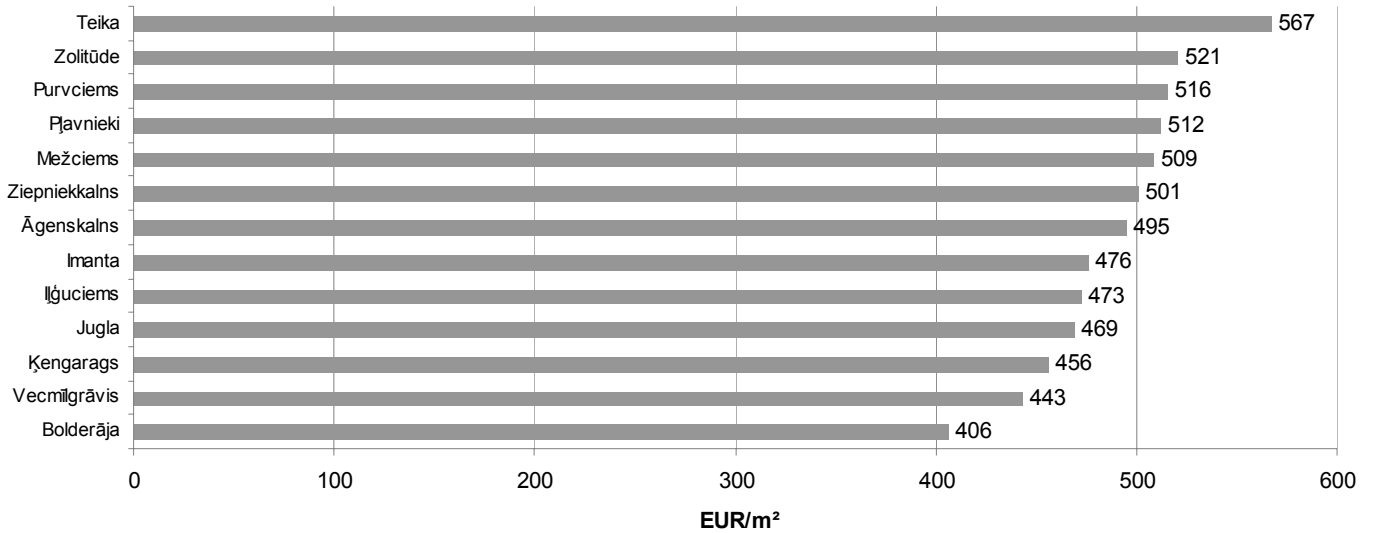
Due to the price decline in the recent two years, the standard-type apartment prices in Riga housing estates in September 2009 had already been lower for 69.9% than those were in the beginning of July 2007 and for 47.9% comparing with the prices in the beginning of 2009.

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


Source: ARCO REAL ESTATE

The highest prices in September 2009 still remain on Teika, where the average price of 1m² was 567 EUR. Zolitūde follows after it where the average price of 1m² was 521 EUR. In its turn, the lowest prices in September 2009 were in Vecmīlgrāvis and Bolderāja, where the average price of 1m² was 443 EUR and 406 EUR correspondingly.

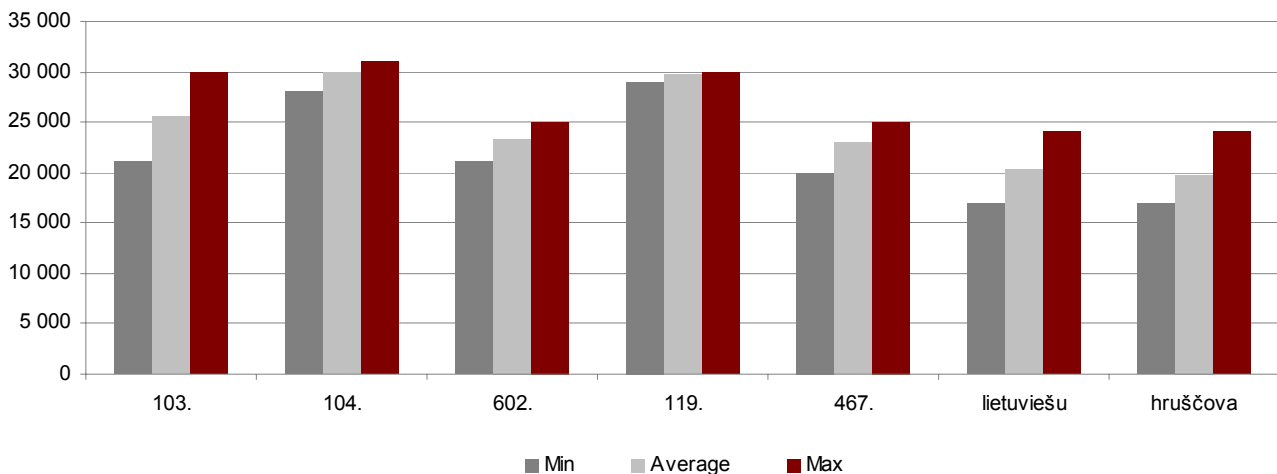
The average standard-type apartment prices in Riga housing estates in September (EUR/m²)



Source: ARCO REAL ESTATE

In September 2009, the most expensive apartments still were the apartments in the 119th and 104th series houses, where the prices of 2-room apartments fluctuated from 28 to 31 thousand EUR depending on the housing estate location. In its turn 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 24 thousand EUR, depending on the housing estate.

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



Source: ARCO REAL ESTATE

Jūrmala Kauguri

The comparison of the average prices in Kauguri in September 2009 with the prices in August 2009 shows a price **decline by 0,9% in average**, and the comparison of the prices in September 2009 with the prices in the beginning of 2009 shows the price decline by 50,2%, **to the average price of 403 EUR/m²**. The most expensive apartments in Kauguri still were the *103rd series* apartments, but the cheapest apartments were in the *Khrushchev-time and small-family houses*.

Jelgava

The comparison of the average prices in Jelgava in September 2009 with the prices in August 2009 shows a price **decline by 3,4% in average**, and the comparison of the prices in September 2009 with the prices in the beginning of 2009 shows the price decline by 59%, **to the average price of 302 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 standard-type apartment prices in Salaspils in September 2009 with the prices in August 2009, lets make the conclusion that price changes were not established in Salaspils and the average price is **414 EUR/m²**. However, the comparison of the prices of September 2009 with the prices in the beginning of 2009 shows the price decline by 53,7%, The most expensive apartments in Ogre were the *103rd and the 602nd series* apartments, but the cheapest apartments were in the *Khrushchev-time houses*.

Ogre

The comparison of the average standard-type apartment prices in Ogre in September 2009 with the prices in August 2009, lets make the conclusion that price changes were not established in Ogre and the average price is **392 EUR/m²**. However, the comparison of the prices of September 2009 with the prices in the beginning of 2009 shows the price decline by 54,5%, The most expensive apartments in Ogre were the *103rd and the 602nd series* apartments, but the cheapest apartments were in the *Khrushchev-time houses*.