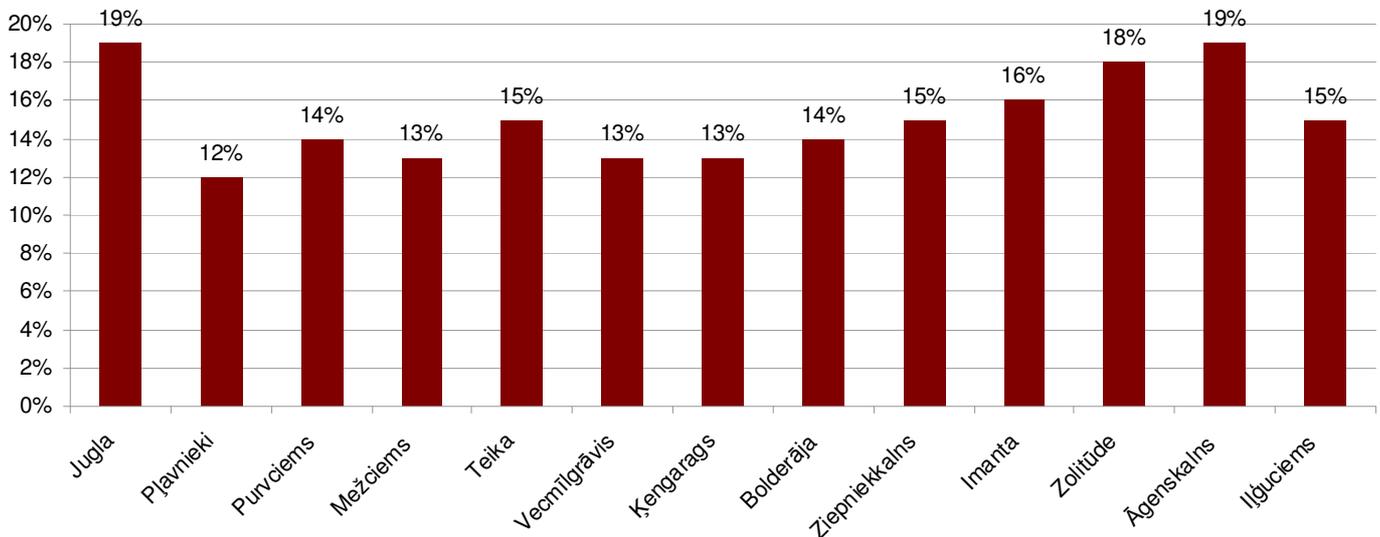


### Standard-type apartments, July 1, 2010

In June 2010 in general there was not observed the price increase in the housing estates of Riga in June 2010. In general the prices for the standard-type apartments in Riga increased in June on average for **0,2%**. As far as this number is absolutely insignificant, it is considered as the price fluctuation and previous price increase is stopped. The prices insignificantly decreased on Teika, Ķengarags, Bolderāja and Ilģuciems, in its turn in other housing estates prices slightly increased. The highest price increase in June was observed in Mežciems, where the average price increase was 1,2%. The prices for the apartments continue to increase from September 2009 and by this moment they have increased on average by **23,6%**. Still the middle of 2010 is marked as the general apartment price stabilization. In June the prices insignificantly increased just to the apartments of so-called "the most liquid" series. In its turn the prices for the cheap *Lithuanian project* and *Khrushchev-time houses* have the tendency to decrease in some housing estates.

The prices for standard-type apartments increased on average for **15,5%** from the beginning of 2010. The highest price increase during the first six months of 2010 was established on Jugla and Āgenskalns – 19%. In its turn the smallest price increase was observed in Pļavnieki – 12%.

### Price changes from January 1, 2010



Source: ARCO REAL ESTATE

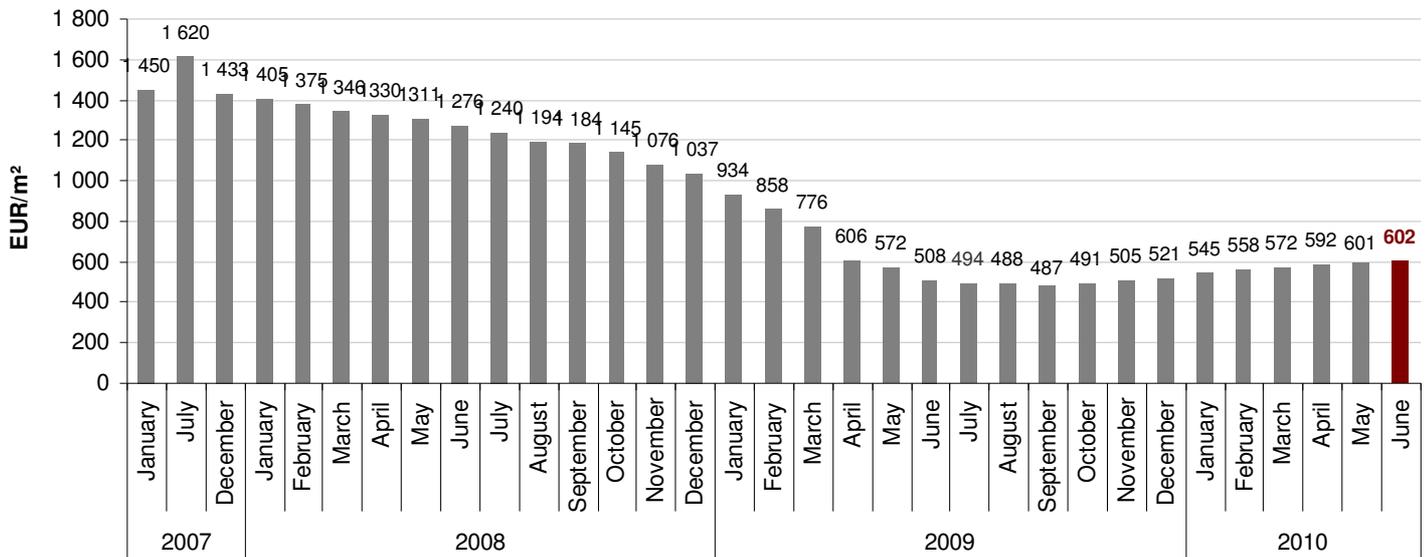
In June there the number of the offered proposals decreased in general. In comparison with May when the increase was 12,4%, in June the proposals decrease was 5,1%. The number of proposals has been decreased for the first time after the five months of increase. Taking into consideration that the price increase has stopped in June and the number of the offered proposals decreased, it is indicative of the total market activity reduction.

In June 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 June 2009 the prices increased by 18,5%.

The average standard-type apartment price in June 2010 increased till the level of **602 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 62,8% 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 35,5%.

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 June, the average price of a 1 room apartment was 658 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, is unchangeable; the average price of a 3 room standard-type apartment was 573 EUR/m<sup>2</sup> and this price, compared with the previous month, has increased by 0.35%; and the average price of a 4 room standard-type apartment was 562 EUR/m<sup>2</sup> and this price, comparing with the previous month, has increased by 1.08%.

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

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

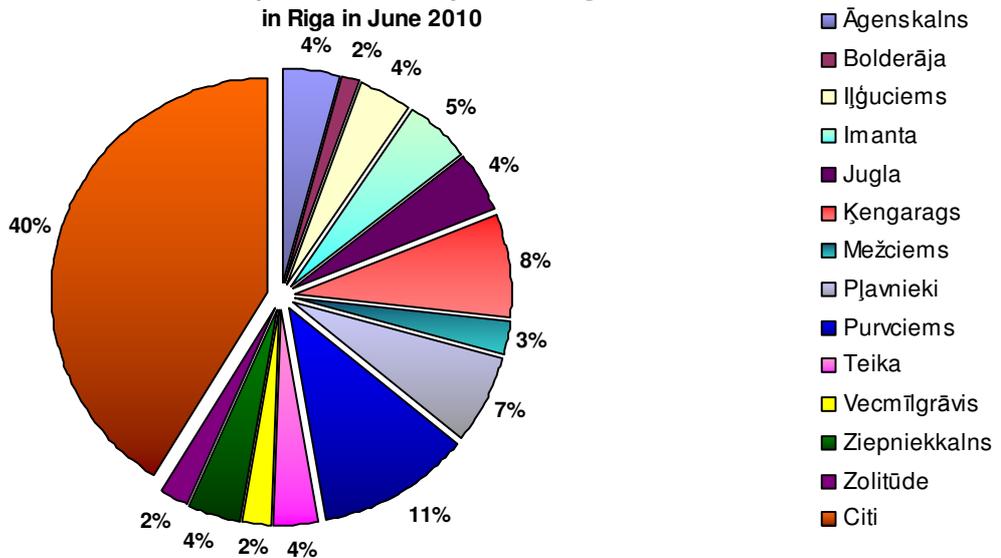
Source: ARCO REAL ESTATE

The supply of apartments for sale in June 2010 has the decrease in both housing estates and Centre in comparison with the level of the previous month. The total quantity of offers is decreased for 5,1% in June that is evaluated as insignificant.

As the result of the apartments summary offered for sale there could be made the conclusion that the biggest quantity of offers in June was in Purvciems, Ķengarags, Pļavnieki and Imanta. By contrast, the smallest number of offers was in Bolderāja and Zolitūde. The number of proposals increased in the definite housing estates. The highest proposals increase in June was established on Mežciems – by 6,1%. In its turn the most number of proposals decrease was established in Mežciems – by 18,3%.

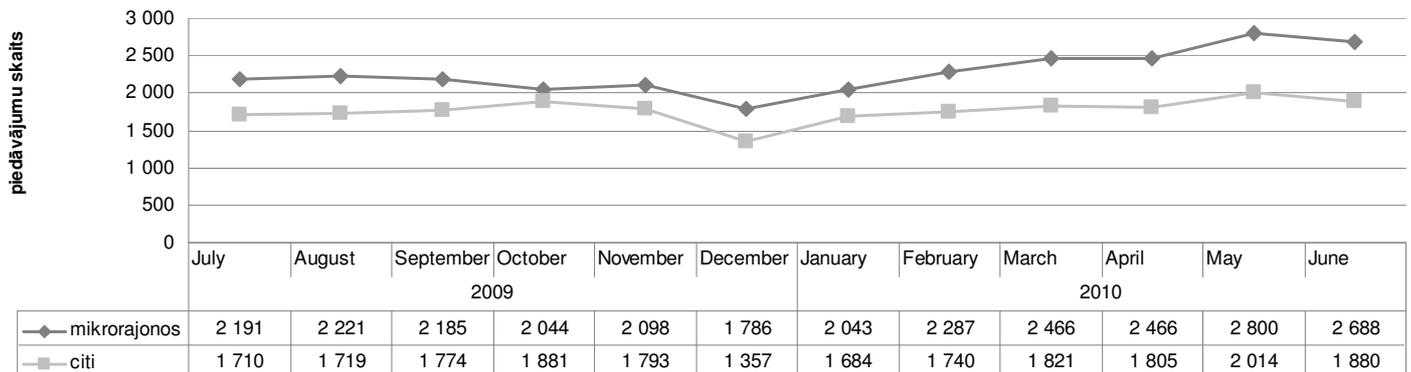
The most popular flats in Riga housing estates in June were 1-rooms and 2-rooms apartments. But the smallest interest was to 4-rooms apartments.

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



Source: ARCO REAL ESTATE

The Dynamics of supply in Riga



Source: ARCO REAL ESTATE

In June 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. Nevertheless, the changes are in the limit of 1% with the exception of Mežciems and it is considered as fluctuations.

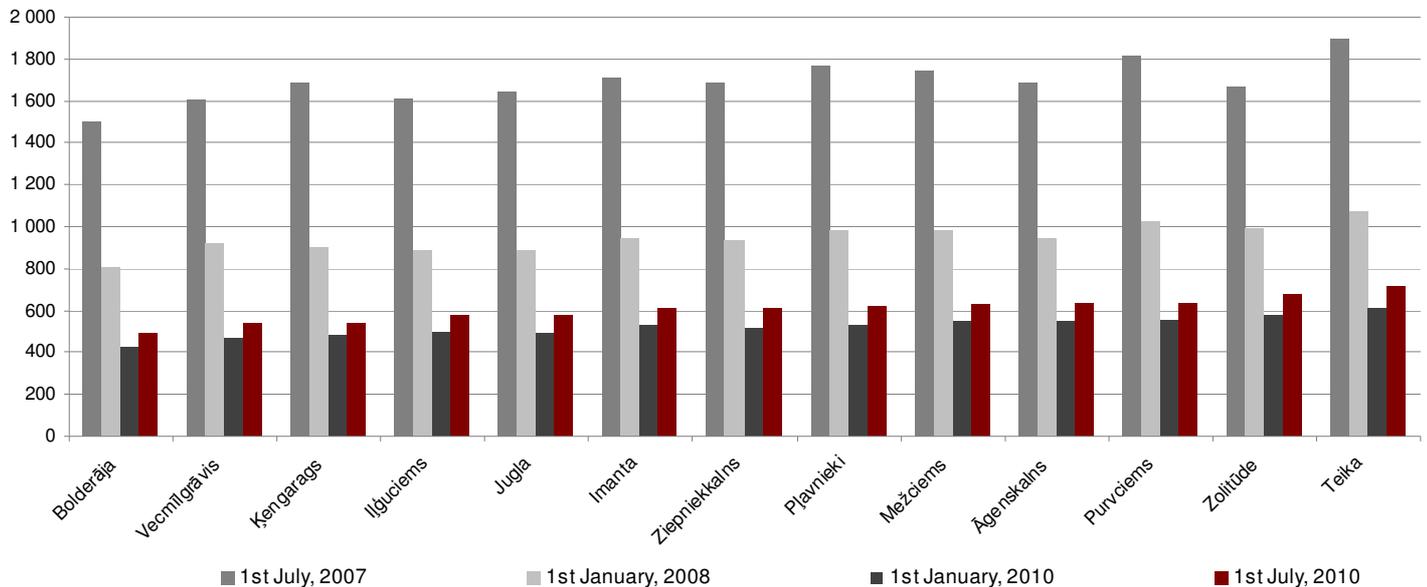
The comparison of the prices in June 2010 with those observed in May 2010 shows the highest price increase in Mežciems, where the average price increase was 1,2%. In its turn the lowest price increase was established on Iļģuciems and Bolderāja by 0,8%.

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

	Average value of 1m <sup>2</sup> on July 1, 2010	Average value of 1m <sup>2</sup> on June 1, 2010	Changes in %
Jugla	581	579	0.3%
Pļavnieki	622	620	0.3%
Purvciems	637	635	0.3%
Mežciems	626	619	1.2%
Teika	720	720	-0.1%
Vecmīlgrāvis	540	540	0.0%
Ķengarags	544	548	-0.7%
Bolderāja	492	496	-0.8%
Ziepniekkalns	615	613	0.3%
Imanta	611	607	0.5%
Zolitūde	675	672	0.4%
Āgenskalns	637	634	0.5%
Ilūciems	578	583	-0.8%

Source: ARCO REAL ESTATE

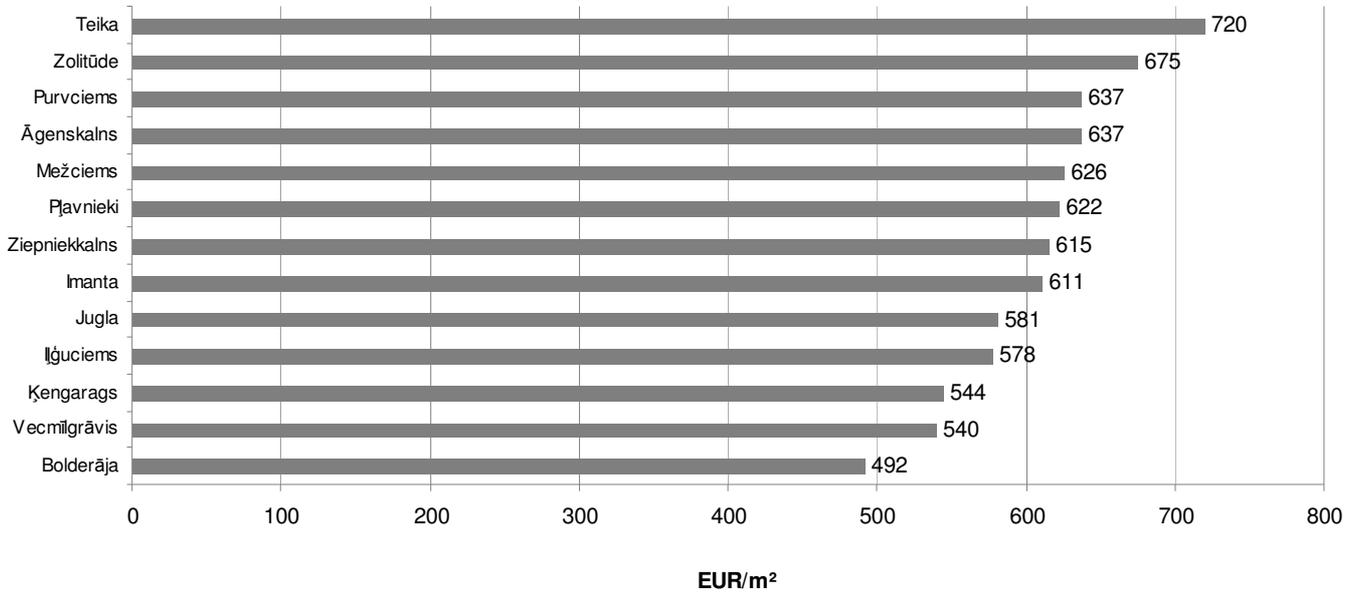
In comparison with the prices of the middle of July 2007 when there was established the highest price level of the apartments, in June 2010 the prices were lower for 62,8% in average and the comparison of prices with the beginning of January 2009 in general showed the decrease by 35,5%. In its turn, the prices increased on average for 15,5% from the beginning of 2010. The prices increased on average for 23,6% 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 June 2010 were still on Teika, where the average value of 1m<sup>2</sup> increased till 720 EUR, then follows *Zolitūde*, where the average price of 1m<sup>2</sup> was 675 EUR. In its turn the lowest prices in June 2010 were in *Vecmīlgrāvis* and *Bolderāja*, where the price of 1m<sup>2</sup> was 540 EUR and 492 EUR correspondingly.

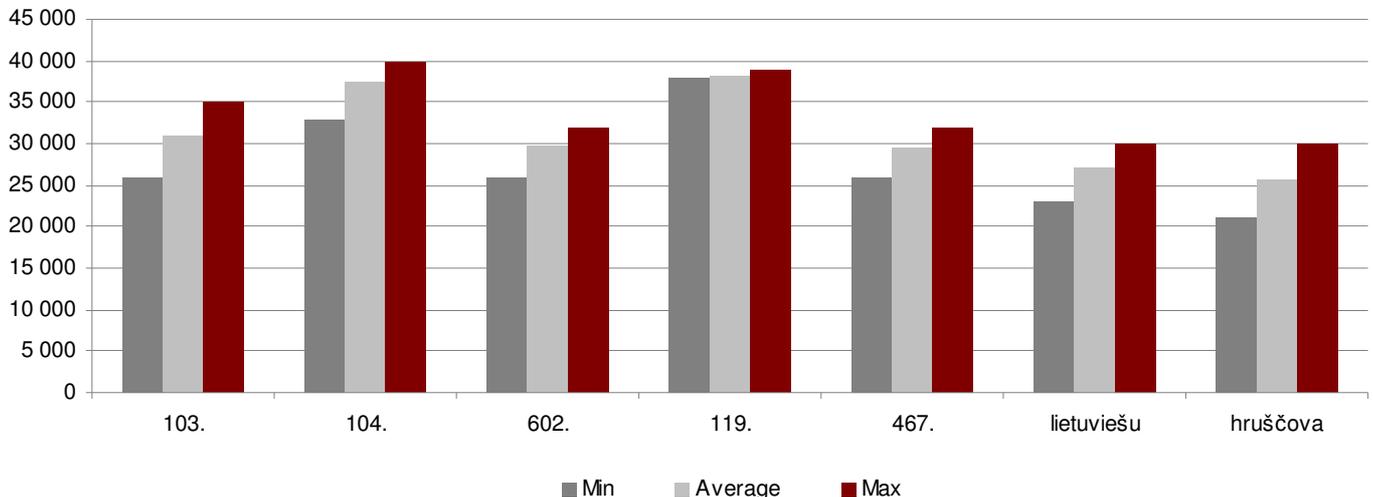
**The average standard-type apartment prices in Riga housing estates in June 2010 (EUR/m<sup>2</sup>)**



Source: ARCO REAL ESTATE

In June 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 33 to 40 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 30 thousands EUR, depending on the housing estate.

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



Source: ARCO REAL ESTATE

### ***Jūrmala Kauguri***

The comparison of the average prices in Kauguri in June 2010 with the average prices in May 2010 shows that **prices are unchangeable**. The average price in June was **445 EUR/m<sup>2</sup>** and the comparison of the prices in June 2010 with those observed **in the beginning of 2010 shows the price increase by 4%**. The most expensive apartments in Kauguri still were the *103<sup>rd</sup> 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 2010 with the average prices in May 2010 shows that **prices are unchangeable**. The price increase in Jelgava has stopped in June. The comparison of the prices in June 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 June 2010 with the prices in May 2010 shows that **prices are unchangeable**. Similarly to the situation in Riga the price increase in Salaspils reduced. The average price in June was **490 EUR/m<sup>2</sup>** and the comparison of the prices in June 2010 with those observed in the beginning of 2010 shows the price increase by **17%**. In 2010 the apartments' prices in Salaspils, the same as in Riga, has the tendency of rising. But in June the price increase stopped.

### ***Ogre***

The comparison of the average prices in Ogre in June 2010 with the average prices in May 2010 shows completely insignificant price increase – **on average for 1%**. The average price of one sq. m is **413 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*.