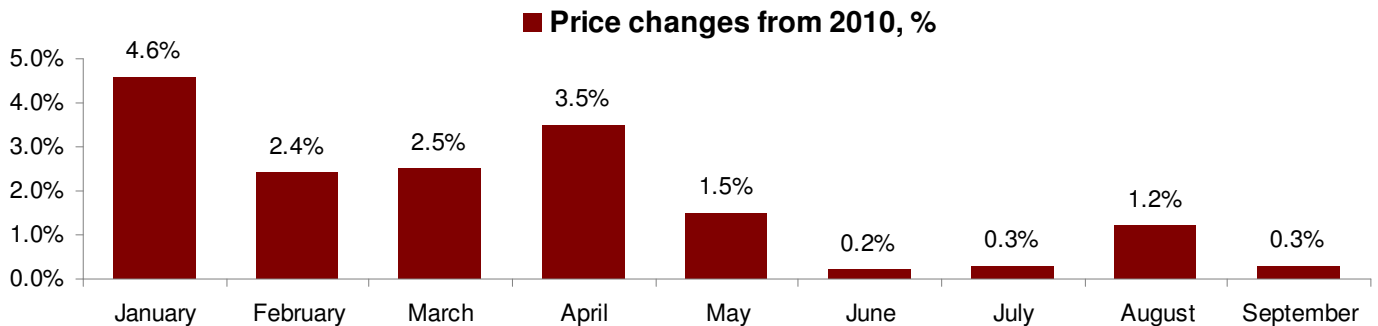


### Standard-type apartments, October 1, 2010

In September 2010 in general there was observed absolutely insignificant price increase on the standard-type apartment market. In general the prices for the standard-type apartments in Riga increased in September on average for **0,3%**. The average price value of m<sup>2</sup> in the standard-type apartment was 614 EUR/m<sup>2</sup>. The total price increase decreased in September and it was absolutely minimal, the same as during the first summer months – June (+0,2%) and July (+0,3%). In 2010 the highest standard-type apartment price increase was still fixed in January – by 4,6%. In its turn the smallest price increase was in June – by 0,2%.



Source: ARCO REAL ESTATE

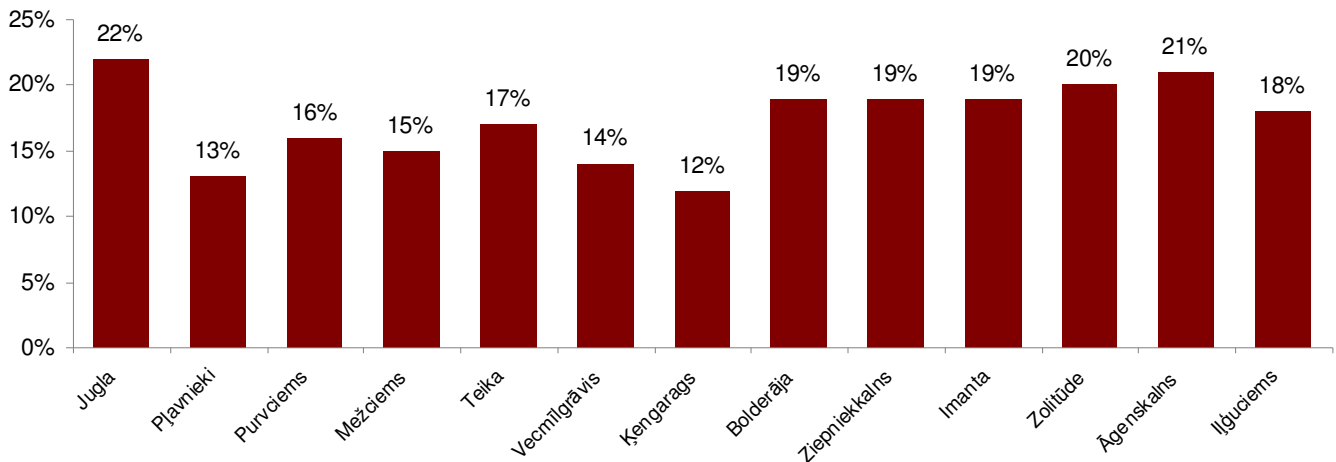
Since this price increase has been rather chaotic in 2010 without any specific trends, the nearest future is also hardly predictable. However, taking into consideration the already existing high price increases (by 17.9% in 2010), it is incredible to believe that this increase could be significantly changed this year. Price fluctuations are likely to be in limits of 1%.

Taking into account the observed real estate market activity in autumn of previous years, in September there could be seen the continuous apartment's proposal increase by 3.7%. The number of proposals has increased in 2010. Most likely the total market activity would not substantially increase during the nearest months. The beginning of heating season, the results of elections and the related general stability in the country are the reasons of it, without the other political and economical factors.

The highest price increase in September was observed in Bolderāja, where the average price increase was 0,8%. In its turn in September there was established the insignificant price decrease in Ķengarags and Vecmīlgrāvis by 0,2%. Just in Mežciemā there were no price changes in September. In the other housing estates observed by ARCO REAL ESTATE the prices increased in limits of 1%. The prices for the apartments have been increased from September 2009 and by this moment they have increased on average by **26,1%**.

The prices for standard-type apartments increased on average for **17,9%** from the beginning of 2010. The highest price increase during the first six months of 2010 was established on Jugla – 22%. In its turn the smallest price increase was observed in Ķengarags – 12%.

■ **Price changes from January 1, 2010**



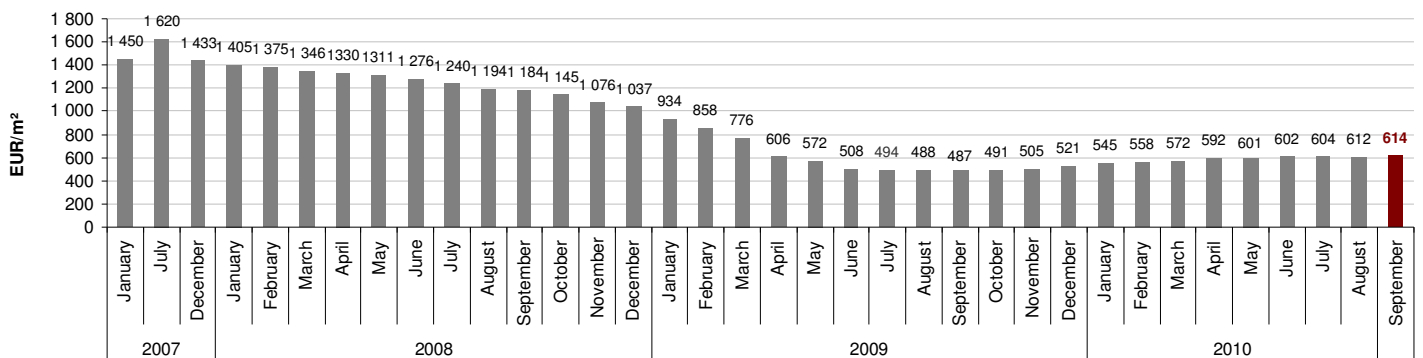
Source: ARCO REAL ESTATE

In September 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 July 2009 the prices increased by 26,5%.

The average standard-type apartment price in September 2010 increased till the level of **614 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 62,1% 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 34,3%.

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 September, the average price of a 1 room apartment was 662 EUR/m<sup>2</sup> and this price, comparing with the previous month prices, has decreased by 0,1%; the average price of a 2 room standard-type apartment was 628 EUR /m<sup>2</sup> and this price, comparing with the previous month, has increased by 0,6%; the average price of a 3 room standard-type apartment was 590 EUR/m<sup>2</sup> and this price, compared with the previous month, has increased by 0.3%; and the average price of a 4 room standard-type apartment was 578 EUR/m<sup>2</sup> and this price, comparing with the previous month, has increased by 0.5%.

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

	Y2009												Y2010									
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	1st October
1 room	949	876	795	597	562	525	513	507	499	498	517	546	568	598	614	629	654	660	658	656	663	662
2 rooms	943	859	768	598	567	525	512	503	496	485	496	521	541	566	574	587	606	617	617	617	624	628
3 rooms	941	858	781	616	579	536	518	483	479	478	478	481	496	519	532	544	561	571	573	577	588	590
4 rooms	901	837	759	613	592	530	487	483	479	479	471	474	480	498	515	528	548	556	562	566	575	578

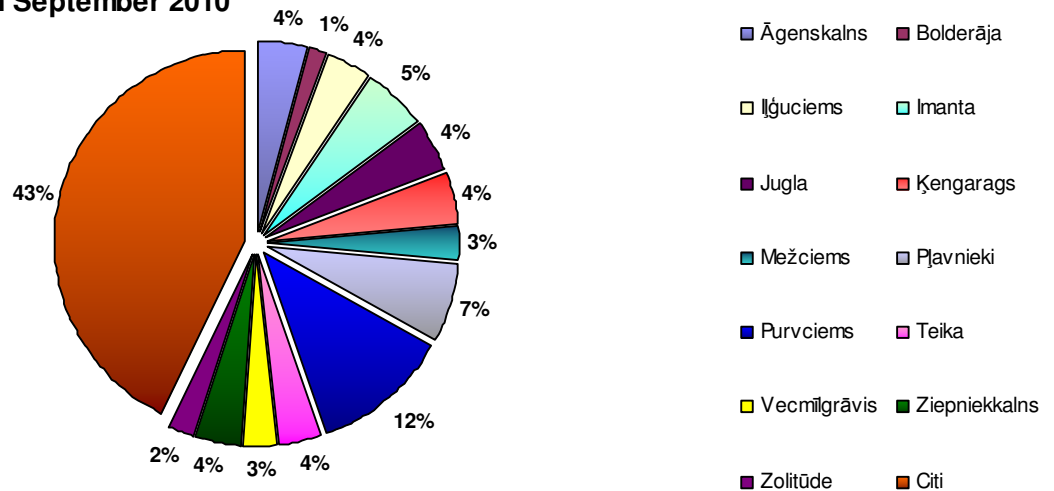
Source: ARCO REAL ESTATE

In September 2010 the number of apartments' proposals for sale increased in comparison with the previous month in both the largest housing estates reviewed by Arco Real Estate (+7,8%) and other housing estates of Riga (+4,5%). The total proposals number in September increased by 3,7%, that is lower then in August (+6,8%).

Generalizing the proposals number there could be made the conclusion that the highest number of offers in September was in Purvciems, Ķengarags, Pļavnieki and Imanta. In its turn the lowest number of proposals was in Bolderāja and Zolitūde. The proposals number increased in the separate housing estates. The highest offers increase in September was established in Iļģuciems by 16,6% and Vecmīlgrāvis by 16,5%. In its turn the offers decrease in September was established in Ķengarags – by 10,5%.

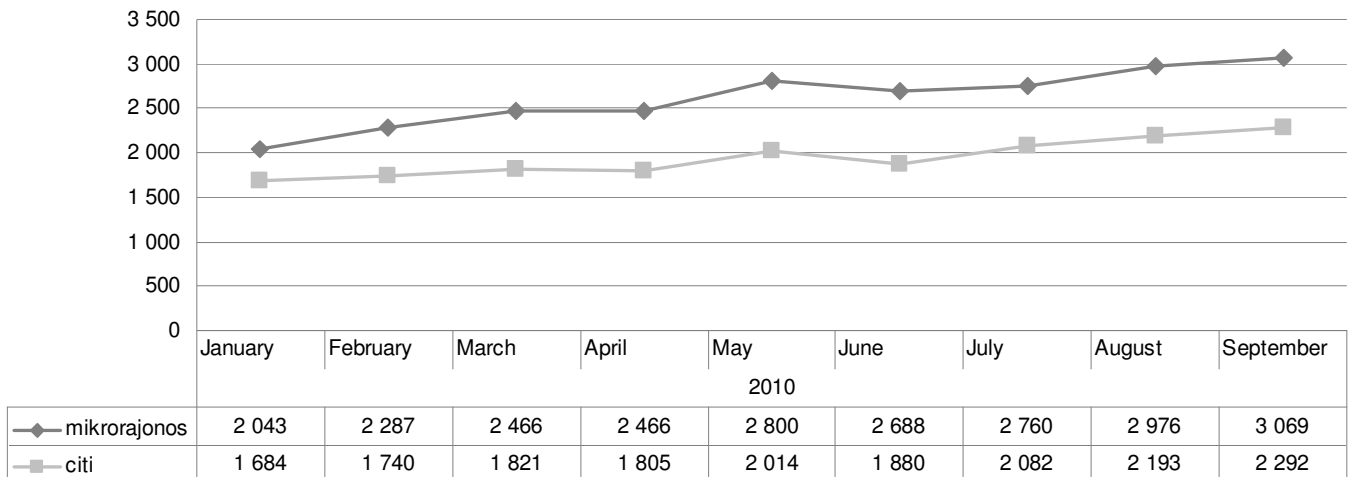
The most popular apartments in Riga housing estates were 1 room and 2 rooms apartments. In its turn the smallest interest was about 4 rooms apartments.

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



Source: ARCO REAL ESTATE

## The Dynamics of supply in Riga



Source: ARCO REAL ESTATE

In September there was observed the insignificant price changes in the housing estates of Riga. The highest price increase in September was in Bolderāja, where the average price increase was on average 0,8%. In its turn the insignificant price decrease was established in Ķengarags and Vecmīlgrāvis – by 0,2%. Just in Mežciems there were no price changes in September. The price increase in the other housing estates reviewed by Arco Real Estate was in limits of 1%.

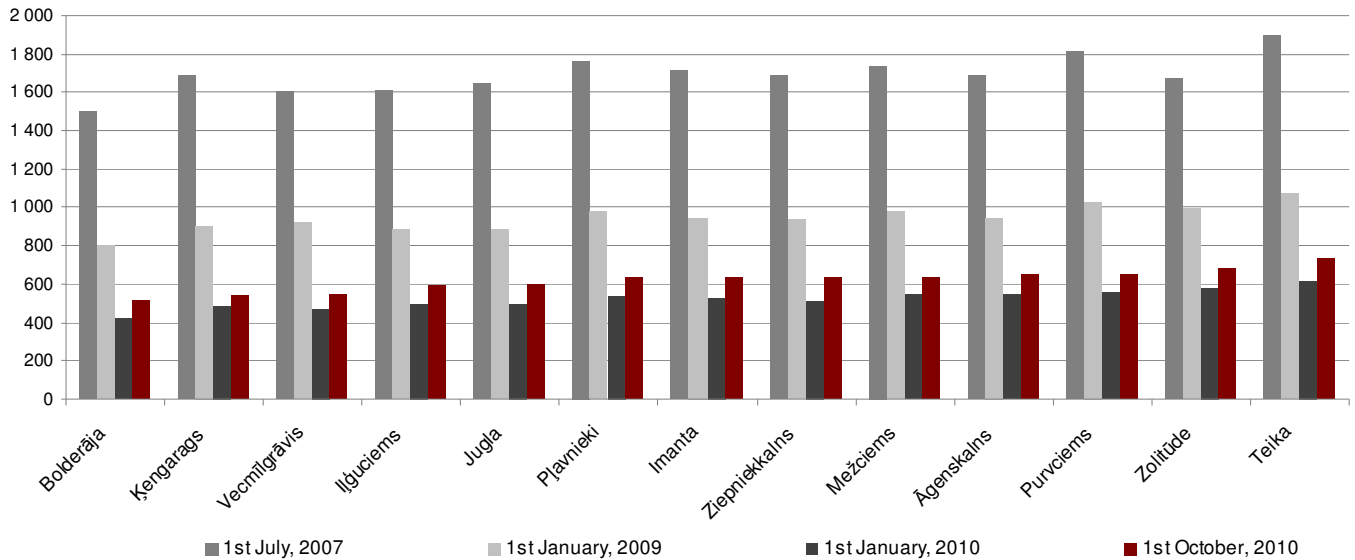
## The changes of average standard-type apartment prices in Riga housing estates (%)

	Average value of 1m <sup>2</sup> on October 1, 2010	Average value of 1m <sup>2</sup> on September 1, 2010	Changes, %
<b>Jugla</b>	<b>598</b>	594	<b>0.6%</b>
<b>Ļavnieki</b>	<b>630</b>	627	<b>0.4%</b>
<b>Purvciems</b>	<b>649</b>	647	<b>0.4%</b>
<b>Mežciems</b>	<b>637</b>	636	<b>0.0%</b>
<b>Teika</b>	<b>732</b>	729	<b>0.4%</b>
<b>Vecmīlgrāvis</b>	<b>545</b>	546	<b>-0.2%</b>
<b>Ķengarags</b>	<b>543</b>	544	<b>-0.2%</b>
<b>Bolderāja</b>	<b>514</b>	510	<b>0.8%</b>
<b>Ziepniekkalns</b>	<b>634</b>	631	<b>0.5%</b>
<b>Imanta</b>	<b>630</b>	627	<b>0.5%</b>
<b>Zolitūde</b>	<b>682</b>	680	<b>0.3%</b>
<b>Āgenskalns</b>	<b>648</b>	645	<b>0.5%</b>
<b>Iļģuciems</b>	<b>591</b>	590	<b>0.2%</b>

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 September 2010 the prices were lower for 62,1% in average and the comparison of prices with the beginning of January 2009 in general showed the decrease by 34,3%. In its turn, the prices increased on average for 17,9% from the beginning of 2010. The prices increased on average for 26,5% 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.

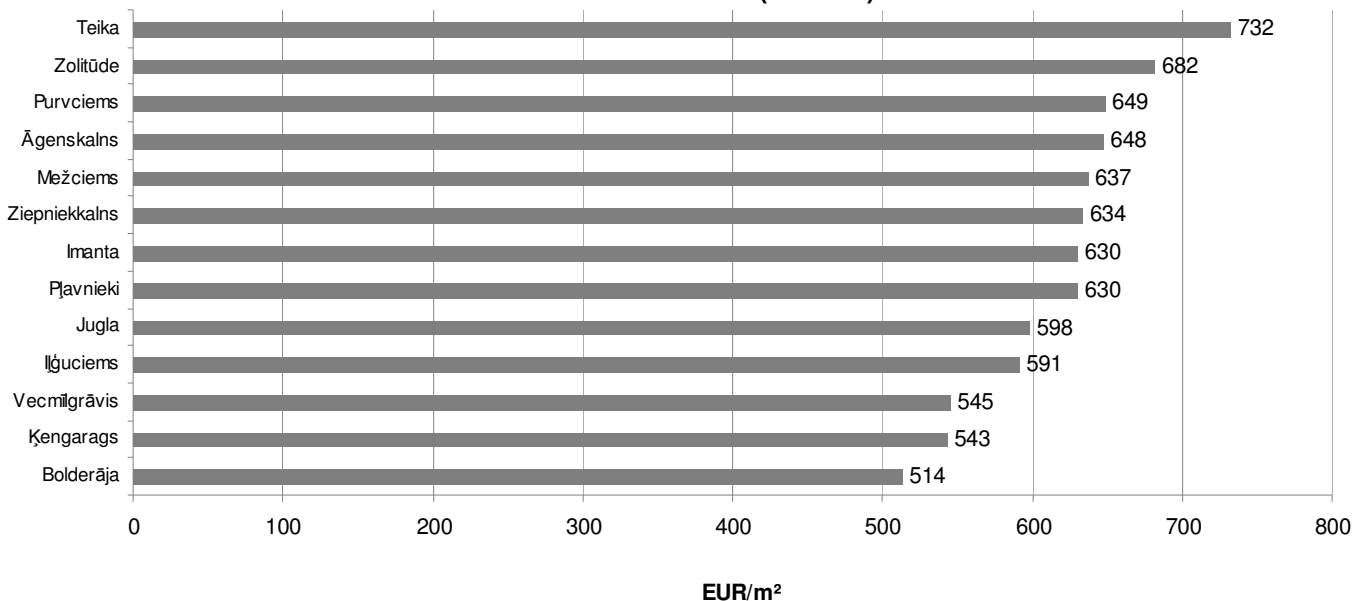
**The average standard-type apartment prices in Riga housing estates (EUR/m<sup>2</sup>)**



Source: ARCO REAL ESTATE

The highest prices in September 2010 were still on Teika, where the average value of 1m<sup>2</sup> increased till 732 EUR, then follows *Zolitūde*, where the average price of 1m<sup>2</sup> was 684 EUR. In its turn the lowest prices in September 2010 were in *Bolderāja*, where the price of 1m<sup>2</sup> was 514 EUR. The average value of m<sup>2</sup> in Imanta in September was the same as in Pļavnieki. In its turn the average m<sup>2</sup> price in Vecmīlgrāvis is higher then in Kengarags during the third month that is not logically taking into consideration the location of Vecmīlgrāvis. It is explainable with the lack of proposals in Vecmīlgrāvis that helps to keep comparatively high prices.

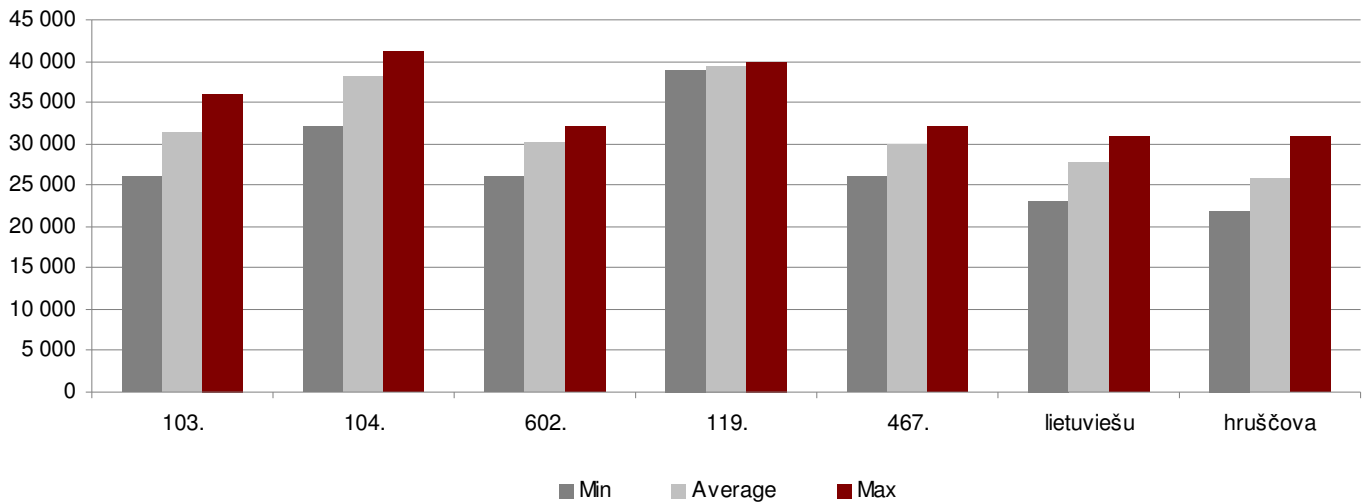
**The average standard-type apartment prices in Riga housing estates in September 2010 (EUR/m<sup>2</sup>)**



Source: ARCO REAL ESTATE

In September 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 32 to 41 thousands EUR, depending on the housing estate. In its turn the cheapest apartments were the apartments in so-called *Lithuanian design houses*, where the prices of 2-room apartments fluctuated from 23 to 31 thousands EUR, and the so-called *Khrushchev-time houses*, where the prices of 2-room apartments fluctuated correspondingly from 22 to 31 thousands EUR, depending on the housing estate.

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



Source: ARCO REAL ESTATE

### ***Jūrmala Kauguri***

The comparison of the average prices in Kauguri in September 2010 with the average prices in August 2010 shows completely insignificant price increase – **on average for 0,8%**. The average price in September was **464 EUR/m<sup>2</sup>** and the comparison of the prices in September 2010 with those observed **in the beginning of 2010 shows the price increase by 9%**. 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 September 2010 with the average prices in August 2010 shows completely insignificant price increase – **on average for 0,6%**. The market activity in Jelgava still could be considered to be low and changes could be taken as price fluctuation. The comparison of the prices in September 2010 with those observed in the beginning of 2010 shows the price increase by 17%, **to the average price of 347 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 September 2010 with the prices in August 2010 shows price increase – **on average for 1,8%**. The average price in September was **519 EUR/m<sup>2</sup>** and the comparison of the prices in September 2010 with those observed in the beginning of 2010 shows the price increase by **24%**. In 2010 the apartments' prices in Salaspils, similarly to the situation in Riga, had the tendency of rising. Although the price increase in Riga reduced till minimum, the price increase has not stopped.

### ***Ogre***

The comparison of the average prices in Ogre in September 2010 with the average prices in August 2010 shows completely insignificant price increase – **on average for 0,5%**. The average price of one m<sup>2</sup> is **429 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 10% 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*.