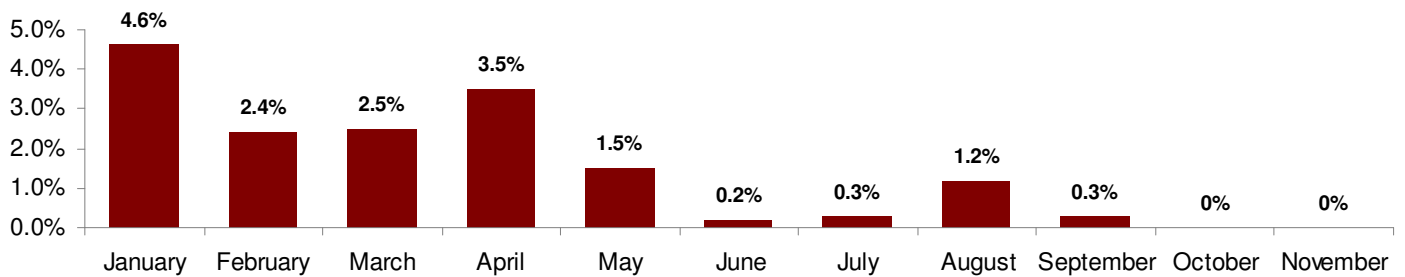


Standard-type apartments, December 1, 2010

In November 2010 there was observed the price increase on the standard-type apartment market just in the separate housing estates. In general the prices for the standard-type apartments in Riga stayed unchangeable in November. The average price value in the standard-type apartment was the same – **614 EUR/m²**. Uninterrupted price increase that had been observed during the first nine months of the year was stopped in October and November. Taking into consideration absolutely insignificant changes in separate housing estates currently there is observed the price stagnation. In 2010 the highest standard-type apartment price increase was stilled fixed in January – by 4,6%.

Price changes from 2010, %



Source: ARCO REAL ESTATE

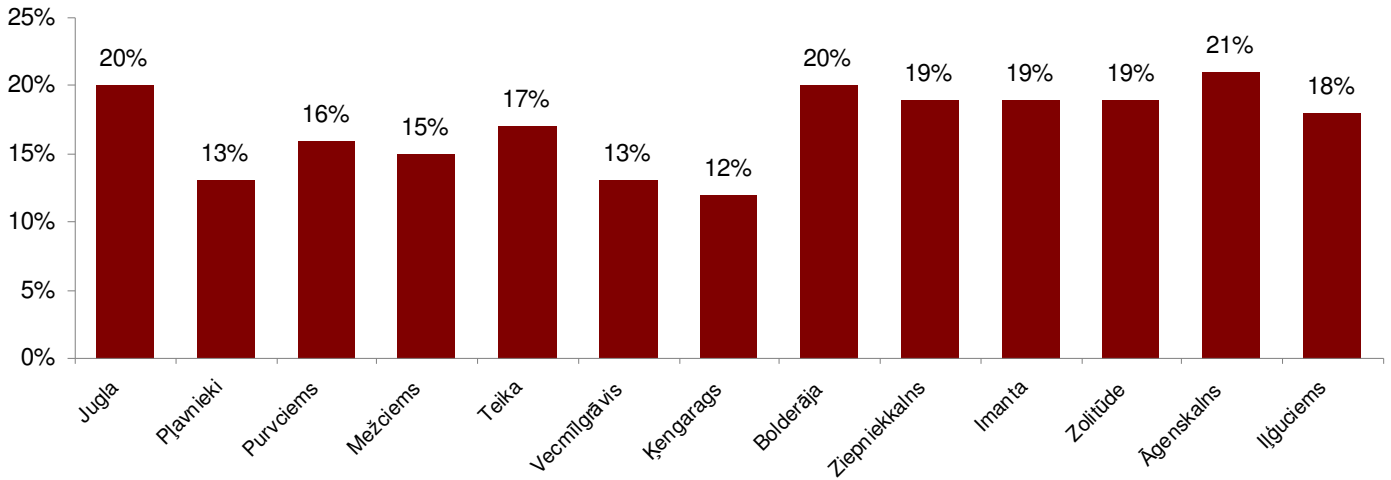
Taking into consideration the essential price increase in 2010 by 17,9% it is understandable that residential market is in the stagnation phase now. Most probably, the price changes are not expected this year. Possibly there could be insignificant price decrease during the nearest months as far as there established negative price fluctuations in separate housing estates observed by ARCO REAL ESTATE in October and November. Mostly it would depend on the apartments' sellers who understand now that there is no more possibility to increase the prices as prices achieved its maximum corresponding to the existing market and economical situation. In the nearest future the influence on residential market and price increase there would be caused by property tax changes that were supported by the Cabinet of Ministers previous month.

Before this moment the apartments' proposal during the second part of 2010 this year and in general had been just increased, still there was insignificant decrease in November – by 4,3%.

Absolutely insignificant price decrease in November was observed on Jugla (-0,3%), Zolitūde (-0,4%), Imanta and Vecmīlgrāvis (-0,1%). In its turn just in Pļavnieki and Ziepniekkalns there was established the insignificant price increase correspondingly by 0,3 and 0,2% in November. In the other housing estates observed by ARCO REAL ESTATE the prices were unchangeable. 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. By December 1, 2010 the highest price increase was established on Āgenskalns – 21%. In its turn the smallest price increase was observed in Ķengarags – 12%.

Price changes from January 1, 2010



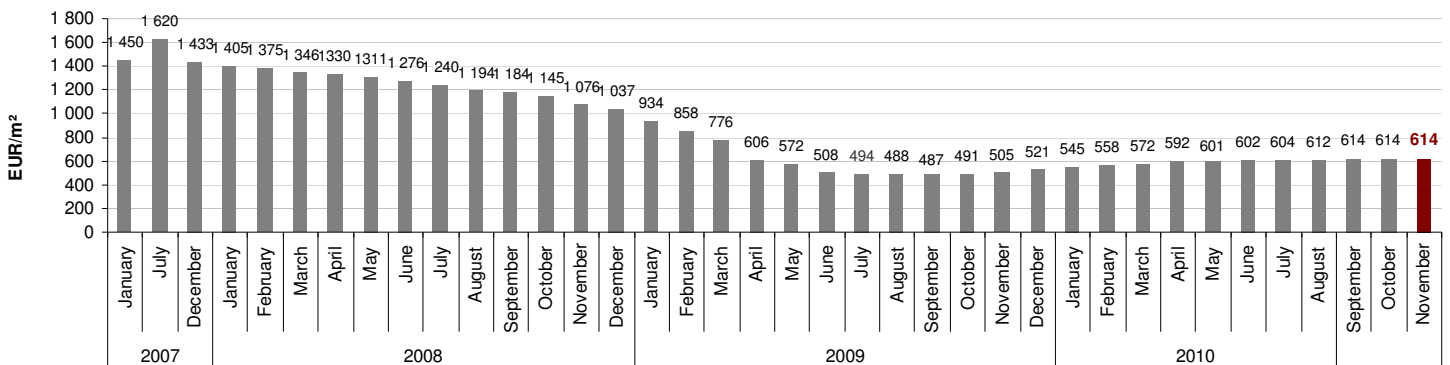
Source: ARCO REAL ESTATE

In November 2010 the prices were on the level of April 2009, when the average price value of m² was 606 EUR/m², but starting from September 2009 the prices increased by 26,5%.

The average standard-type apartment price in November 2010 increased till the level of **614 EUR/m²**. 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/m², 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 November, the average price of a 1 room apartment was 659 EUR/m² 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 627 EUR /m² and this price, comparing with the previous month, has increased by 0,1%; the average price of a 3 room standard-type apartment was 590 EUR/m² and this price, compared with the previous month, has stayed unchangeable; and the average price of a 4 room standard-type apartment was 578 EUR/m² and this price, comparing with the previous month, has stayed the same.

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

	2009												2010											
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	1st December
1 room	949	876	795	597	562	525	513	507	499	498	517	546	568	598	614	629	654	660	658	656	663	662	661	659
2 rooms	943	859	768	598	567	525	512	503	496	485	496	521	541	566	574	587	606	617	617	617	624	628	626	627
3 rooms	941	858	781	616	579	536	518	483	479	478	478	481	496	519	532	544	561	571	573	577	588	590	590	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	578	578

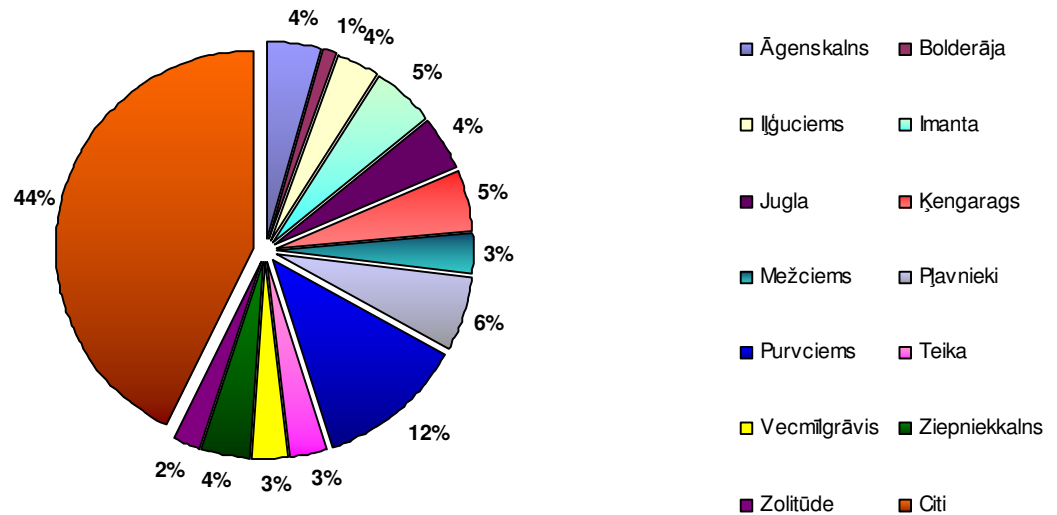
Source: ARCO REAL ESTATE

In November 2010 the number of apartment's proposals for sale in comparison with the previous month decreased both in the largest housing estates reviewed by ARCO REAL ESTATE (-6,9%) and other housing estates of Riga (-0,6%). The total proposals number decreased by 4,3% in November.

Generalizing the proposals number there could be made the conclusion that the highest number of offers in November was in Purvciems, Ķengarags, Pļavnieki and Jugla. In its turn the lowest number of proposals was in Bolderāja and Zolitūde. The proposals number decreased in the most part of housing estates. The highest offers decrease in November was established in Pļavnieki by 13,8%. In its turn the highest offers increase in November was established in Imanta and Vecmīlgrāvis – correspondingly by 4,9% and 5,7%.

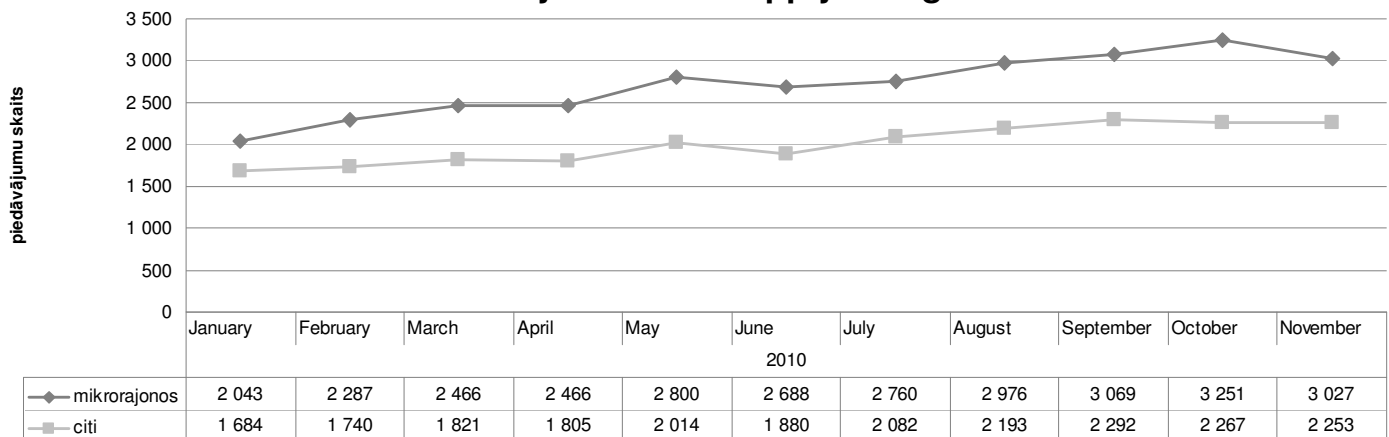
The most popular apartments in Riga housing estates were 1-room and 2-rooms apartments. In its turn the smallest interest was about 4-rooms apartments.

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



Source: ARCO REAL ESTATE

The Dynamics of supply in Riga



Source: ARCO REAL ESTATE

In November there was observed the insignificant price changes in the housing estates of Riga. The price increase in November was observed in Pļavnieki, where the price increase was on average 0,3% and in Ziepniekkalns where the price increase was on average 0,2%. In its turn the minimal price decrease was established on Jugla – by 0,3%, Zolitūde – by 0,4%, the same as in Imanta and Vecmīlgrāvis – by 0,1%. Still the prices in the most part of housing estates reviewed by ARCO REAL ESTATE have stayed unchangeable. Still the average value of m² in large housing estates stayed unchangeable in November.

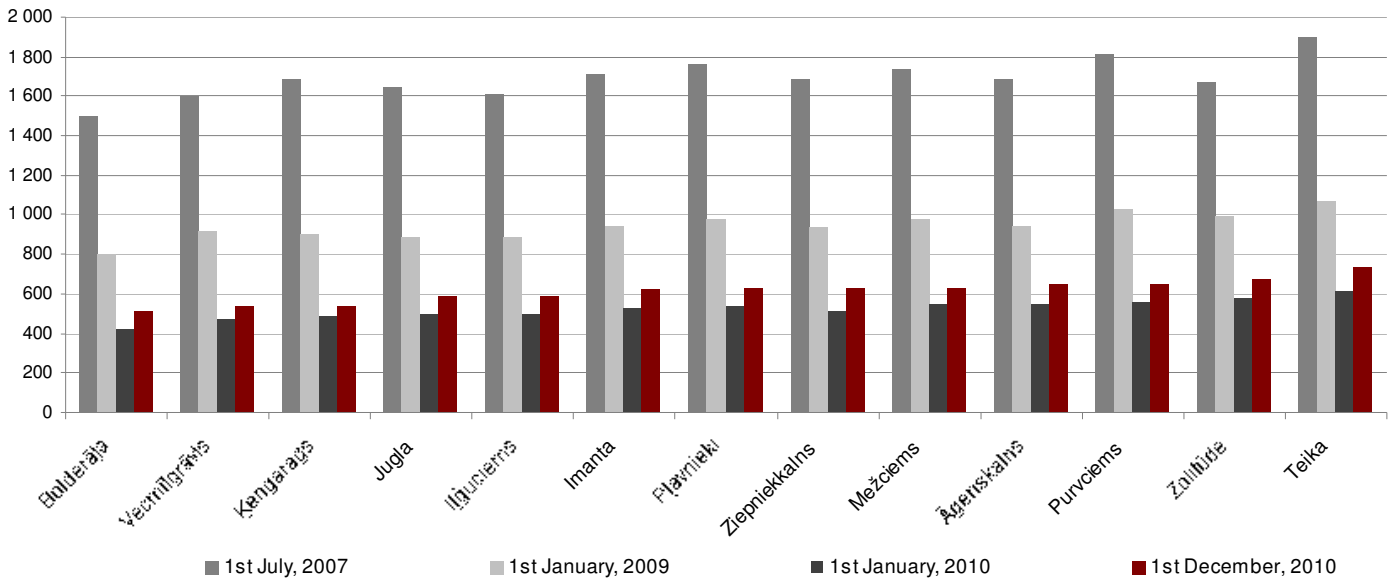
The changes of average standard-type apartment prices in Riga housing estates (%)

	Average value of 1m ² on 1st December, 2010	Average value of 1m ² on 1st November, 2010	Changes in %
Jugla	590	592	-0.3%
Pļavnieki	631	629	0.3%
Purvciems	649	649	0.0%
Mežciems	637	637	0.0%
Teika	730	730	0.0%
Vecmīlgrāvis	542	543	-0.1%
Ķengarags	543	543	0.0%
Bolderāja	516	516	0.0%
Ziepniekkalns	636	635	0.2%
Imanta	628	629	-0.1%
Zolitūde	679	682	-0.4%
Āgenskalns	646	646	0.0%
Iļģuciems	591	591	0.0%

Source: ARCO REAL ESTATE

In comparison with the prices of the middle in July 2007 when there was established the highest price level of the apartments, in November 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 26,1% starting from the September 2009, when the averages prices achieved the lowest price rate and the average value of 1 m² in Riga housing estate decreased to 487 EUR.

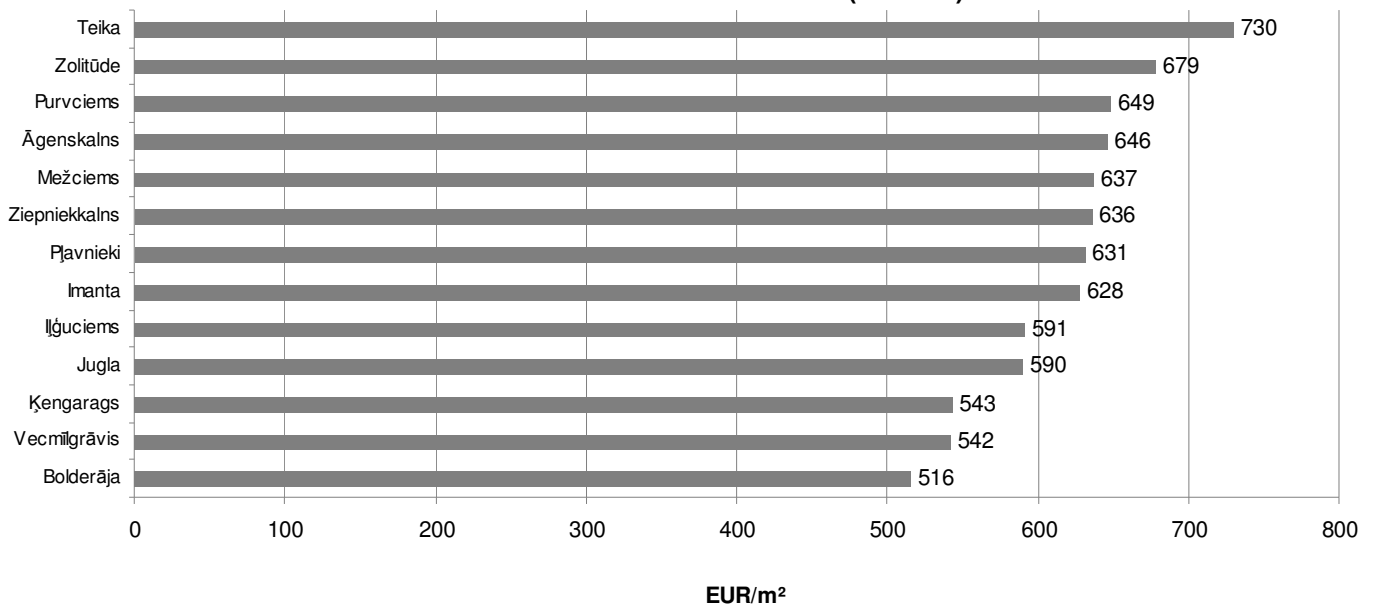
The average standard-type apartment prices in Riga housing estates (EUR/m²)



Source: ARCO REAL ESTATE

The highest prices in November 2010 were still on Teika, where the average value of 1m² insignificantly decreased till 730 EUR, then follows Zolitūde, where the average price of 1m² was 679 EUR. In its turn the lowest prices in November 2010 were in Bolderāja, where the price of 1m² was 516 EUR. The similar 1m² average value in November was still in Imanta, Pļavnieki, Ķengarags and Vecmīlgrāvis. The average value of m² in Imanta in October similar to September was the same as in Pļavnieki – 629 EUR. In its turn the average m² price in Vecmīlgrāvis was on the same level as in Ķengarags where the average price was 543 EUR.

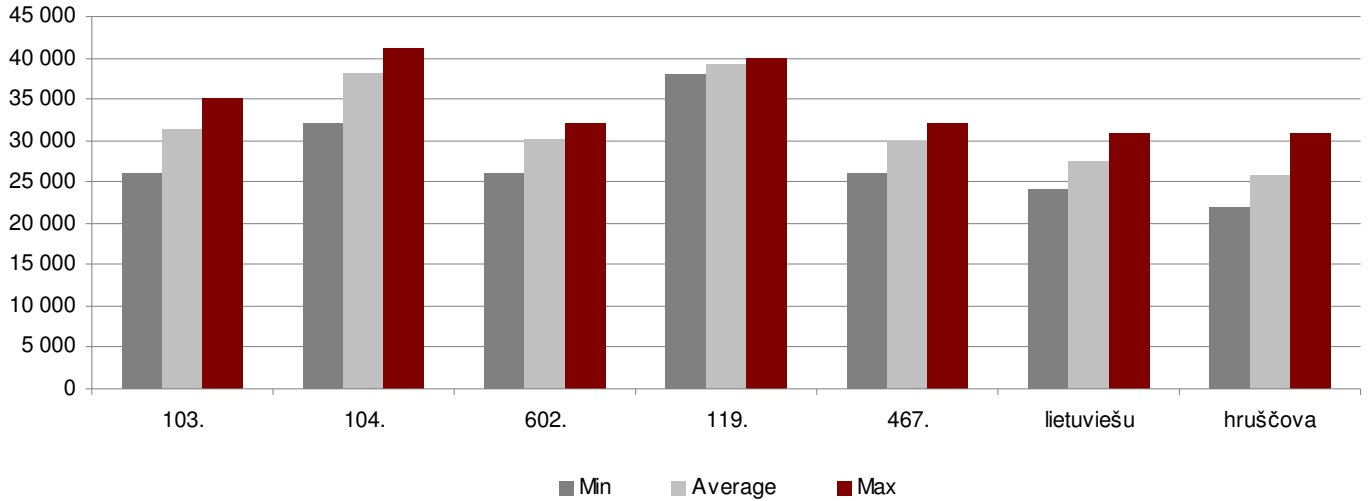
The average standard-type apartment prices in Riga housing estates in November 2010 (EUR/m²)



Source: ARCO REAL ESTATE

In November 2010, the most expensive apartments still were the apartments in the 119th and the 104th 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 24 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 November 2010
(prices of 2-room apartments, in EUR)**



Source: ARCO REAL ESTATE

Jūrmala, Kauguri

The comparison of the average prices in Kauguri in November 2010 with the average prices in October 2010 shows completely insignificant price decrease – **on average for 0,4%**. The average price in November was **458 EUR/m²** and the comparison of the prices in November 2010 with those observed in the beginning of 2010 shows the price increase by 8%. 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 November 2010 with the average prices in October 2010 there were not established any price changes in Jelgava similarly to Riga. The market activity in Jelgava has not been changed during the last months and could be considered as low. The comparison of the prices in November 2010 with those observed in the beginning of 2010 shows the price increase by 16%, **to the average price of 346 EUR/m²**. 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 November 2010 with the prices in October 2010 shows the insignificant price decrease – **on average for 0,1%**. The average price in November was **521 EUR/m²** and the comparison of the prices in November 2010 with those observed in the beginning of 2010 shows the price increase by **24%**. In 2010 the apartments' prices in Salaspils had the tendency of rising. In November the price increase stopped in Salaspils similarly to the situation in Riga.

Ogre

The comparison of the average prices in Ogre in November 2010 with the average prices in October 2010 shows completely insignificant price increase – **on average for 0,8%**. The average price of one m² is **431 EUR/m²**.

During 2010 the prices in Ogre fluctuated and there were observed both increase and decrease. For instance, the prices had insignificant changes in October. Nevertheless, in general the prices increased by 10% starting from January 1, 2010.

The most expensive apartments in Ogre were the *103rd* and the *602nd* series apartments, but the cheapest apartments were in the *Khrushchev-time houses*.