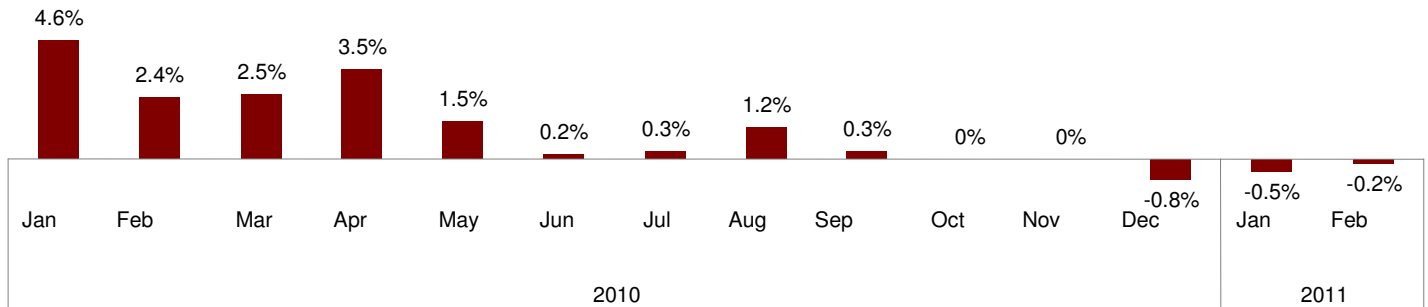


Standard-type apartments, March 1, 2011

In February 2011, no virtual price change was observed in the market of standard-type apartments. In February, the standard-type apartment prices decreased by **0.2%** on average. The average price of 1 m² of a standard-type apartment was **605 EUR**. In October and November 2010 the price increase stopped, and during the last three months the prices have come down quite a bit. During the first two months of 2011, the overall prices decreased by 0.7%.

Standard-type apartment price changes



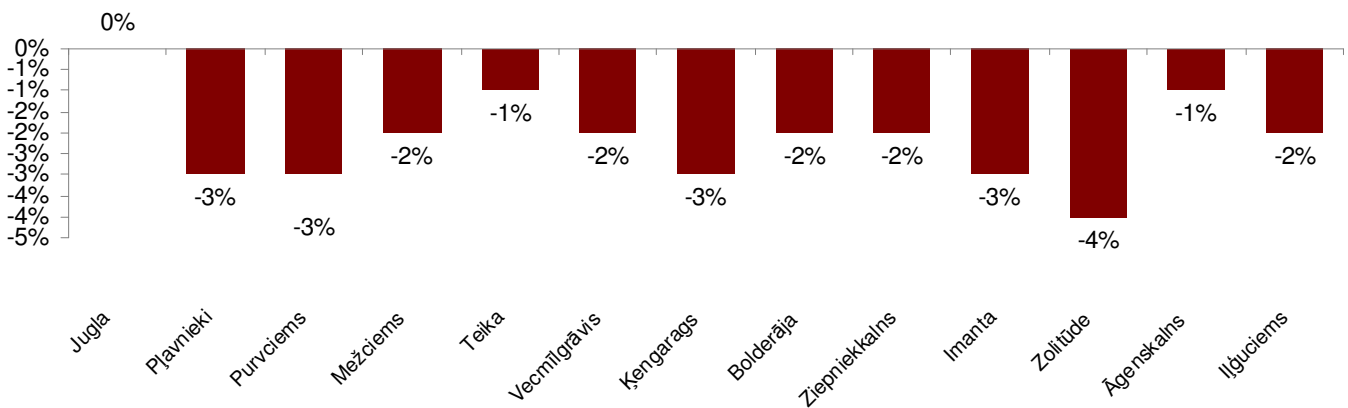
Source: ARCO REAL ESTATE

At the end of 2010 and in January of 2011, the overall activity of the real estate market declined. Price changes in the standard-type apartment market are minimal, and the prices currently are not changing. Apartment vendors have taken a waiting position and are reluctant to reduce prices, which indicate that at least now the prices are stable. Offers at abnormally low prices are frequently emerging in the market, and in such cases a buyer is found very quickly. Such apartments are usually offered due to financial problems of the owners, or in connection with leaving the country. In February, like in January, the supply increased – in the largest housing estates by 9.8%, and in Riga in general - by 10.8% so that the supply returns to the level of the autumn of 2010. Potential buyers looking for a property take their time and choose properties carefully, because the constant price level allows considering the different options more carefully.

The biggest price drop in February was observed at Ķengarags (-1.1%) and Jugla (-1.1%). But the smallest price drop was observed at Pļavnieki and Teika (-0,2%). At Mežciems and Zolitūde no price changes were observed in February. In general, since the lowest point in September 2009, the apartment prices have grown by **24.2%** on average.

Since the beginning of 2011, the average price of 1 m² of a standard-type apartment has decreased by 0.7%. The biggest price drop as per March 1, 2011 was observed at Zolitūde – -4%. But at Jugla the prices remain unchanged this year.

Price changes since January 01, 2011



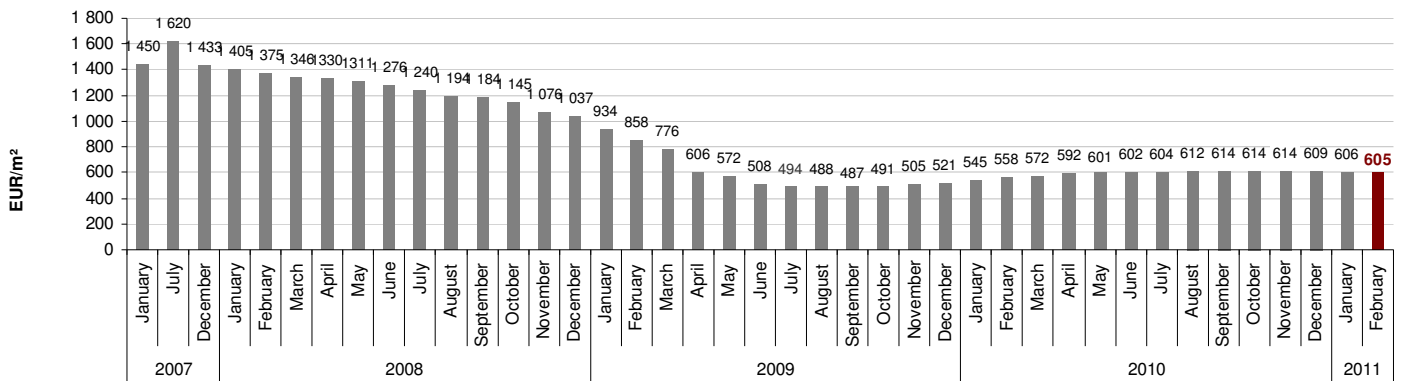
Source: ARCO REAL ESTATE

In February 2011 the apartment prices in housing estates are at the level of April 2009 and July of 2010. Since September 2009 when the price level was the lowest, the prices have grown by 24.2%.

In February 2011 the average standard-apartment price has decreased to **605 EUR/m²**. The prices on average are by 62.7% lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment had reached the highest ever value of 1620 EUR/m². But the average price of a non-renovated standard-type apartment has increased by 16.1% if compared with the price level of January 1, 2010.

In 2008, the average prices of standard-type apartments in Riga decreased by 33.5% on average. In 2009, the average prices decreased by another 44,2%. In 2010 the prices grew by 16,9% in total.

Movements of average price of standard-type apartments in housing estates of Riga



Source: ARCO REAL ESTATE

In the housing estates analyzed by the ARCO REAL ESTATE in February 2011 the average price of a 1-room apartment was 644 EUR/m², and compared with the prices of the previous month, this price has decreased by 0.8%; Average price of a 2-room standard-type apartment was 613 EUR/m², and compared with the average price of the previous month, this price has decreased by 0.3%; average price of a 3-room apartment was 584 EUR/m², and compared with the prices of the previous month, this price is unchanged; average price of a 4-room apartment was 578 EUR/m², and compared with the average price of the previous month, this price has increased by 0.5%.

Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms (EUR/m²)

	2009												2010												2011		
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	1st March
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	654	649	644
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	621	615	613
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	587	584	584
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	577	575	578

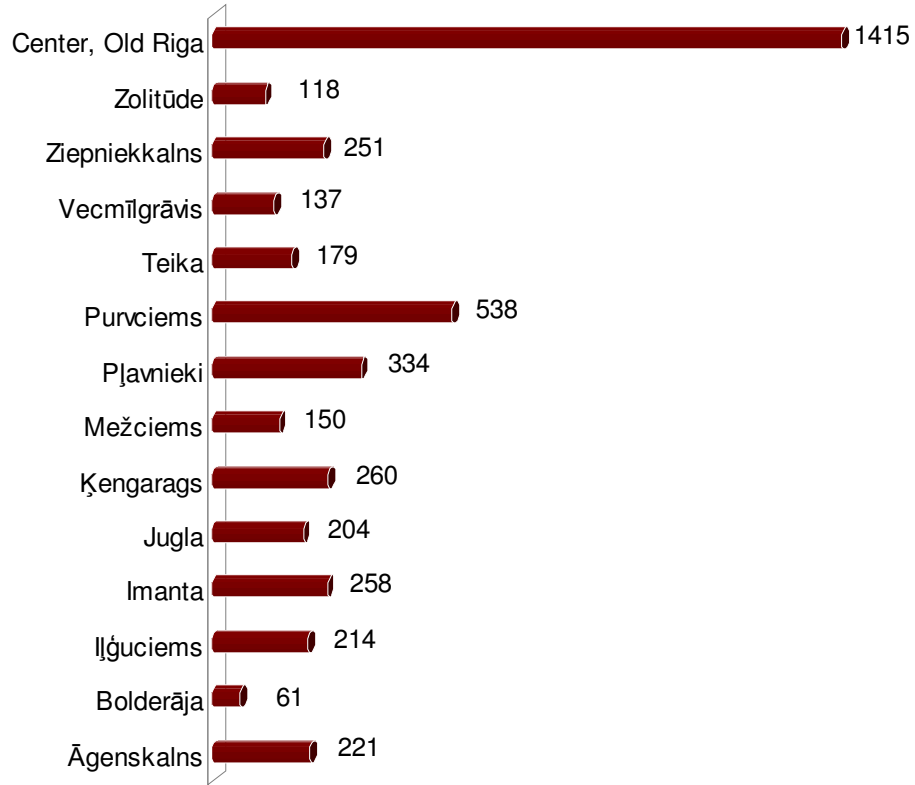
Source: ARCO REAL ESTATE

Number of apartments offered for sale in February 2011, compared with the level of the previous month, has increased both in the largest housing estates analyzed by the ARCO REAL ESTATE (9,8%), and in Riga City in total (10.8%).

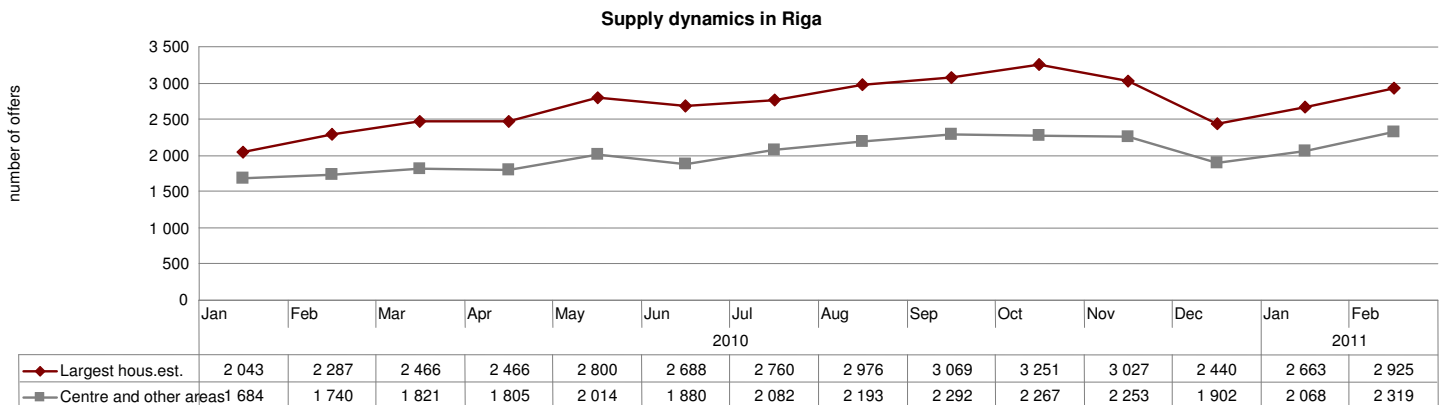
Having analyzed the number of apartments offered we can see that the biggest numbers of apartments offered are located at Purvciems, Pļavnieki, Imanta and Ķengarags. In contrast, the smallest numbers of apartments offered are located at Bolderāja and Zolitūde. In absolutely all largest housing estates the number of apartments offered for sale grew in February. The largest growth in

February was observed at Teika – by 22.4%. The most popular apartments in the housing estates of Riga were 1-room and 2-room apartments. But 4-room apartments were the less popular ones.

Number of apartments offered Riga, February 2011



Source: ARCO REAL ESTATE



Source: ARCO REAL ESTATE

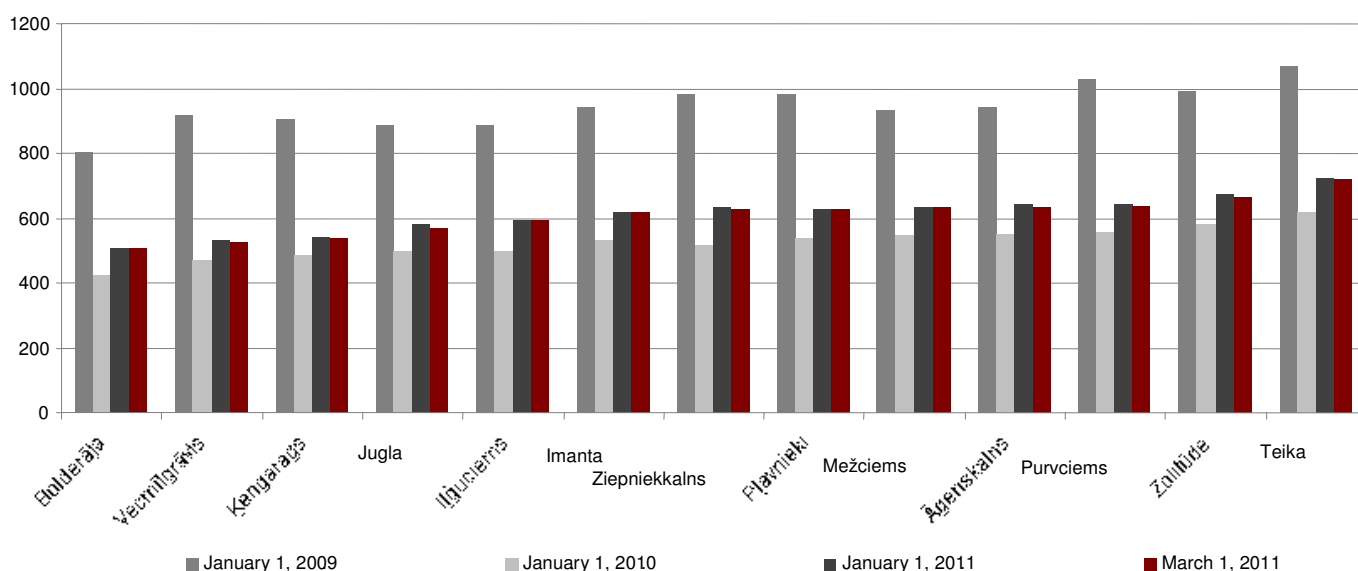
In February 2011, the average price of 1 m² was unchanged at Mežciems and Zolitūde. The prices were slightly higher at Pļavnieki, Imanta and Ilģuciems. In most housing estates, the average price of 1 m² decreased by 0.3-1.1%. The biggest price drop in February was observed at Jugla and Ķengarags, where the prices decreased by 1.1% on average.

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

	Average price of 1m ² on March 1, 2011	Average price of 1m ² on February 1, 2011	Change %
Jugla	568	575	-1.1%
Ļavnieki	629	628	0.1%
Purvciems	637	639	-0.4%
Mežciems	633	633	0.0%
Teika	720	723	-0.4%
Vecmīlgrāvis	526	527	-0.3%
Ķengarags	535	541	-1.1%
Bolderāja	504	506	-0.4%
Ziepniekkalns	628	631	-0.5%
Imanta	618	616	0.3%
Zolitūde	665	665	0.0%
Āgenskalns	635	638	-0.5%
Iļģuciems	591	588	0.6%

Source: ARCO REAL ESTATE

Compared with the beginning of 2009, in February 2011 the standard-type apartment prices in the housing estates of Riga were by 35.1% lower. From the beginning of 2010, the prices have grown by 16.1% on average. During the first two months of 2011, the prices decreased by 0.7%. Since the lowest price point in September 2009 when the average price of 1 m² in the Riga's housing estates had decreased to 487 EUR, the prices have grown by 24,2% on average.

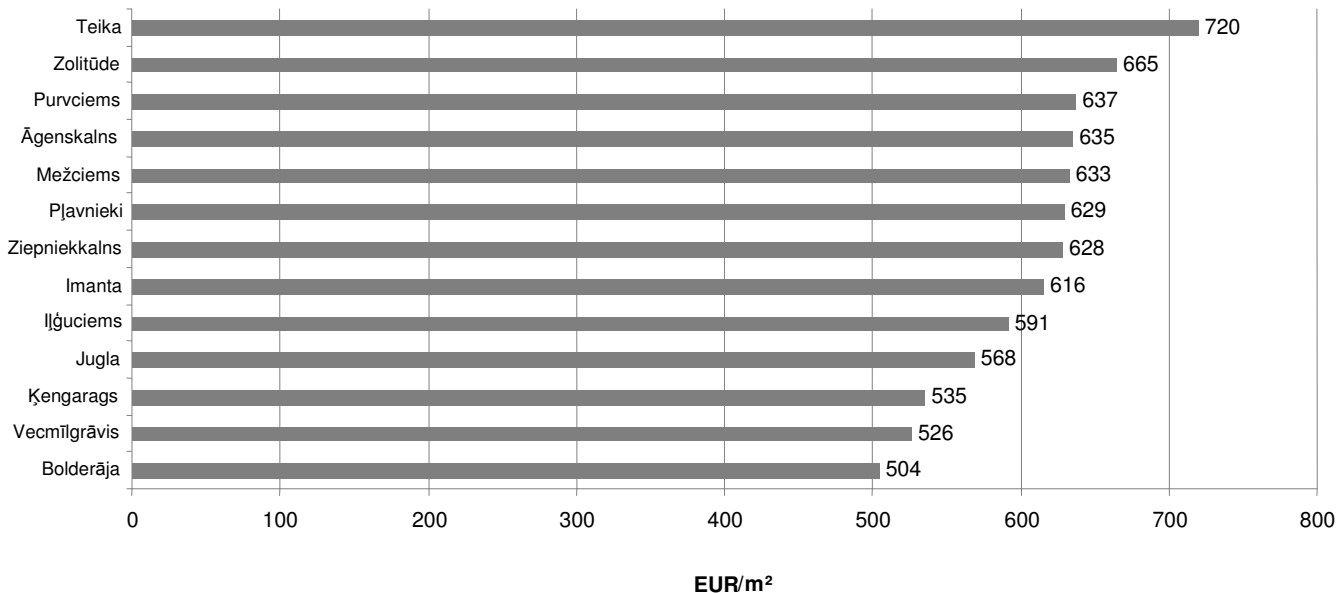
Average standard-type apartment prices in Riga housing estates (EUR/m²)


Source: ARCO REAL ESTATE

The highest prices in February 2011 were still observed at *Teika*, where the average price of 1m² slightly decreased and reached 720 EUR, as well as at *Zolitūde*, where the average price of 1m²

remained unchanged and amounted to 665 EUR. In turn, the lowest prices in February 2011 were observed at *Bolderāja*, where the average price of 1m² decreased reaching 504 EUR.

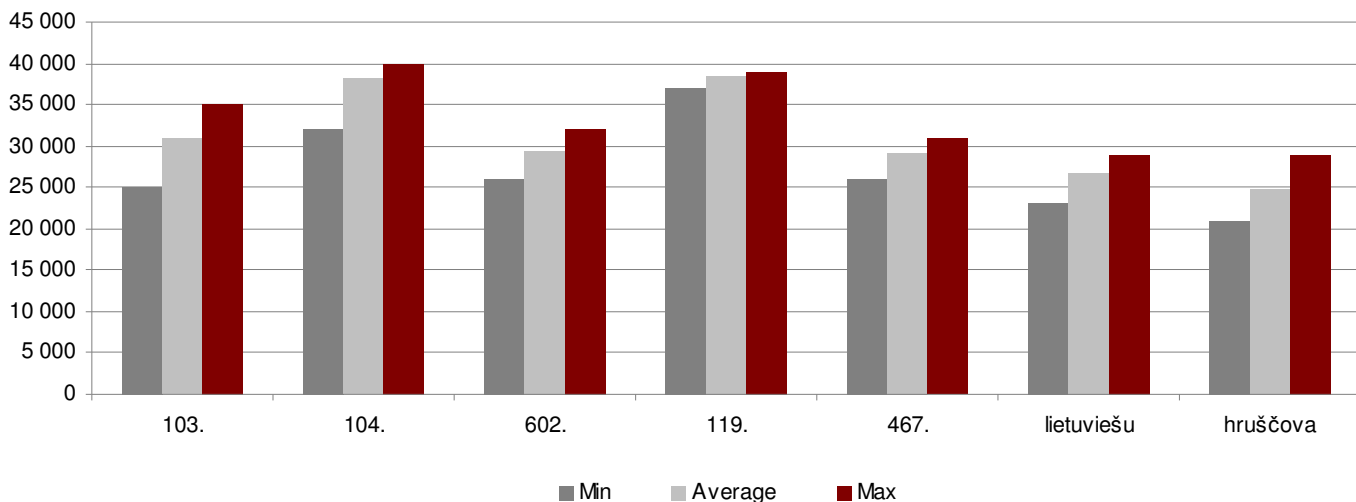
Average standard-type apartment prices in Riga housing estates in January 2011 (EUR/m²)



Source: ARCO REAL ESTATE

In February 2011, the most expensive apartments still were apartments in the houses of the 119th series and 104th series, where the prices of 2-room apartments fluctuated from 32 to 40 thousand EUR, depending on location. But the so-called *Lithuanian design houses* have been the cheapest ones, where the prices of 2-room apartments fluctuated from 23 to 29 thousand EUR, and the so-called *Khrushchev-time houses*, where the prices of 2-room apartments fluctuated from 21 to 29 thousand EUR, depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in February 2011 (prices of 2-room apartments, in EUR)



Source: ARCO REAL ESTATE

Jūrmala, Kauguri

In February 2011 the prices slightly decreased at Kauguri– **by 1.3% on average**. The average price fell to **442 EUR/m²** in January. In 2010 in total, the prices at Kauguri increased by 7%. 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. Number of apartment transactions at Kauguri in 2010 slightly increased in comparison with 2009.

Jelgava

In February 2011 the apartment prices in Jelgava remain unchanged. The market activity in Jelgava has not changed in the beginning of the year and is still low. In 2010 the apartment prices in Jelgava tended to grow, and during the year the prices grew by 16% on average. The average price in February was **334 EUR/m²**. Like in Riga, apartments located in the central part of the city and having high-standard interior decoration are most demanded in Jelgava.

Salaspils

In February 2011, the prices in the apartment market of Salaspils decreased slightly. The average price in February was **507 EUR/m²**. In 2010 in total, the apartment prices at Salaspils increased by **22%**. In 2010 the apartment prices in Salaspils tended to grow, but in the beginning of 2011 this growth stopped. In February the prices decreased **by 1 % on average**.

Ogre

The average prices at Ogre in February 2011 were a little bit higher than the average prices in January 2011; the prices grew by **0.4% on average**. The average apartment price in February was **431 EUR/m²**.

In 2010 the prices at Ogre fluctuated, and both a growth and a decline were observed. But in total the prices grew by 10% in 2010. Number of apartment transactions at Ogre in 2010 was by 30% bigger than in 2009, which is an indicator of market activation.