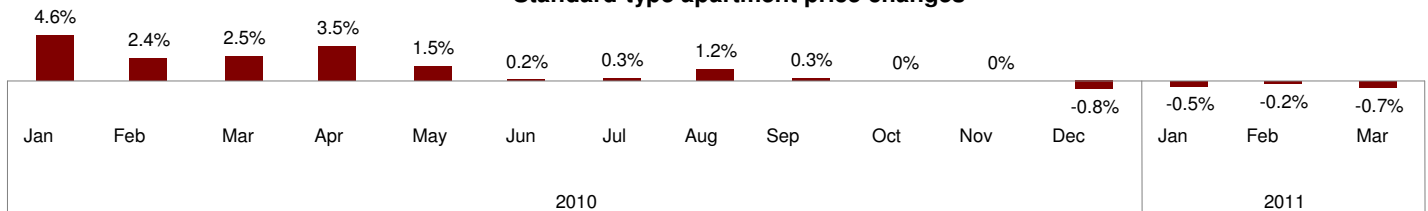


Standard-type apartments, April 1, 2011

In March 2011, a certain price change was observed in the market of standard-type apartments. In March, the standard-type apartment prices have slightly decreased - by **0.7%** on average. The average price of 1 m² of a standard-type apartment in March 2011 decreased to **601 EUR**. During the first three months of 2011, the average prices of standard-type apartments decreased by **1.3%**.

Standard-type apartment price changes



Source: ARCO REAL ESTATE

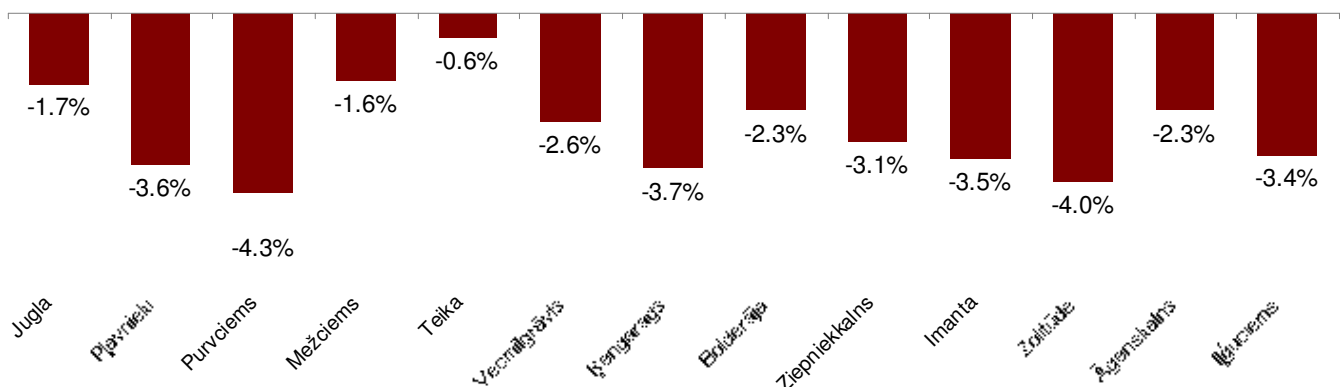
At the end of 2010 and in the beginning of 2011, the overall activity on the real estate market declined. Price changes in the standard-type apartment market observed in the first quarter are minimal, and the overall prices are slightly decreasing. A relatively large increase of the supply of apartments has been observed in the 1st quarter in general – the supply is increased by 29.9%. A lot of partment vendors continue to wait and are reluctant to reduce prices. There is still lack of good quality apartments at adequate price. Often, the prices at which high-quality apartments are offered, are exaggerated, and not corresponding to the present market situation.

The biggest price drop in March was observed at Jugla (-1.7%) and Āgenskalns (-1.1 %). But the smallest price drop was observed at Zolitūde and Bolderāja (-0.4%). At Mežciems and Teika no price changes were observed in March.

In the first quarter of 2011, the average price of 1 m² of a standard-type apartment has decreased by 1.3%. The biggest price drop as per April 1, 2011 was observed at Purvciems – -4.3%. But at Jugla the price drop was the smallest – only by 0.6%.

Price changes since January 01, 2011

Cenu izmaiņas no 2011.gada 1.janvāra



Source: ARCO REAL ESTATE

In March 2011 the apartment prices in housing estates are at the level of May 2010. Since September 2009 when the price level was the lowest, the prices have grown by 23.4%.

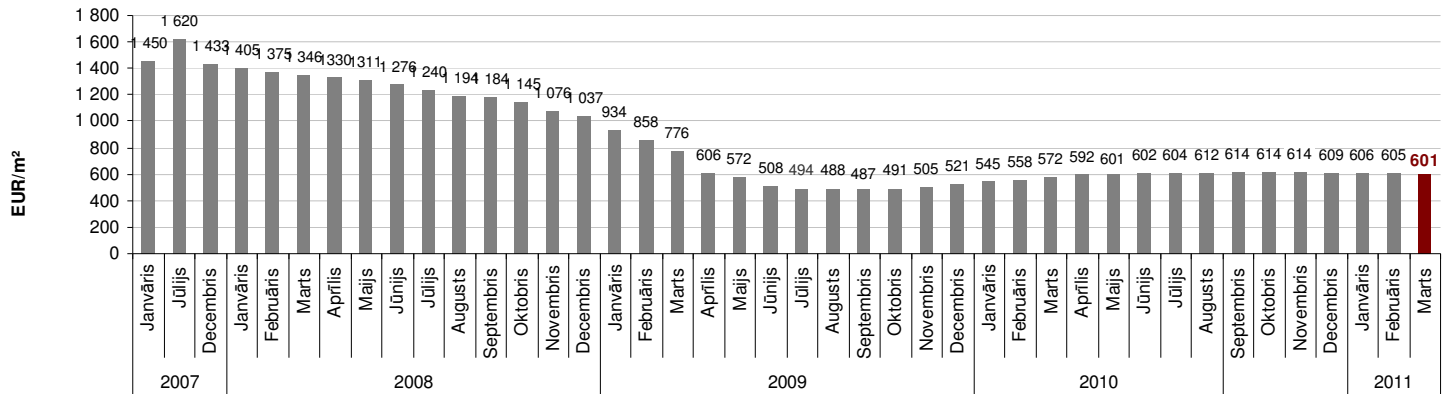
In March 2011 the average standard-apartment price has decreased to **601 EUR/m²**. The prices on average are by 62.9% lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment had reached the highest ever value of 1620 EUR/m². But the

average price of a non-renovated standard-type apartment has increased by 15.4% 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

Sērijsveida dzīvokļu vidējās cenas dinamika Rīgas mikrorajonos



Source: ARCO REAL ESTATE

In the housing estates analyzed by the ARCO REAL ESTATE in March 2011 the average price of a 1-room apartment was 636 EUR/m², and compared with the prices of the previous month, this price has decreased by 1.2%; Average price of a 2-room standard-type apartment was 609 EUR/m², and compared with the average price of the previous month, this price has decreased by 0.6%; average price of a 3-room apartment was 581 EUR/m², and compared with the prices of the previous month, this price has decreased by 0.5%; average price of a 4-room apartment was 576 EUR/m², and compared with the average price of the previous month, this price has decreased by 0.3%.

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

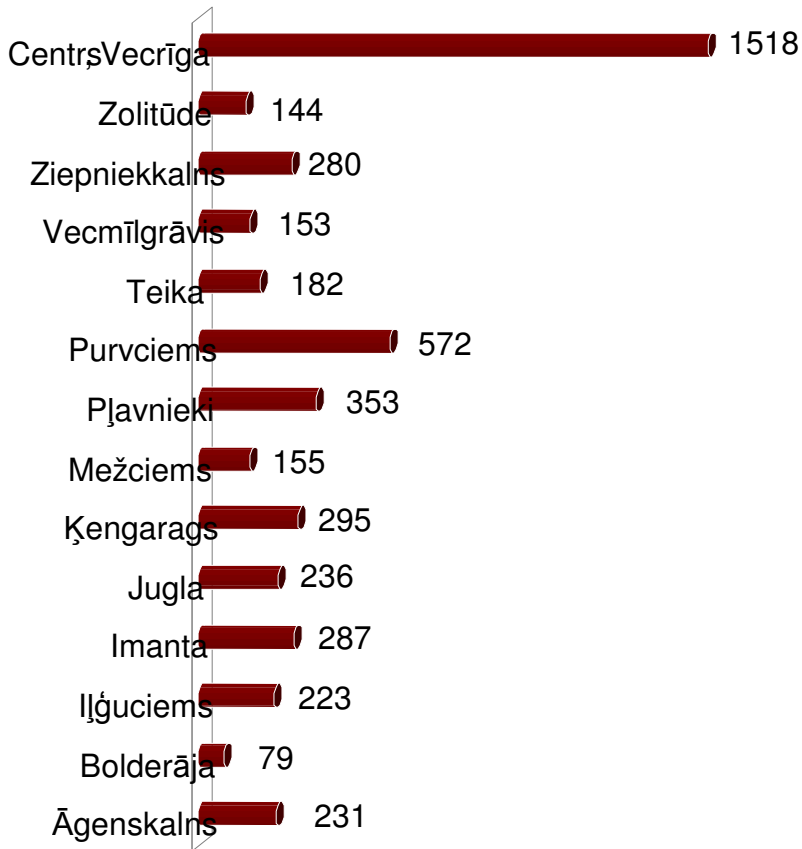
	2009.gads												2010.gads												2011.gads			
	uz 1.janvāri	uz 1.februāri	uz 1.martu	uz 1.aprīli	uz 1.maiju	uz 1.jūniju	uz 1.jūliju	uz 1.augustu	uz 1.septembri	uz 1.oktobri	uz 1.novembri	uz 1.decembri	uz 1.janvāri	uz 1.februāri	uz 1.martu	uz 1.aprīli	uz 1.maiju	uz 1.jūniju	uz 1.jūliju	uz 1.augustu	uz 1.septembri	uz 1.oktobri	uz 1.novembri	uz 1.decembri	uz 1.janvāri	uz 1.februāri	uz 1.martu	uz 1.aprīli
1 istabas	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	636
2 istabu	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	609
3 istabu	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	581
4 istabu	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	576

Source: ARCO REAL ESTATE

Number of apartments offered for sale in March 2011, compared with the level of the previous month, has increased both in the largest housing estates analyzed by the ARCO REAL ESTATE (9.1%), and in Riga City in total (7.6%). Also the number of apartments offered and located in the central part of Riga has increased – by 7.3%.

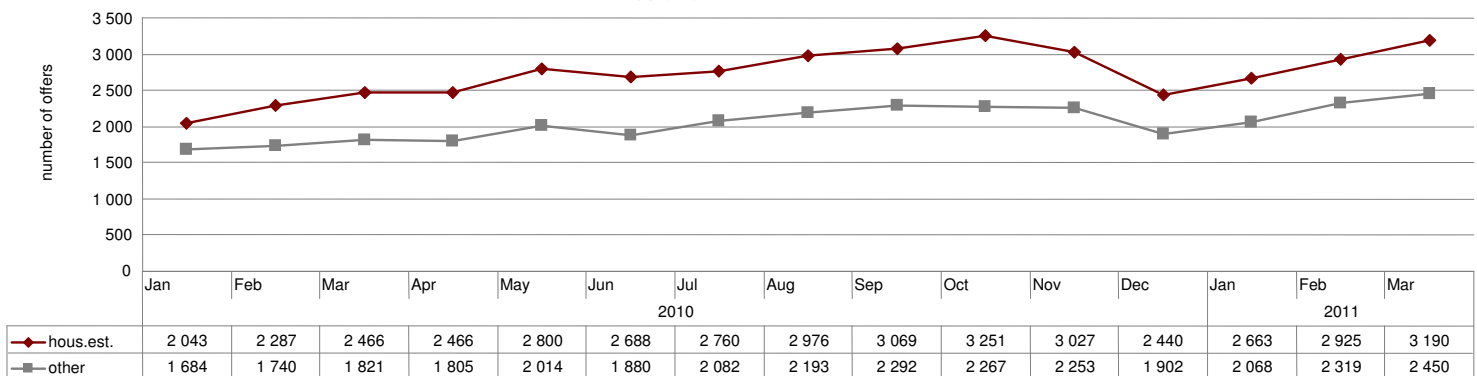
Having analyzed the number of apartments offered we can see that the biggest number of apartments offered in March are located at Purvciems, Pļavnieki, Imanta and Ķengarags. In contrast, the smallest number of apartments offered are located at Bolderāja and Zolitūde. In absolutely all largest housing estates the number of apartments offered for sale grew in March. The largest growth in March was observed at Bolderāja – by 29.5%. 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 in Riga, March 2011



Source: ARCO REAL ESTATE

Supply dynamics in Riga



Source: ARCO REAL ESTATE

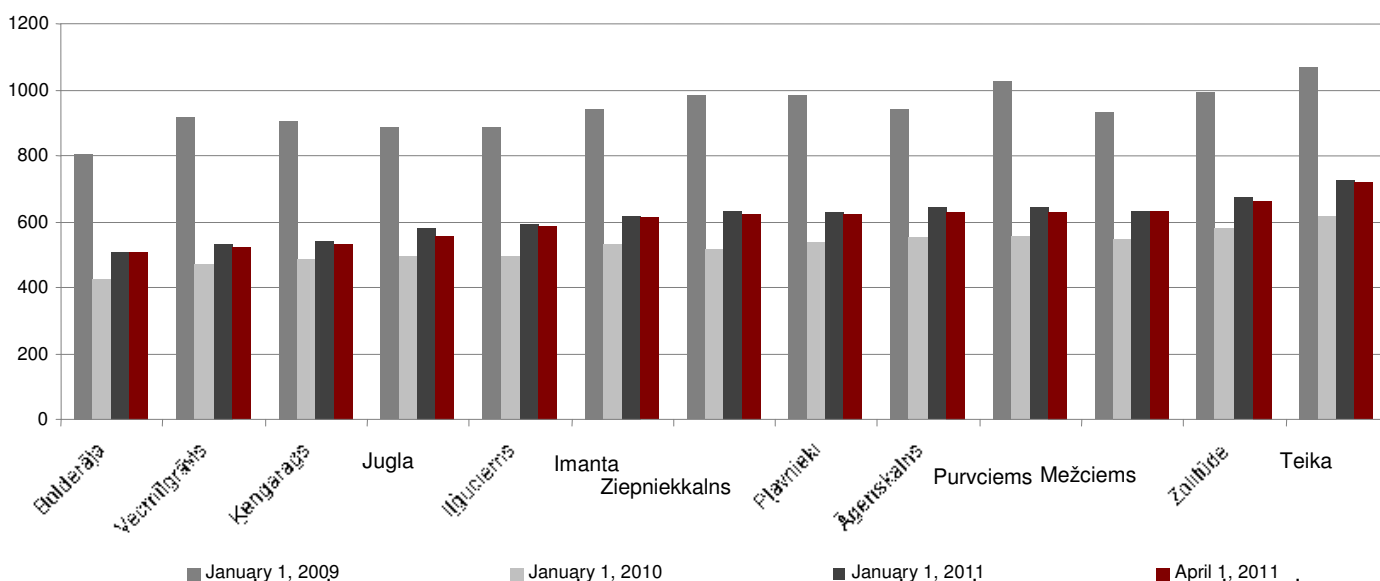
In March 2011, the average price of 1 m² was unchanged only at Mežciems and Teika. In the other housing estates a slight price decline was observed in March. Average price of 1m² has decreased by 0.4-1.7%. The biggest price drop in March was observed at Jugla, where the prices decreased by 1.7% on average.

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

	Average price of 1m ² on April 1, 2011	Average price of 1m ² on April 1, 2011	Changes in %
Jugla	558	568	-1.7%
Pļavnieki	624	629	-0.8%
Purvciems	630	637	-1.0%
Mežciems	633	633	0.0%
Teika	720	720	0.0%
Vecmīlgrāvis	523	526	-0.6%
Kengarags	531	535	-0.8%
Bolderāja	504	506	-0.4%
Ziepniekkalns	623	628	-0.9%
Imanta	614	618	-0.6%
Zolitūde	662	665	-0.4%
Āgenskalns	628	635	-1.1%
Ilģuciems	586	591	-0.9%

Source: ARCO REAL ESTATE

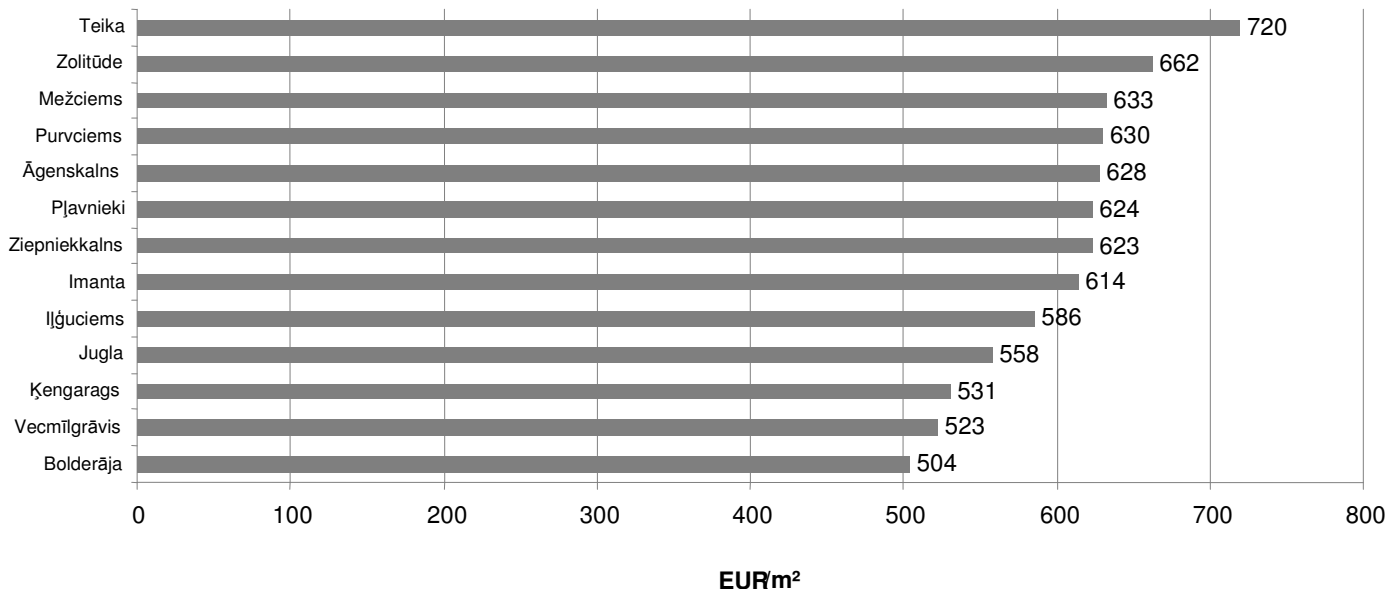
Compared with the beginning of 2009, in March 2011 the standard-type apartment prices in the housing estates of Riga were by 35.7% lower. From the beginning of 2010, the prices have grown by 15.4% on average. During the first three months of 2011, the prices decreased by 1.3%. Since the lowest price 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 23.42% on average.

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


Avots: ARCO REAL ESTATE

The highest prices in March 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 decreased to 662 EUR. In turn, the lowest prices in March 2011 were observed at *Bolderāja*, where the average price of 1m² remained unchanged and amounted to 504 EUR.

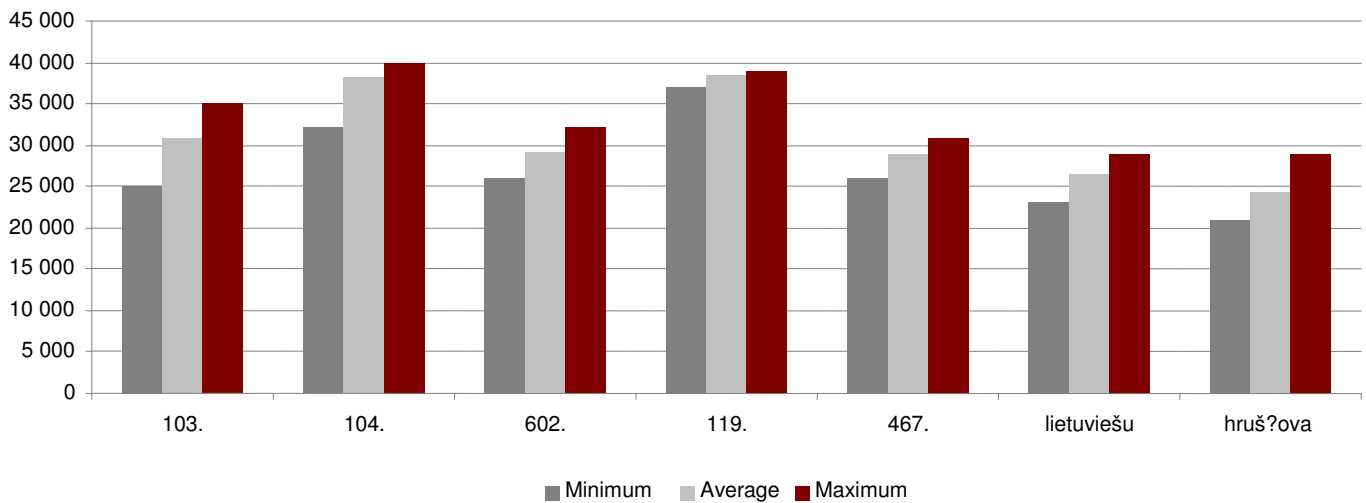
Average standard-type apartment prices in Riga housing estates in March 2011 (EUR/m²)



Source: ARCO REAL ESTATE

In March 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
March 2011
(prices of 2-room apartments, in EUR)**



Source: ARCO REAL ESTATE

Jūrmala, Kauguri

In March 2011, like in February, the prices slightly decreased at Kauguri— **by 1.3% on average**. The average price fell to **437 EUR/m²** in March. In the first months of 2011 the prices at Kauguri decreased by 5.7% in general. 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 March 2011 the apartment prices in Jelgava decreased **by 1% on average**. The market activity in Jelgava was still low in the first months of the year. In the first months of 2011 the apartment prices in Jelgava tended to decline, and during the 1st quarter the prices decreased by 5.2% on average. The average price in March was **330 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 March 2011, the prices in the apartment market of Salaspils decreased slightly. The average price in March was **504 EUR/m²**. In 2010 in total, the apartment prices at Salaspils increased by **22%**. In the first months of 2011 the apartment prices in Salaspils tended to decline, and during the 1st quarter the prices decreased by 2.8% on average. In March the prices decreased **by 0.5 % on average**.

Ogre

The average prices at Ogre in March 2011 remained unchanged if compared with the average prices of February 2011. The average apartment price in March was **431 EUR/m²**.

During the 1st quarter of 2011 the prices decreased by 1.7% on average in Ogre. The activity on the apartment market of Ogre is still low.