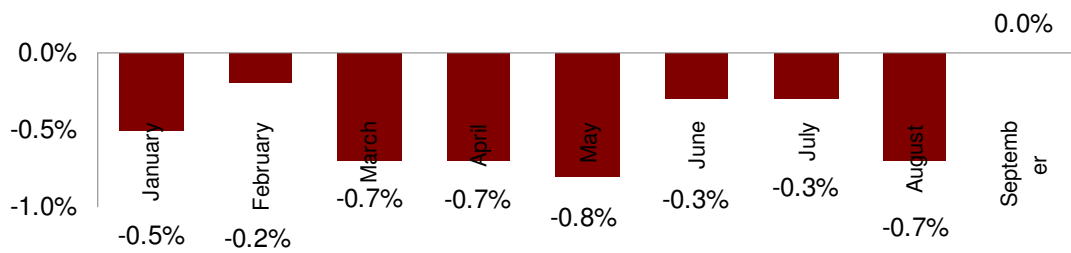


### Standard-type apartments, October 1, 2011

In September of 2011, no significant price changes were observed in the standard-type apartment market. This year's low monthly price decline has stopped and the prices have remained unchanged in September. The average price of standard-type apartments in September 2011 has remained to be **584 EUR/m<sup>2</sup>**. Since the beginning of 2011, the average prices of standard-type apartments have decreased by **4.1%** in total.

#### Changes in standard-type apartment prices in 2011



Source: ARCO REAL ESTATE

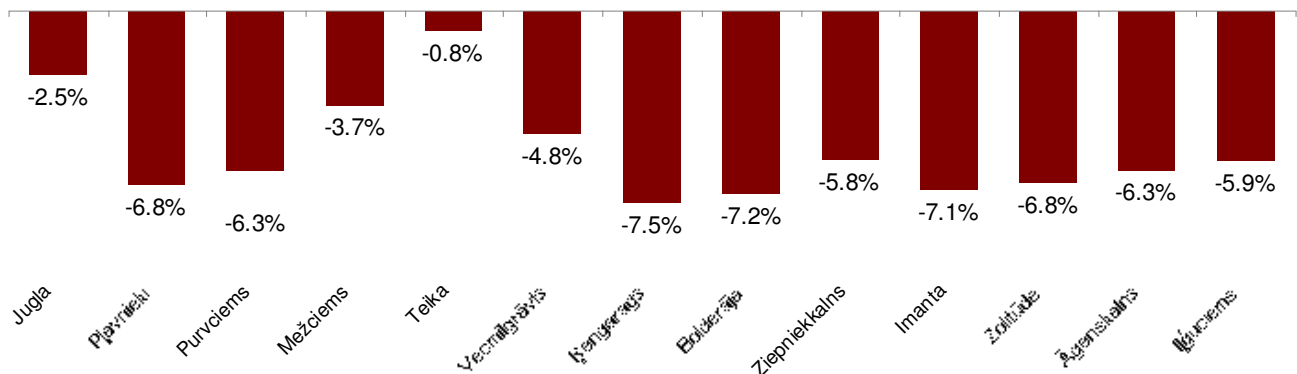
In the beginning of 2011 the overall activity on the real estate market declined. Since the beginning of 2011 the standard-type apartment prices have declined slightly each month. However, in September, no price changes were practically detectable.

The number of apartments offered in the market has decreased slightly in September. In Riga the total the number of apartments offered in the market has decreased by 1.3 %, and in the largest housing estates - by 2,2%. The number of offered apartments that are located in the central part of Riga has in fact remained unchanged.

In most neighborhoods no price changes were observed. The largest price change in September was observed at Ķengarags – the prices declined by 0.6% on average.

Since the beginning of 2011, the average price of 1 m<sup>2</sup> of a standard-type apartment has decreased by 4.1%. The biggest price drop as per October 1, 2011 was observed at Ķengarags – by -7.5%. But at Teika the price drop has been the smallest where the prices during this year have declined only by 0.8%.

#### Price changes since January 1, 2011



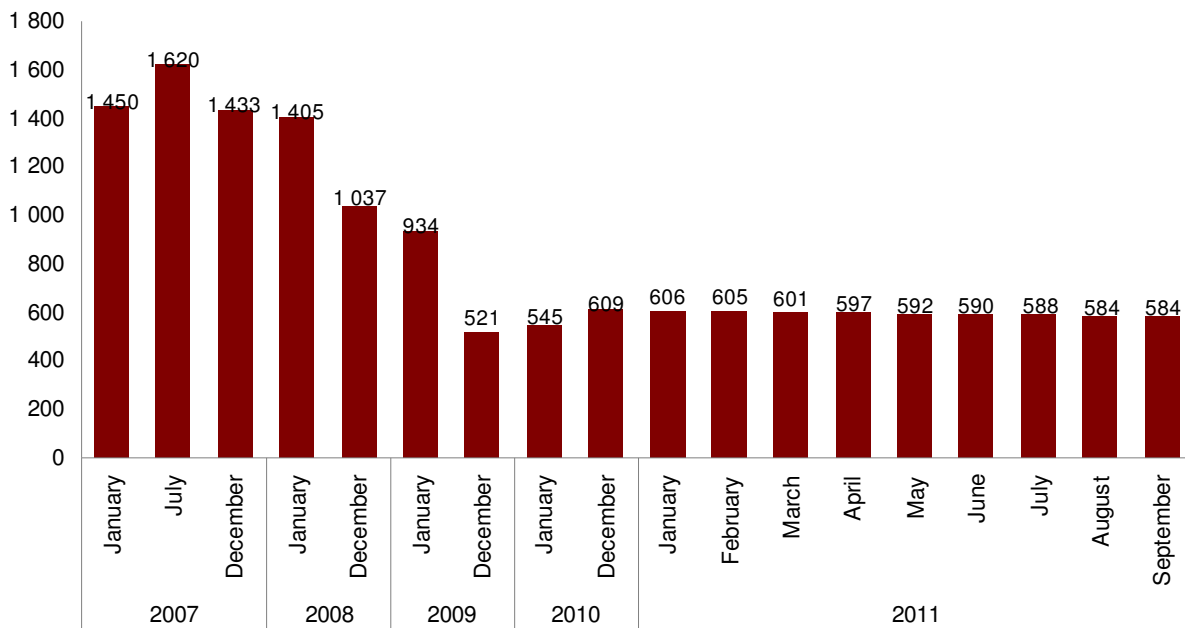
Source: ARCO REAL ESTATE

In September 2011 the apartment prices in housing estates were at the level of April 2010. Since September 2009 when the price level was the lowest, the prices have grown by 19.9%.

In September 2011 the average standard-apartment price remained to be **584 EUR/m<sup>2</sup>**. The prices on average were by 64% 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/m<sup>2</sup>. But the average price of a non-renovated standard-type apartment has decreased by 4.1% if compared with the price level of January 1, 2011.

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%. But 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 September 2011, the average price of a 1-room apartment was 622 EUR/m<sup>2</sup>, and compared with the price of the previous month, this price has decreased by 0.2%; Average price of a 2-room standard-type apartment was 591 EUR/m<sup>2</sup>, and compared with the average price of the previous month, this price has increased by 0.1%; average price of a 3-room apartment was 564 EUR/m<sup>2</sup>, and compared with the prices of the previous month, this price has remained unchanged; average price of a 4-room apartment was 561 EUR/m<sup>2</sup>, and compared with the average price of the previous month, this price has remained unchanged.

## Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms (EUR/m<sup>2</sup>)

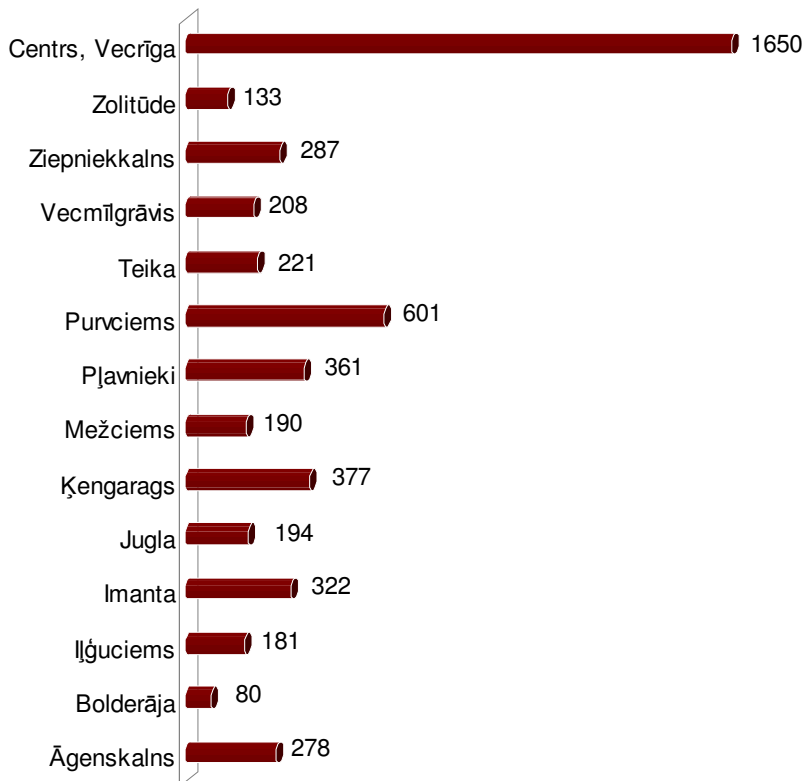
	2010												2011									
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	1st October
<b>1 room</b>	568	598	614	629	654	660	658	656	663	662	661	659	654	649	644	636	633	628	626	624	623	<b>622</b>
<b>2 rooms</b>	541	566	574	587	606	617	617	617	624	628	626	627	621	615	613	609	604	599	596	594	590	<b>591</b>
<b>3 rooms</b>	496	519	532	544	561	571	573	577	588	590	590	590	587	584	584	581	578	573	571	567	564	<b>564</b>
<b>4 rooms</b>	480	498	515	528	548	556	562	566	575	578	578	578	577	575	578	576	572	569	567	566	561	<b>560</b>

Source: ARCO REAL ESTATE

Number of apartments offered for sale in September 2011, compared with the level of the previous month, has slightly decreased both in the largest housing estates analyzed by the ARCO REAL ESTATE (-2.2%), and in the Riga City in total (-1.3%). The number of apartments offered and located in the central part of Riga has practically remained unchanged - it increased only by 0.4%.

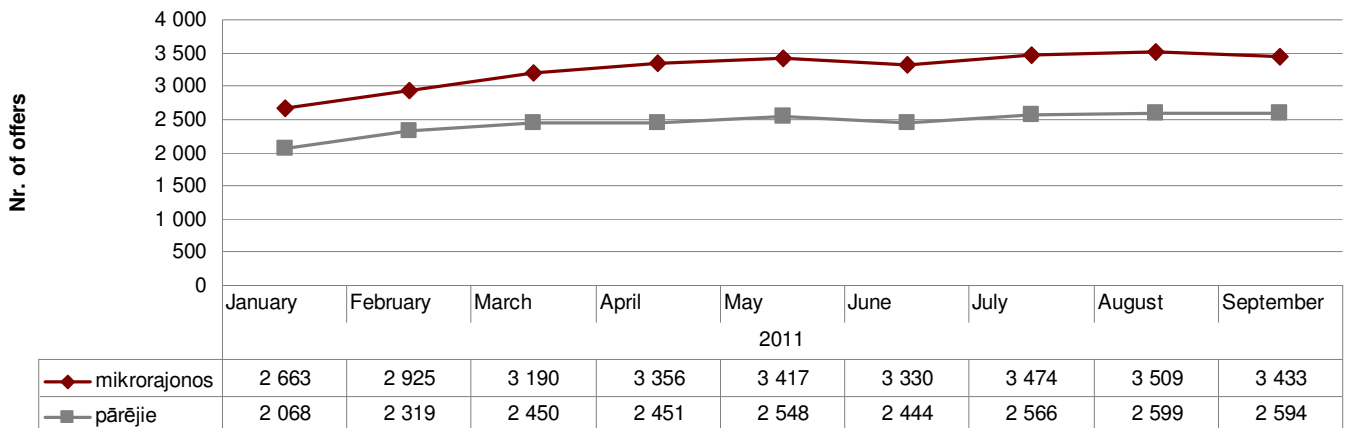
Having analyzed the number of apartments offered we can see that the biggest number of apartments offered in September were located at Purvciems, Pļavnieki, Imanta and Ķengarags. In contrast, the smallest number of apartments offered was at Bolderāja and Zolitūde. In September, the number of apartments offered decreased in most housing estates. In September, the largest decrease of number of apartments offered was observed at Jugla– by 13.8%. The largest increase of supply of apartments was observed at Vecmīlgrāvis – by 7.8%. 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 the market in Riga in September 2011



Source: ARCO REAL ESTATE

## Dynamics of supply in Riga



Source: ARCO REAL ESTATE

In September 2011, the average price of 1 m<sup>2</sup> remained unchanged in most housing estates. In other housing estates a slight price decline was observed. Average price of 1 m<sup>2</sup> has decreased by 0.1-0.6%, except Purvciems where the average price slightly increased – by 0.1%. The biggest price drop in September was observed at Ķengarags, where the prices decreased by 0.6% on average.

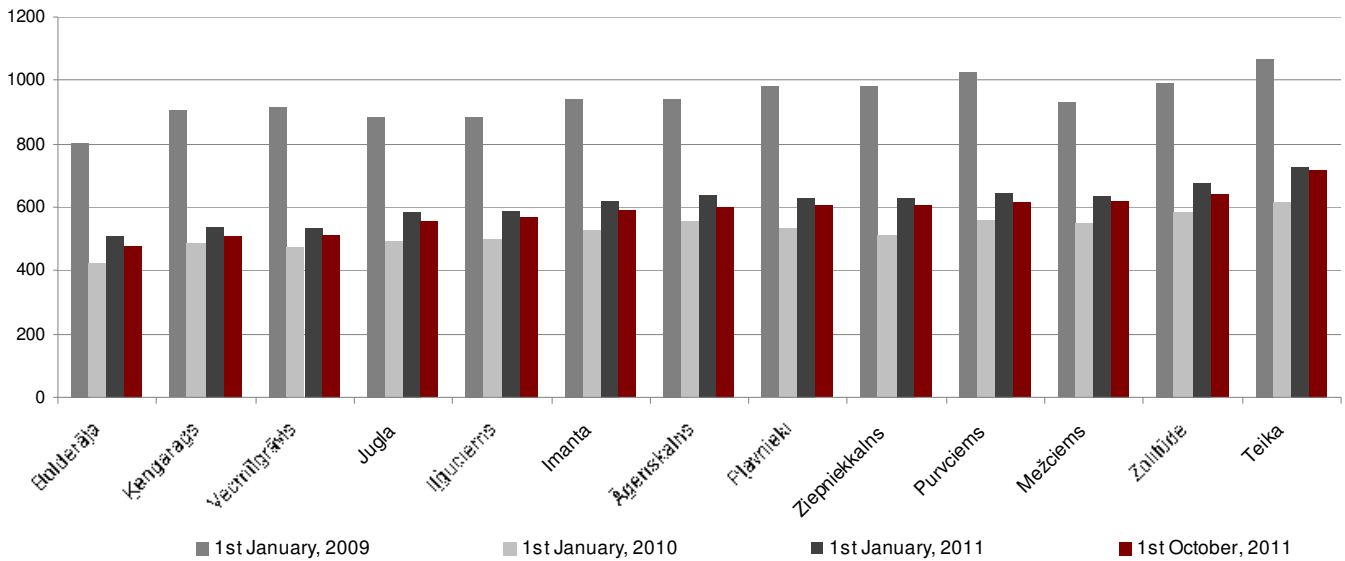
## Change of average standard-type apartment prices in Riga housing estates (%)

	Average 1m <sup>2</sup> price on 1st October, 2011	Average 1m <sup>2</sup> price on 1st September, 2011	Price changes, %
Jugla	554	554	0.0%
Pļavnieki	603	604	-0.1%
Purvciems	617	617	0.1%
Mežciems	619	619	0.0%
Teika	719	719	0.0%
Vecmīlgrāvis	511	514	-0.4%
Ķengarags	510	513	-0.6%
Bolderāja	479	481	-0.5%
Ziepniekkalns	605	606	-0.1%
Imanta	591	591	0.0%
Zolitūde	642	642	0.0%
Āgenskalns	602	602	0.0%
Ilģuciems	570	570	0.0%

Source: ARCO REAL ESTATE

Since the beginning of 2011, the standard-type apartment prices have decreased by 4.1%. From the beginning of 2010, the prices have grown by 12.1% on average. Compared with the beginning of 2009, in September 2011 the standard-type apartment prices in the housing estates of Riga were by 37.5% higher. Since the lowest price point in September 2009 when the average price of 1 m<sup>2</sup> in the Riga's housing estates had decreased to 487 EUR, the prices have grown by 19.9% on average.

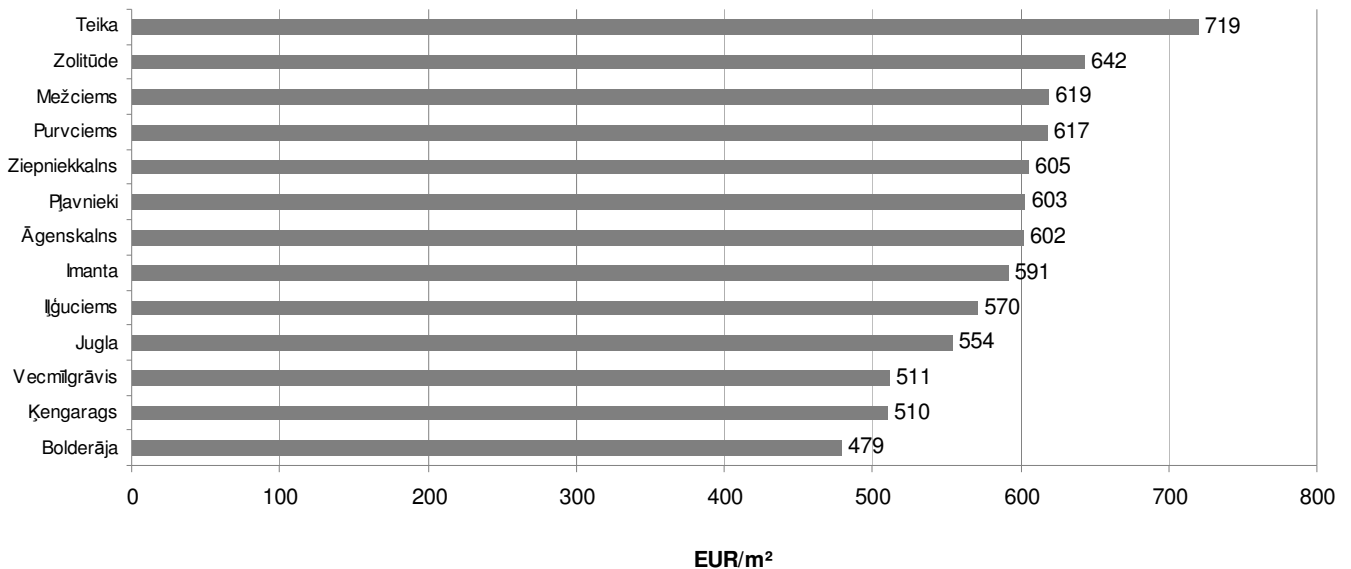
**Average standard-type apartment prices in Riga housing estates (EUR/m<sup>2</sup>)**



Source: ARCO REAL ESTATE

The highest prices in September 2011 were still observed at *Teika*, where the average price of 1m<sup>2</sup> has remained unchanged and was amounting to 719 EUR. In turn, the lowest prices in September 2011 were observed at *Bolderāja*, where the average price of 1m<sup>2</sup> dropped to 479 EUR.

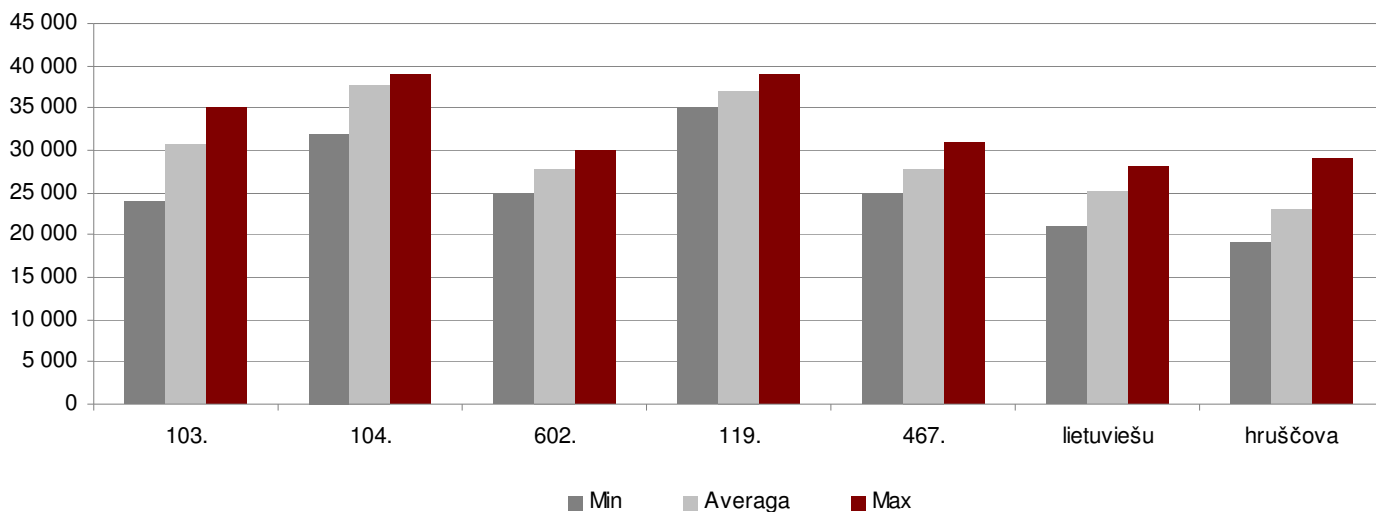
**Average standard-type apartment prices in Riga housing estates in September 2011**



Source: ARCO REAL ESTATE

In September 2011, the most expensive apartments still were apartments in the houses of the 119<sup>th</sup> series and 104<sup>th</sup> series, where the price of 2-room apartments varied from 32 to 39 thousand EUR, depending on location. But the so-called *Lithuanian design houses* have been the cheapest ones, where the price of 2-room apartments varied from 21 to 28 thousand EUR, and the so-called *Khrushchev-time houses*, where the price of 2-room apartments varied from 19 to 29 thousand EUR, depending on the housing estate.

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



Source: ARCO REAL ESTATE

### ***Jūrmala, Kauguri***

In September 2011 the apartment prices at Kauguri remained unchanged. The average price still was **429 EUR/m<sup>2</sup>**. During 2011 the prices at Kauguri have decreased by 7.4%. The most expensive apartments at Kauguri still were the *103rd series* apartments, but the cheapest apartments were in the *Khrushchev-time houses* and *small-family houses*.

### ***Jelgava***

In September 2011 the apartment prices in Jelgava remained unchanged. The market activity in Jelgava is still low. In 2011 the apartment prices in Jelgava tended to decline, and since the beginning of 2011 the prices have decreased by 13.2% on average. The average price in September still was **303 EUR/m<sup>2</sup>**. Apartments located in the central part of the city with high-standard interior decoration are most demanded and most popular.

### ***Salaspils***

In September 2011, the prices in the apartment market of Salaspils **decreased by 0.3% on average**. The average price in September was as low as **489 EUR/m<sup>2</sup>**. In 2010 in total, the apartment prices at Salaspils increased by **22%**. In 2011 the apartment prices in Salaspils have tended to decline, and since the beginning of the year the prices have decreased by 5.8% on average.

### ***Ogre***

The average prices in Ogre in September 2011 **remained unchanged** if compared with the average prices of August 2011. The average apartment price in September still was **426 EUR/m<sup>2</sup>**.

Since the beginning of 2011 the prices have decreased by 2.8% on average in Ogre. The activity in the apartment market of Ogre is assessed as low.