



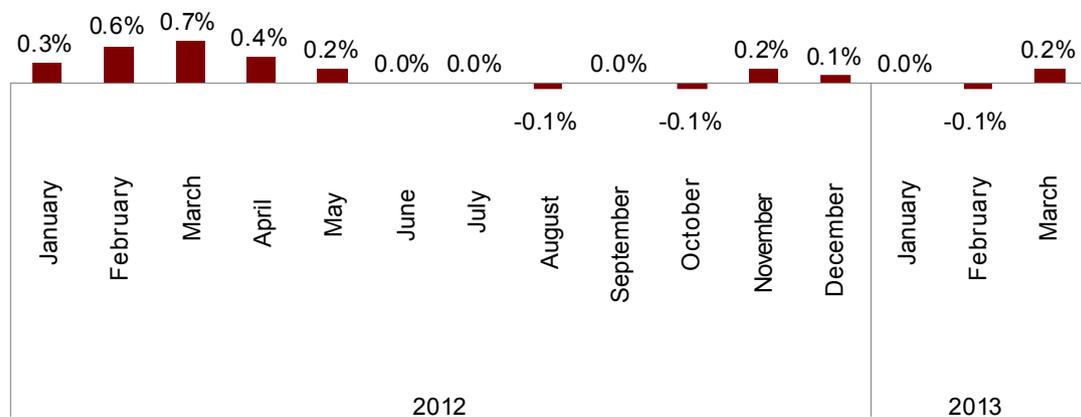
Standard-Type Apartment Market
Review
Riga & Riga District
March 2013



ARCO REAL ESTATE

In March 2013, the standard-type apartment prices in the major housing areas of Riga still were stable. The average standard-type apartment price has slightly decreased and in March returned to 595 EUR/m².

Standard-type apartment price changes since beginning of 2012, %



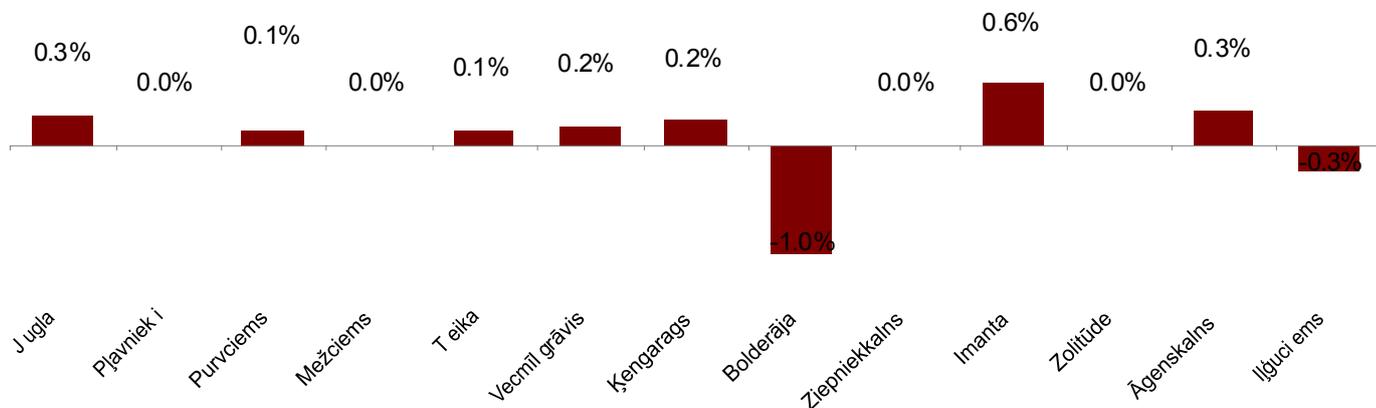
Source: ARCO REAL ESTATE

Thus, it may be concluded that the standard-type apartment prices have in general remained stable in the major Riga housing estates during Q1 of 2013.

In most major housing estates of Riga no apartment price change was observed in March. Also the supply of apartments has remained unchanged. Except for Zolitūde, where the supply increased significantly in March - by 58%. At least for the time being it is impossible to say whether it has affected the apartment price level in Zolitūd.

The largest average price increase of 1 m² in the housing estates of Riga since the beginning of 2013 was observed in Imanta – by +0.6%. While the prices were reduced most prominently in Bolderāja – by 1% on average.

Price changes in housing estates since beginning of 2012

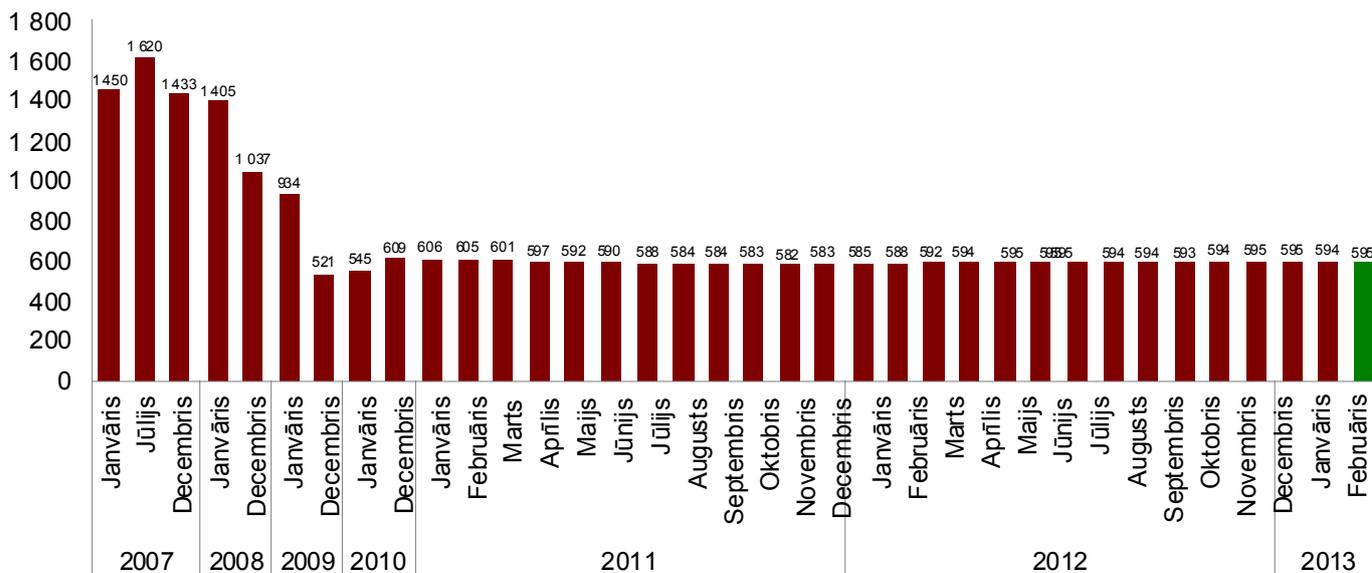


Source: ARCO REAL ESTATE

In March 2013 the average standard-apartment price was at the same level as in May 2012. In March 2013 this price returned to **595 EUR/m²**. The prices on average are by 63.3% lower than on July 1, 2007, when the average price of a non-renovated standard-type apartment reached the highest ever value of 1620 EUR/m².

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. In 2011, the prices of standard-type apartments decreased by 3.5. In 2012, the apartment prices grew by 2%. Since the beginning of 2013, the apartment prices have not changed.

Movements of average price of standard-type apartments in housing estates of Riga, EUR/m²



Source: ARCO REAL ESTATE

In March 2013, the average price of 1 square metre has changed only in respect of three- room apartments – it has slightly increased (by +0.2%).

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

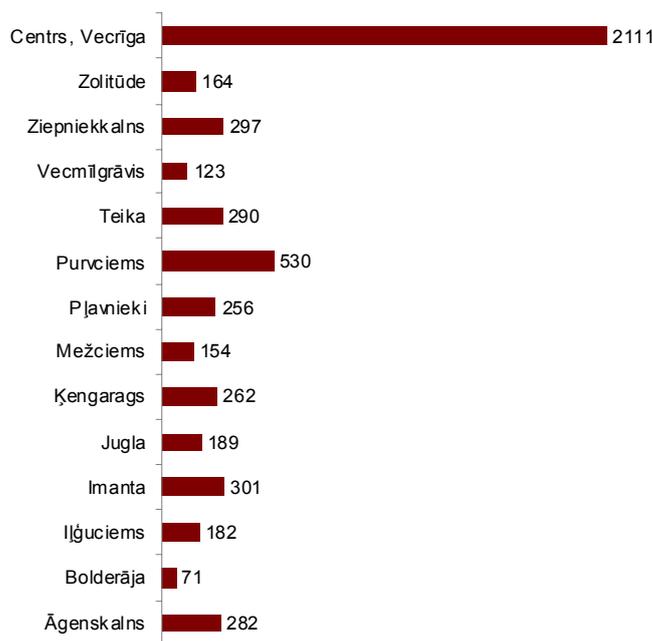
	2011.gads												2012.gads												2013				
	uz 1.janvāri	uz 1.februāri	uz 1.martu	uz 1.aprīli	uz 1.maiju	uz 1.jūniju	uz 1.jūliju	uz 1.augustu	uz 1.septembri	uz 1.oktobri	uz 1.novembri	uz 1.decembri	uz 1.janvāri	uz 1.februāri	uz 1.martu	uz 1.aprīli	uz 1.maiju	uz 1.jūniju	uz 1.jūliju	uz 1.augustu	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-room	654	649	644	636	633	628	626	624	623	622	621	622	626	632	639	639	640	641	640	638	639	639	642	643	643	643	643	643	643
2-room	621	615	613	609	604	599	596	594	590	591	589	589	590	592	594	598	600	602	602	602	602	602	601	601	602	602	602	602	603
3-room	587	584	584	581	578	573	571	567	564	564	563	563	563	565	568	571	573	574	575	575	575	574	574	574	574	574	574	574	574
4-room	577	575	578	576	572	569	567	566	561	560	558	556	557	557	560	561	565	565	562	562	562	562	560	560	560	560	560	560	560

Source: ARCO REAL ESTATE

In March 2013 the number of apartments supplied was in general stable. The number of apartments supplied has minimally grown in the housing estates analyzed by ARCO REAL ESTATE (+1.2%), and slightly decreased in the Riga City in total (-1.5%). The number of apartments supplied in the central part of Riga (city centre, Old Town) has decreased by 6.5%.

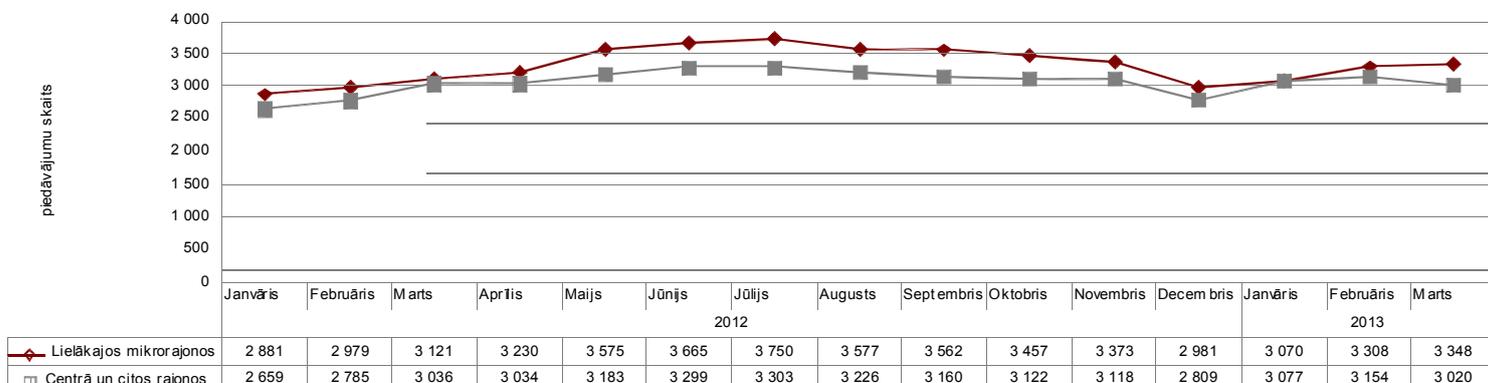
Having summarized the number of apartments supplied, we can conclude that the largest supply of apartments in March was in Purvciems, Pļavnieki, Ķengarags and Imanta. But the housing estates where the number of apartments supplied was the smallest were Bolderāja and Vecmīlgrāvis. The number of apartments supplied has decreased in March in most of Riga housing estates. It was compensated by the significant supply increase in Zolitūdw, where the supply increased by 58%. Thus, the total number of apartments supplied in the major housing estates of Riga was similar to that in February.

Number of apartments offered in Riga February 2013



Source: ARCO REAL ESTATE

Apartment supply dynamics in Riga



Source: ARCO REAL ESTATE

In March 2013, the standard-type apartment market was characterized by price changes only in certain housing estates. The average price of 1 m² has slightly decreased only in Ilģuciems (-0.2%). In a number of housing estates positive price fluctuations were observed; and the largest growth of the average price of 1 m² in March was observed in Imanta ((+0.5%). In most housing estates no price fluctuations were observed, and the prices should be considered to be stable.

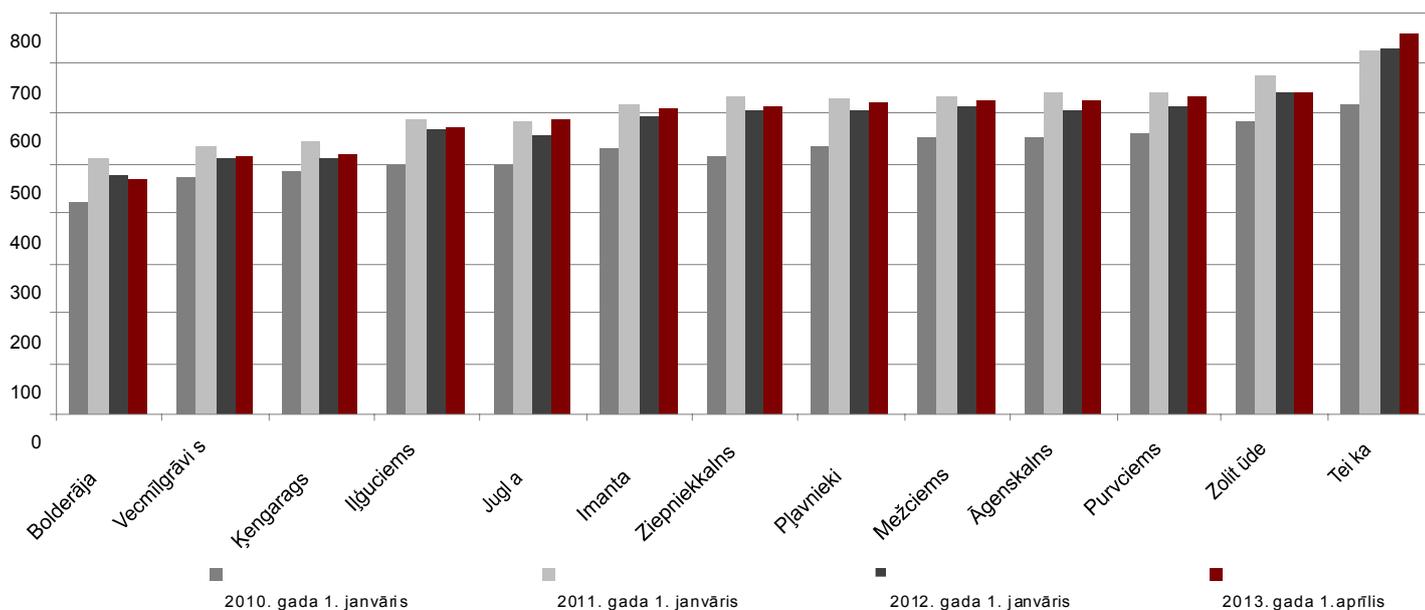
Change of average standard-type apartment prices in Riga housing estates (%)

	Average value of 1m ² on April 1, 2013	Average value of 1m ² on March 1, 2013	Change, %
Jugla	585	585	0,0%
Pļavnieki	622	622	0,0%
Purvciems	633	633	0,0%
Mežciems	624	624	0,0%
Teika	758	758	0,0%
Vecmīlgrāvis	515	513	0,3%
Ķengarags	519	518	0,2%
Bolderāja	468	468	0,0%
Ziepniekkalns	613	613	0,0%
Imanta	609	606	0,5%
Zolitūde	644	644	0,0%
Āgenskalns	625	623	0,3%
Ilģuciems	569	569	-0,2%

Source: ARCO REAL ESTATE

Since the beginning of 2012, the standard-type apartment prices have increased by 2.1%. Since the beginning of 2011, the prices have decreased by 2.3%. Compared with the beginning of 2010, in March 2013 the standard-type apartment prices in the housing estates of Riga were by 14.2% higher.

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

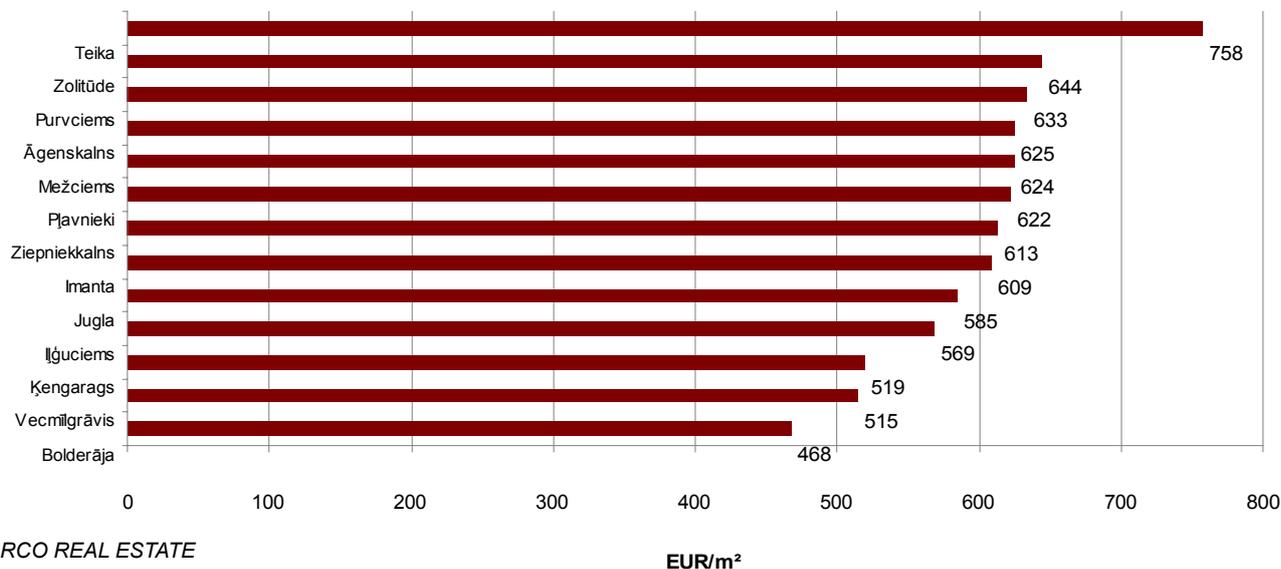


Source: ARCO REAL ESTATE

Standard-type apartment market overview | Riga | March | 2013

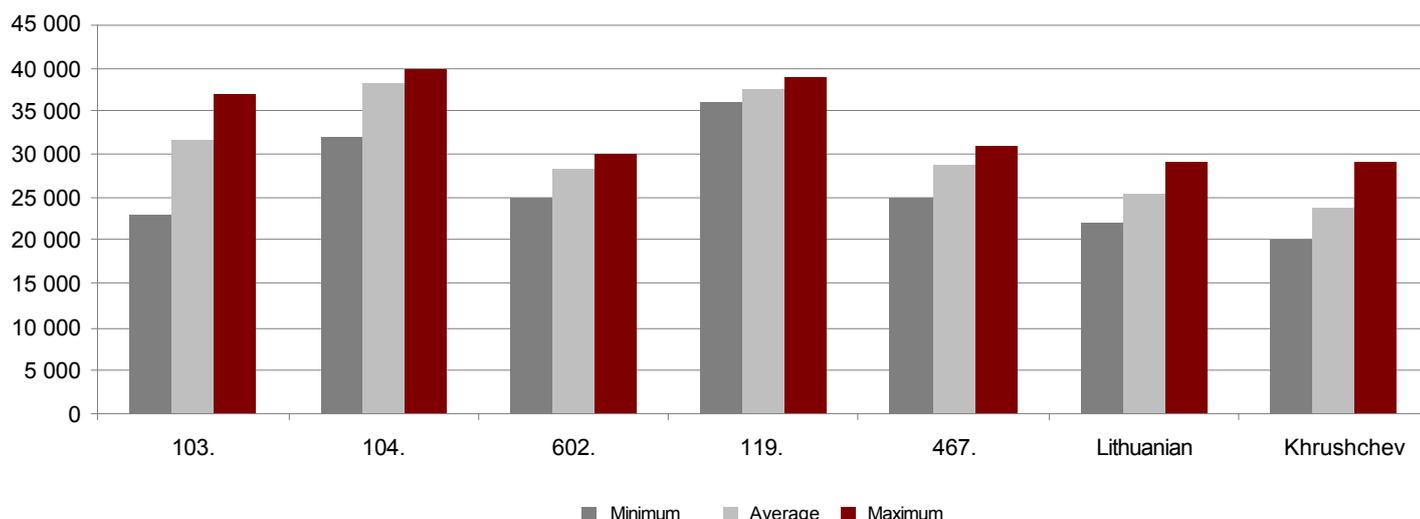
The highest prices in March 2013 were observed at *Teika*, where the average price of 1m² remained to be 758 EUR. In turn, the lowest prices in March were observed at *Bolderāja*, where the average price of 1m² remained to be 468 EUR.

Average standard-type apartment prices in Riga housing estates in March 2013 (EUR/m²)



In March 2013, the most expensive apartments still were apartments in the houses of the 119th series and 104th series, where the price of 2-room apartments varied from 32 to 40 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 22 to 29 thousand EUR, and the so-called *Khrushchev-time houses*, where the price of 2-room apartments varied from 20 to 29 thousand EUR, depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in March 2013 (prices of 2-room apartments, in EUR)



Ogre

The average prices in Ogre in March 2013 **remained unchanged**. The average apartment price has remained to be **426 EUR/m²**. In 2012, the prices of standart-type apartments decreased by 1.3% in Ogre. In general, the apartment prices in Ogre have been stable in Q1 of 2013.

Jūrmala, Kauguri

In March 2013 the apartment prices in Kauguri **decreased by 0.4%**. The average price of an apartment has dropped to **406 EUR/m²**. In 2012, the prices of standart-type apartments decreased by 3.5% in Kauguri. Apartment prices at Kauguri still remain at low level and often transactions are made at even lower prices than requested in the offer. The price decline observed in 2012 indicates a diminished interest in apartments located in this region, and the prices observed in Q1 of 2013 show the trend to decrease.

Salaspils

In March 2013, the apartment prices in Salaspils **remained unchanged**. The average price remained to be **472 EUR/m²**. In 2012, the prices of standart-type apartments decreased by 3.1% in Salaspils. Apartment price changes in Salaspils usually are connected with changes in Riga housing estates where the prices are stable today. No apartment price fluctuations have been observed in Salaspils in Q1 of 2013.

Jelgava

In March 2013, the apartment prices in Jelgava **increased by 0.5%**. The average price of an apartment increased to **289 EUR/m²**. In 2012, the prices of standart-type apartments decreased by 2.6% in Jelgava. The apartment prices observed in Q1 of 2013 in Jelgava should be considered stable, and the price fluctuations are low.

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