

Standart type apartment market overview

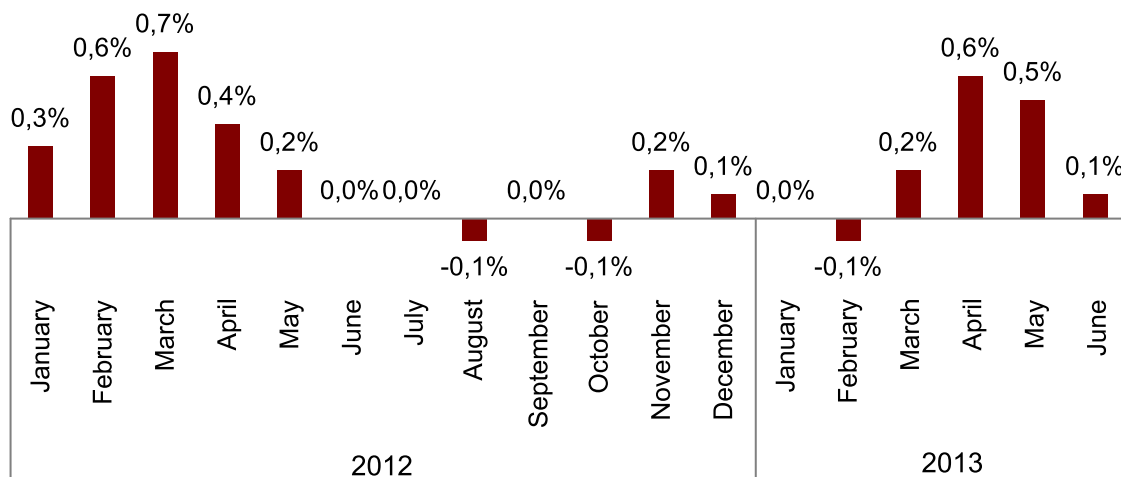
JUNE

Riga
2013

Standard-type apartments

In June 2013, practically no changes were observed in the standard-type apartment market in the Riga City housing estates. In many places, the apartment prices are still slightly increasing. The average standard-type apartment price reached the level of 601 EUR/m² and the average monthly price growth is 0.1%.

Standard-type apartment price changes since beginning of 2012 (%)

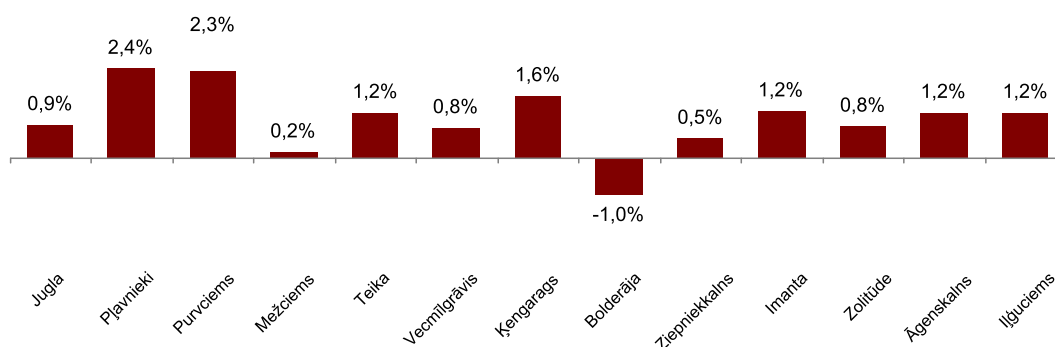


Source: ARCO REAL ESTATE

Like other years, the activity in the standard-type apartment market has been lower in June. The supply rate has slightly decreased in large housing estates of Riga and in Riga as a whole. No significant changes in apartment prices have been observed. In a number of housing estates there was observed minimal increase in prices of the most favourite apartment series. The apartment prices in the most expensive districts of Riga - Teika and Purvciems – grew by 0.5% on average in June.

The largest growth of the average 1 m² price in the housing estates of Riga City since the beginning of 2013 was observed in Pļavnieki: +2.4%. But, in turn, solely in Bolderāja the prices have decreased this year - by 1% on average. In other housing estates the prices tend to increase slightly.

Price changes in housing estates since beginning of 2013

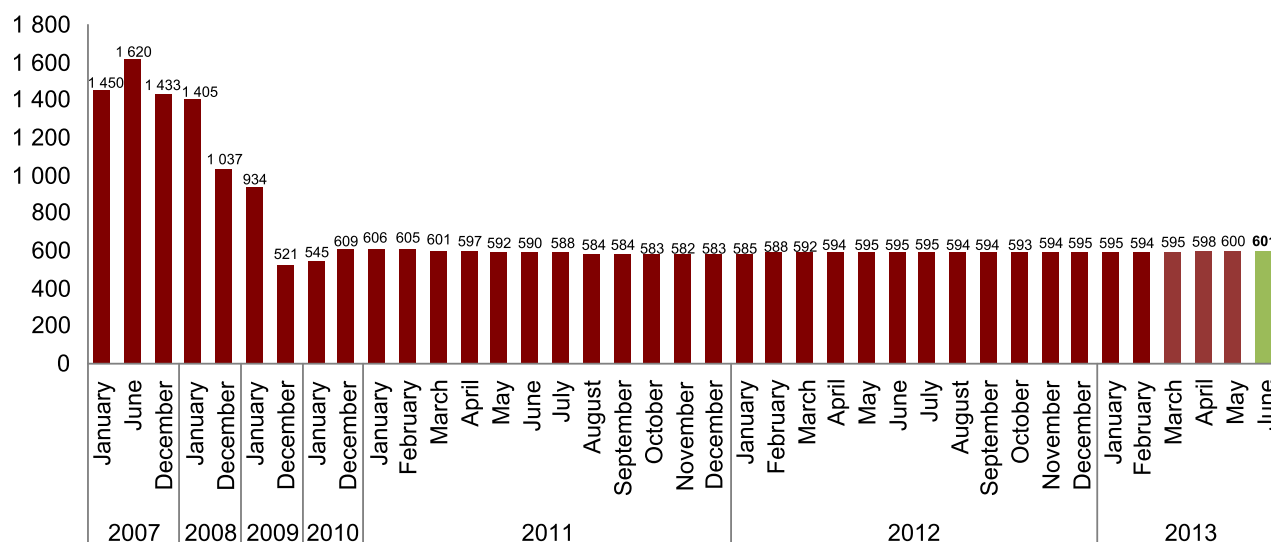


Source: ARCO REAL ESTATE

In June 2013 the average standard-apartment price has reached the level of 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 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 increased by 1%.

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



Source: ARCO REAL ESTATE

In June 2013, the average price of 1 m² of apartments if categorized by number of rooms has increased for one-room apartments (+0.3%) and three-room apartments (+0.2%). Average price of 1 m² of two-room and four-room apartments remained at the same level.

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

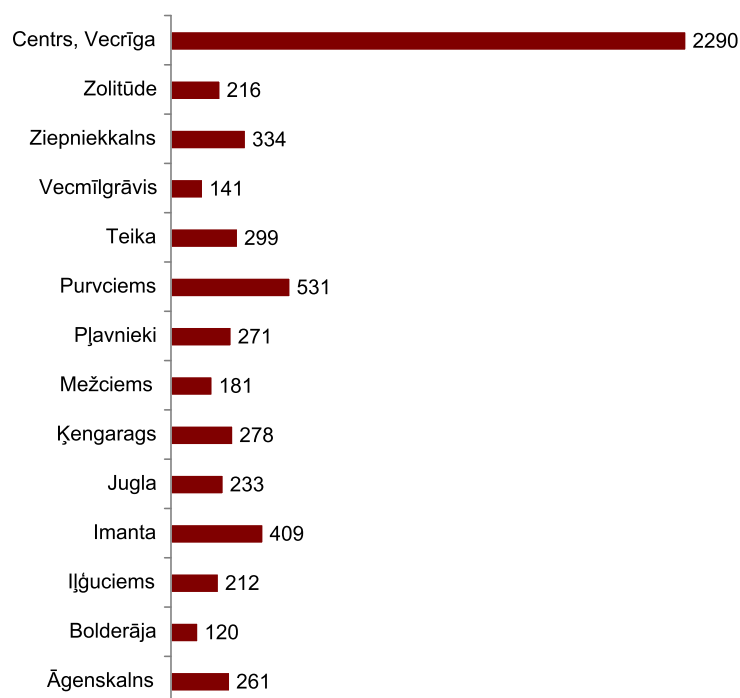
	2011												2012												2013					
	1st January	1st February	1st March	1st April	1st May	1st June	1st July	1st August	1st September	1st October	1st November	1st December	1st January	1st February	1st March	1st April	1st May	1st June	1st July	1st August	1st September	1st October	1st November	1st December	1st January	1st February	1st March	1st April	1st May	1st June
1 room	654	649	644	636	633	628	626	624	623	622	622	621	622	626	632	639	639	640	641	640	638	639	639	642	643	643	643	643	648	648
2 rooms	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	603	610	612
3 rooms	587	584	584	581	578	573	571	567	564	564	563	563	563	565	568	571	573	574	575	575	575	575	574	574	574	574	574	576	577	577
4 rooms	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	561	562	562

Avots: ARCO REAL ESTATE

In June 2013, changes in the number of apartments supplied have been minimal. The number of apartments supplied has decreased (by -2.3%) in the largest housing estates analyzed by ARCO REAL ESTATE. Also the overall supply in Riga has slightly decreased (by -1.7%). Only the number of apartments supplied in the central part of Riga (city centre, Old Town) has remained practically unchanged (+0.2%).

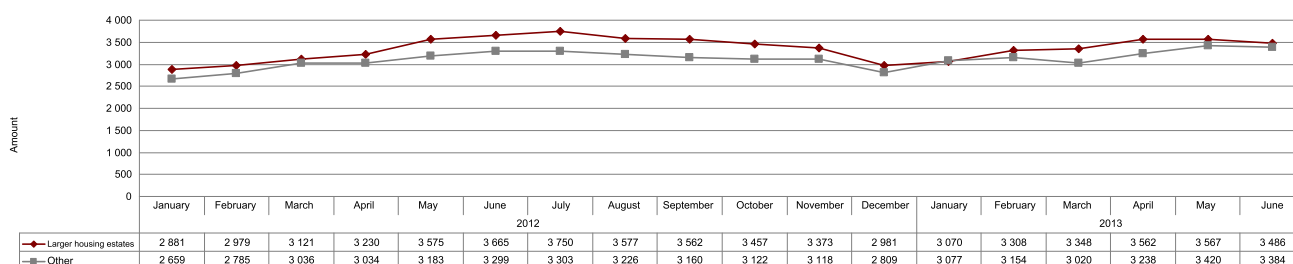
Having summarized the number of apartments supplied, we can conclude that the largest supply of apartments in June was in Purvciems, Pļavnieki, Ķengarags and Imanta. But the housing estates where the number of apartments supplied was the smallest were Bolderāja and Vecmīlgrāvis. In June, the number of apartments supplied in the largest housing estates of Riga mainly decreased. The largest reduction of the supply was observed in Ķengarags, where the supply decreased by 11.7%. But the largest increase was observed in Vecmīlgrāvis - by 14,6%.

Number of apartments offered in Riga, June 2013



Source: ARCO REAL ESTATE

Apartment supply dynamics in Riga



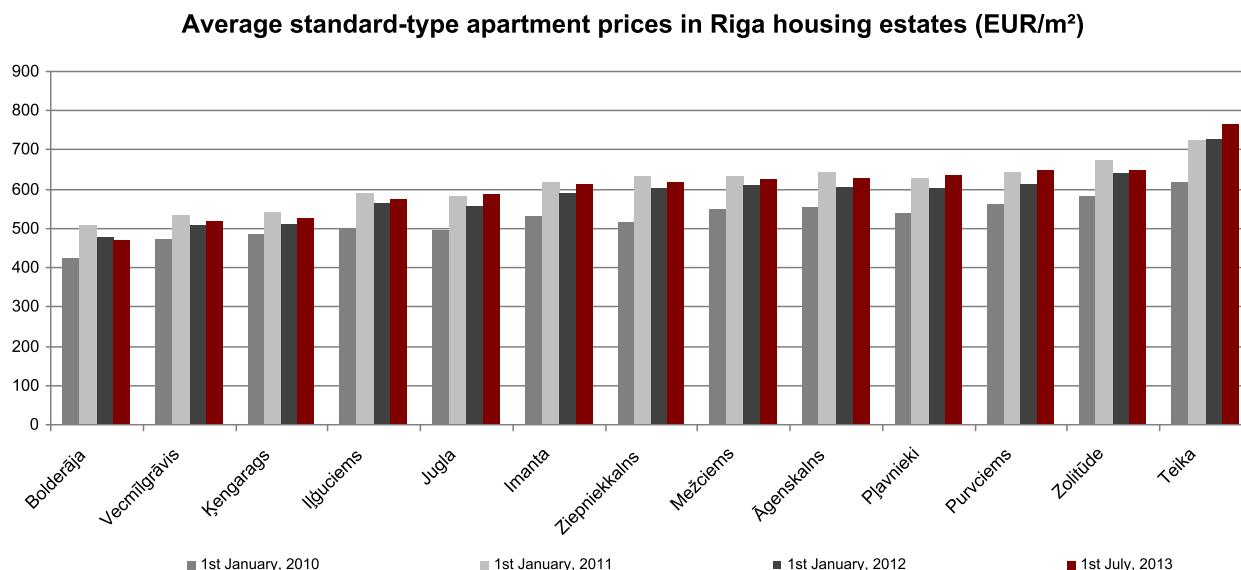
Source: ARCO REAL ESTATE

In June 2013, the standard-type apartment market was characterized mainly by minimum price changes in all the largest Riga housing estates. The largest growth of the average price of 1 m² in June was observed in Purvciems and Teika (+0.5%). Solely in Vecmīlgrāvis a slight decrease of the standard-type apartment prices was observed (-0.1%).

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

	Average 1m ² price on 1st July, 2013	Average 1m ² price on 1st June, 2013	Price changes, %
Jugla	588	588	0,0%
Pļavnieki	637	635	0,3%
Purvciems	647	644	0,5%
Mežciems	625	625	0,0%
Teika	766	762	0,5%
Vecmīlgrāvis	518	519	-0,1%
Ķengarags	526	525	0,2%
Bolderāja	468	468	0,0%
Ziepniekkalns	616	616	0,1%
Imanta	613	613	0,0%
Zolitūde	649	649	0,0%
Āgenskalns	630	630	0,0%
Iļģuciems	577	575	0,2%

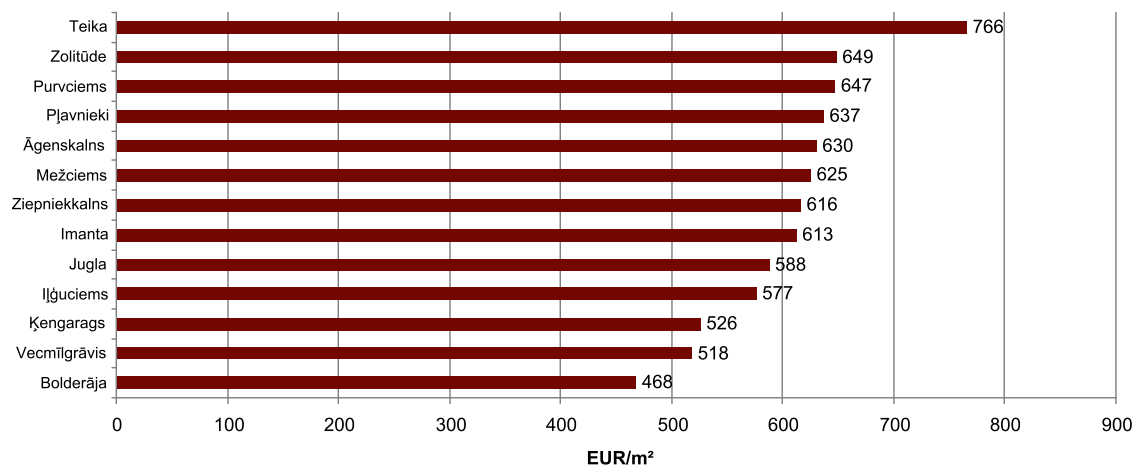
Since the beginning of 2012, the standard-type apartment prices have increased by 3%. Since the beginning of 2011, the prices have decreased by 1.4%. Compared with the beginning of 2010, in June 2013 the standard-type apartment prices in the housing estates of Riga were by 15.3% higher.



Source: ARCO REAL ESTATE

The highest standard-type apartment prices in June 2013 were in Teika, where the average price of 1m² has increased to 766 EUR. But the lowest average price of 1 m² in June was in Bolderāja where it remained to be 468 EUR.

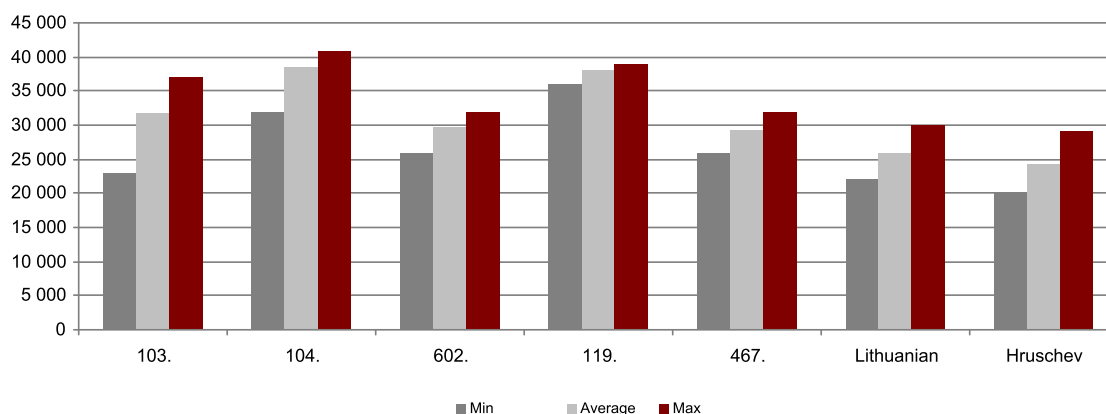
Average standard-type apartment prices in Riga housing estates in June 2013 (EUR/m²)



Source: ARCO REAL ESTATE

In June 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 41 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 30 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 June 2013
(prices of 2-room apartments, in EUR)**



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

Ogre

The average prices in Ogre in June 2013 remained unchanged. The average apartment price has remained to be 426 EUR/m². In 2012, the prices of standard-type apartments decreased by 1.3% in Ogre. In the first six months of 2013, the apartment prices in Ogre have decreased by 1.3%.

Kauguri, Jūrmala,

In June 2013 the apartment prices in Kauguri remained unchanged. The average price of an apartment has remained to be 403 EUR/m². In 2012, the prices of standard-type apartments decreased by 3.5% in Kauguri. In the first six months of 2013, the apartment prices in Kauguri have decreased by 3.9%.

Salaspils

In June 2013, the apartment prices in Salaspils remained unchanged. The average price remained to be 469 EUR/m². In 2012, the prices of standard-type apartments decreased by 3.1% in Salaspils. In the first six months of 2013, the apartment prices in Salaspils have decreased by 2%.

Jelgava

In June 2013, the apartment prices in Jelgava remained unchanged. The average price remained to be 291 EUR/m². In 2012, the prices of standard-type apartments decreased by 2.6% in Jelgava. In the first six months of 2013, the apartment prices have been stable and the price fluctuations have been insignificant. In general, the prices have remained unchanged during the first six months.

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