

STANDART TYPE APARTMENT MARKET OVERVIEW
NOVEMBER

Standard-type apartments, December 1, 2013

In November 2013, the prices of standard-type apartments located in Riga housing estates increased by 0.9%. This year, the prices have an overall trend of a slight growth. The standard-type apartment price growth was observed in almost all the largest Riga housing estates. The average standard-type apartment price in November has increased and is at the level of 611 EUR/m².

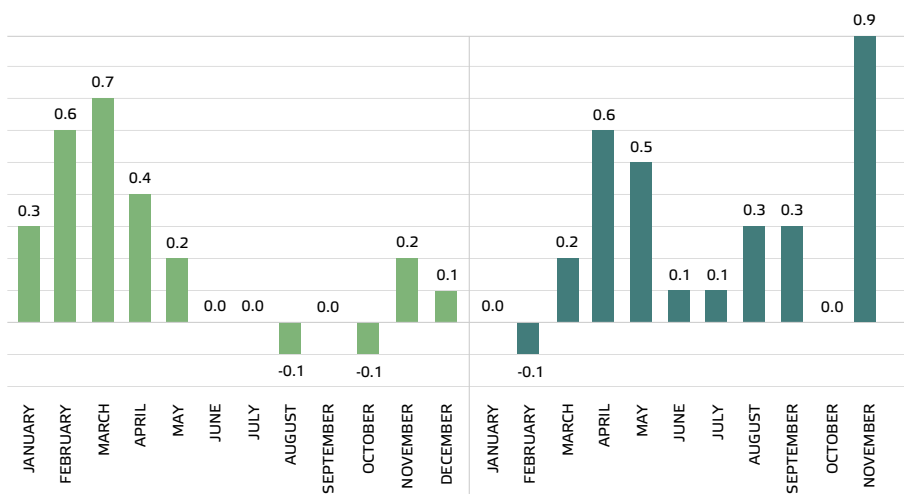
In November, the growth of prices is the biggest in the last two years. Price growth is observed both in the expensive and the cheapest apartment series, mainly for one and two room apartments. In several housing estates the standard-type apartment price growth this year exceeds 4%. While in Bolderāja, there still are observed the opposite tendencies- a price decline is continuing and has already exceeded 4%.

The largest growth of the average one square metre price in the housing estates of Riga City since the beginning of 2013 was observed in Ķengarags: +4.8%. But, in turn, solely in Bolderāja the prices have decreased this year - by 4.1 % on average. In other housing estates the prices tend to increase slightly.

In November 2013 the average price has climbed to position of 611 EUR/m². The prices on average are by 62.3% 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 increased by 2.7%.

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



■ 2012 ■ 2013

Source: ARCO REAL ESTATE

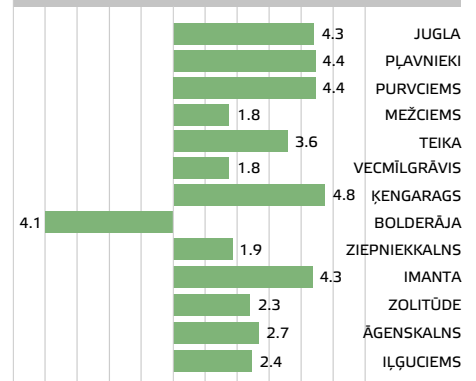
in November 2013, the average price of one square metre of apartments if categorized by number of rooms has increased for one-room apartments (+1.4%), two-room (+0.8%), three-room (+0.7%) and four-room apartments (+0.5%).

Movements of average price of standard-type apartments in the largest housing estates of Riga, EUR



Source: ARCO REAL ESTATE

Price changes in housing estates since beginning of 2013, %



Source: ARCO REAL ESTATE



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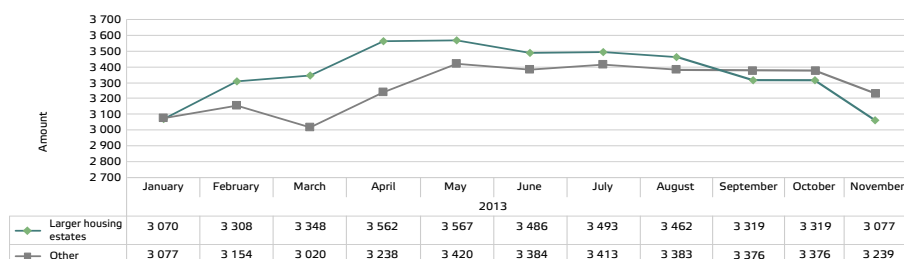
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

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	650	651	652	654	655	664	
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	602	603	610	612	612	614	616	619	618	623
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	574	574	576	577	578	579	582	583	587	
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	560	560	561	562	562	563	564	567	568	571
	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	1st July	1st August	1st September	1st October	1st November	1st December	
	2011												2012												2013												

Source: ARCO REAL ESTATE

In November 2013, the supply of apartments has in total decreased. 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 (-1.6%). The supply of apartments in the central part of Riga (city centre, Old Town) in November in fact has remained without changes (+0.4%).

Having summarized the number of apartments supplied, it can be concluded that the largest supply of apartments in November was in Purvciems, Ķengarags, Imanta and Ziepniekkalns. But the housing estates where the number of apartments supplied was the smallest were Bolderāja and Vecmīlgrāvis. In November, the number of apartments supplied in the largest housing estates of Riga has mainly decreased. The largest reduction of the supply was observed in Bolderāja, where the supply decreased by 12.4%. But the largest increase was observed in Ķengarags - by 6.1%.

Apartment supply dynamics in Riga


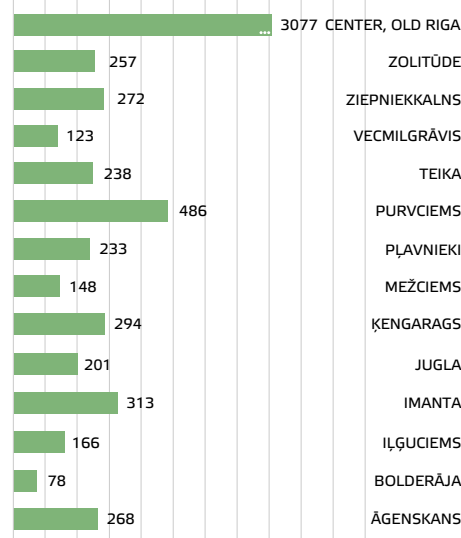
Source: ARCO REAL ESTATE

In November 2013, the standard-type apartment market was characterized mainly by a slight price growth in all of the largest Riga housing estates. The largest growth of the average price of 1 m² in November was observed in Jugla (+2.1%). In turn, in Bolderāja the apartment prices continue to decrease: the average price of 1 sq.m has dropped by 0.8%.

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

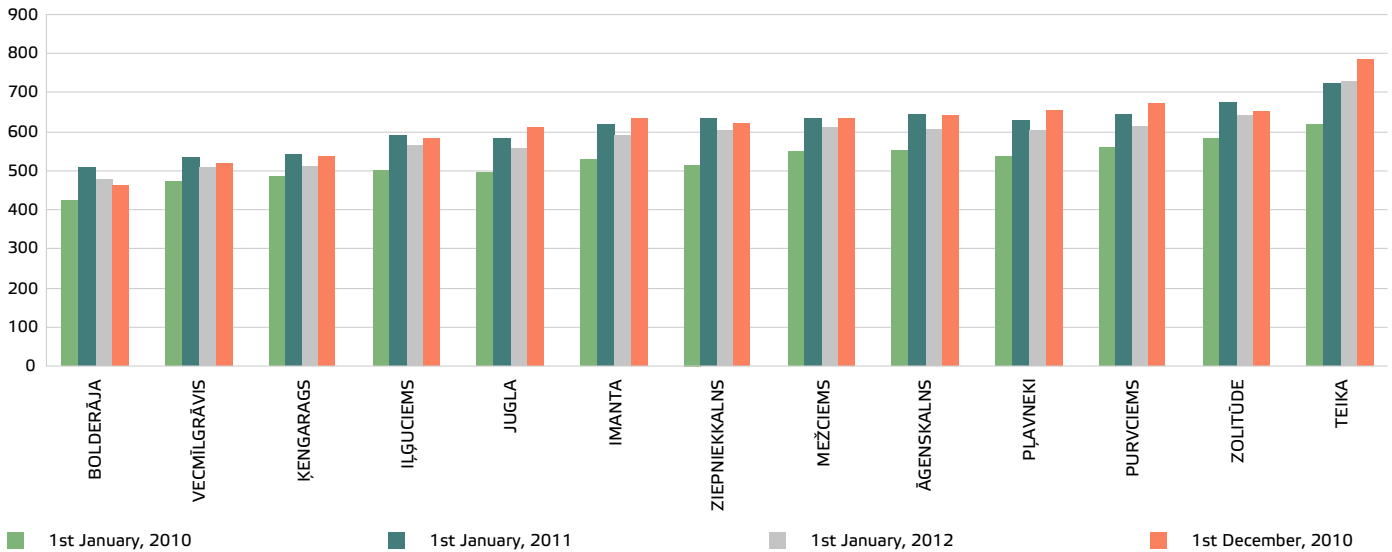
	Average 1m ² price on 1st of December, 2013	Average 1m ² price on 1st of November, 2013	Price changes, %
Jugla	608	596	2.1 ↑
Pļavnieki	649	646	0.5 ↑
Purvciems	661	652	1.2 ↑
Mežciems	636	630	0.9 ↑
Teika	784	774	1.3 ↑
Vecmīlgrāvis	523	520	0.7 ↑
Ķengarags	543	538	0.9 ↑
Bolderāja	453	455	-0.8 ↓
Ziepniekkalns	625	621	0.6 ↑
Imanta	632	622	1.6 ↑
Zolitūde	659	654	0.8 ↑
Āgenskalns	640	636	0.6 ↑
Iļģuciems	584	584	0.0 →

Source: ARCO REAL ESTATE

Number of apartments offered in Riga, November 2013


Source: ARCO REAL ESTATE

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

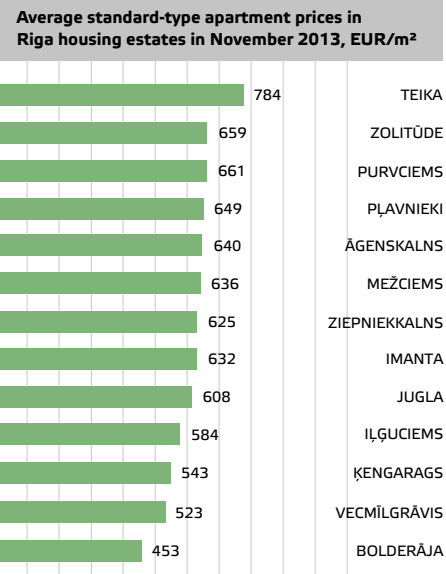


Source: ARCO REAL ESTATE

Since the beginning of 2010, prices have increased by 17.3%. Since the beginning of 2011, the prices have decreased by 0.4%. Since the beginning of 2012, prices of the standard-type apartments have increased by 4.8%. Compared with the beginning of 2013, in November 2013 the standard-type apartment prices in the housing estates of Riga were by 2.7% higher.

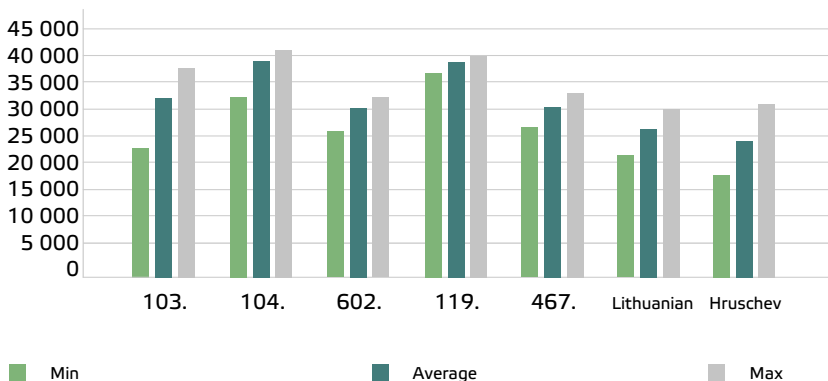
The highest standard-type apartment prices in November 2013 were in Teika, where average price of 1m² is keeping growing and has reached 784 EUR. But the lowest average price of 1 m² in November was in Bolderāja where it has dropped to 453 EUR.

In November 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 33 to 41 thousand EUR, depending on the location. In turn, the so-called Lithuanian design houses have been the cheapest ones, where the price of 2-room apartments varied from 21 to 30 thousand EUR, and the so-called Khrushchev-time houses, where the price of 2 - room apartments varied from 18 to 30 thousand EUR, depending on the housing estate.



Source: ARCO REAL ESTATE

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



Source: ARCO REAL ESTATE



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Apartment market in the vicinity of Riga

OGRE

The average prices of standard type apartments in Ogre in November 2013 have increased by 0.9%. The average price has increased reaching 427 EUR/m². In 2012, the prices of standard-type apartments decreased by 1.3% in Ogre. In the first half year of 2013, the apartment prices in Ogre decreased by 1.3%. Slight price fluctuations have been observed during the second half of the year.

KAUGURI, JŪRMALA

In November 2013 the apartment prices in Kauguri have remained unchanged. The average price of an apartment is 395 EUR/m². In 2012, the prices of standard-type apartments decreased by 3.5% in Kauguri. Since the beginning of 2013, the apartment prices in Kauguri have decreased by 5.7%.

SALASPILS

In November 2013, the apartment prices in Salaspils have decreased by 0.3%. The average price has dropped to 461 EUR/m². In 2012, the prices of standard-type apartments decreased by 3.1% in Salaspils. Since the beginning of 2013, the apartment prices in Salaspils have decreased by 3.7%. Price decrease in Salaspils has been observed already for several months and is continuing.

JELGAVA

In November 2013, the apartment prices in Jelgava have increased by 2.7%. The average price has exceeded the limit of 300 EUR/m² and now is amounting to 303 EUR/m². In 2012, the prices of standard-type apartments decreased by 2.6% in Jelgava. In the first half of year 2013, the apartment prices in Jelgava have been stable and the price fluctuations have been insignificant. In the second half of the year an increase of the apartment prices has been observed and the overall prices have increased by 4.2% since the beginning of the year.

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