

STANDART TYPE APARTMENT MARKET OVERVIEW

APRIL

Standard-type apartments, May 1, 2014

In April 2014, the prices of standard-type apartments located in Riga housing estates increased by 0.4%. The average standard-type apartment price in April has increased to 631 EUR/m². In whole, since the beginning of 2014, the prices have grown by 2.9%.

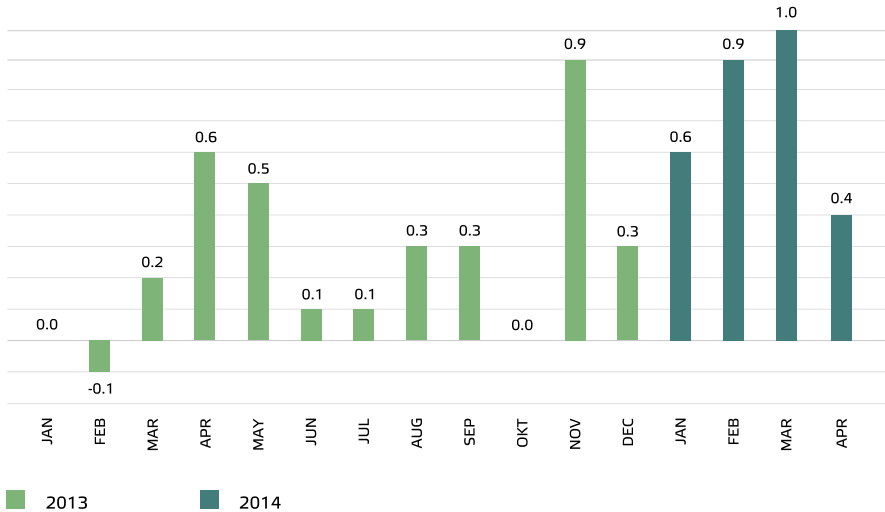
The active price increase that was observed in the first quarter has fallen to 0.4% in April, the price changes are not so marked. Nor are the changes in the apartment supply so drastic as in the first quarter. The activity that was observed in the apartment market at the beginning of has decreased in April. At the same time, in Imanta, the apartment price growth this year is approaching the limit of 5% and prices continue to rise (+0.5% in April). Also in several other housing estates the prices this year have increased by 3 - 4%. Increase in apartment prices in Riga has left a positive impact on housing prices in the vicinity of Riga. In recent months, the price increase was observed both in Ogre and Kauguri (Jūrmala) and also in Salaspils in April.

The largest growth of the average one square meter price in the housing estates of Riga City since the beginning of 2014 was observed in Imanta: +4.7%. Also in other housing estates the prices tend to rise.

In April 2014 the average price has climbed to position of 631 EUR/m². The prices on average are by 61.1% 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 in total decreased by 33.5%. 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%. In 2013, the apartment prices increased by 3%. At the beginning of 2014, prices continue to rise – this year the prices have increased by 2.9%.

Standard-type apartment price changes since beginning of 2013, %



Source: ARCO REAL ESTATE

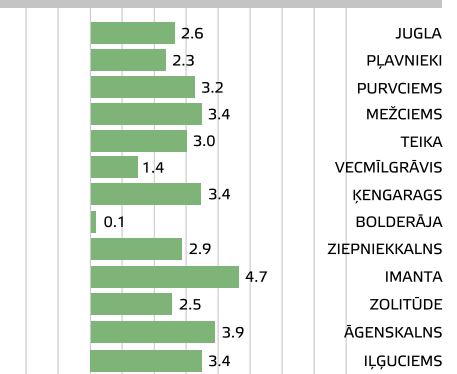
In April 2014, the average price of one square meter of apartments if categorized by number of rooms has increased for one-room apartments (+0.4%), two-room (+0.51%), three-room (+0.3%) and four-room apartments (+0.3%).

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

Year	Month	Price (EUR)
2007	January	1450
	July	1620
2008	December	1433
	January	1405
2009	December	1037
	January	934
2010	December	521
	January	545
2011	December	609
	January	606
	February	605
	March	601
	April	597
	May	592
	June	590
	July	588
	August	584
	September	584
	October	583
	November	582
2012	December	583
	January	585
	February	588
	March	592
	April	594
	May	595
	June	595
	July	595
	August	594
	September	594
	October	593
	November	594
2013	December	595
	January	595
	February	594
	March	595
	April	598
	May	600
	June	601
	July	602
	August	604
	September	606
	October	606
	November	611
December	613	
2014	January	617
	February	622
	March	628
	April	631

Source: ARCO REAL ESTATE

Price changes in housing estates since beginning of 2014, %



Source: ARCO REAL ESTATE



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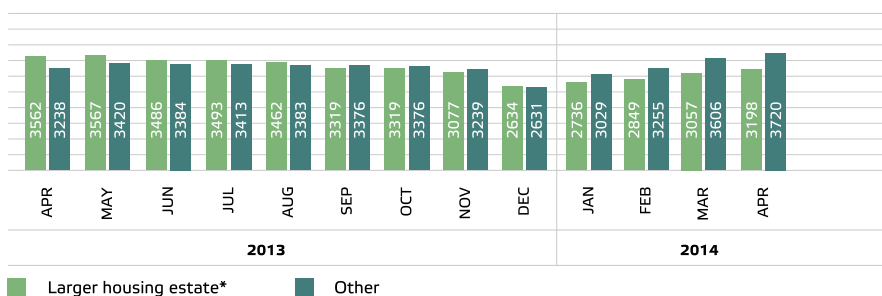
Average prices of standard-type apartments in Riga housing estates: breakdown by number of rooms, EUR/m²

	622	626	632	639	639	640	641	640	638	639	642	643	643	643	643	648	648	650	651	652	654	655	664	666	671	681	689	692	
1 room	590	592	594	598	600	602	602	602	602	602	601	601	602	602	602	603	610	612	612	614	616	619	618	623	625	628	631	638	641
2 rooms	563	565	568	571	573	574	575	575	575	575	574	574	574	574	574	576	577	578	579	582	583	583	587	588	592	596	600	602	
3 rooms	557	557	560	561	565	565	562	562	562	562	560	560	560	560	561	562	562	562	563	564	567	568	571	573	577	581	586	588	
4 rooms																													
	1 st Jan	1st Feb	1st Mar	1st Apr	1st May	1st Jun	1st Jul	1st Aug	1st Sep	1st Oct	1st Nov	1st Dec	1 st Jan	1st Feb	1st Mar	1st Apr	1st May	1st Jun	1st Jul	1st Aug	1st Sep	1st Oct	1st Nov	1st Dec	1 st Jan	1st Feb	1st Mar	1st Apr	1st May
	2012												2013												2014				

Source: ARCO REAL ESTATE

In April 2014, the supply of apartments has in overall increased. The number of apartments supplied in the largest housing estates analyzed by ARCO REAL ESTATE has grown by 4.6%. Also the overall supply in Riga has increased (+3.8%). Also in the central part of Riga (city centre, Old Town) the supply of apartments in April has continued to increase (+2.9%).

Having summarized the number of apartments supplied, it can be concluded that the largest supply of apartments in April was in Purvciems, Ziepniekkalns and Āgenskalns. But the housing estates where the number of apartments supplied was the smallest were Bolderāja and Vecmīlgrāvis. In April, the number of apartments supplied has grown in almost all largest housing estates of Riga. The largest increase of the supply was observed in Ķengarags, where supply increased by 23.3%. But in Bolderāja, Mežciems and Zolitūde the supply has decreased; the largest decrease was observed in Mežciems - by 23.3%.

Apartment supply dynamics in Riga


* Jugla, Pļavnieki, Purvciems, Mežciems, Teika, Vecmīlgrāvis, Ķengarags, Bolderāja, Ziepniekkalns, Imanta, Zolitūde, Āgenskalns, Ilģuciems

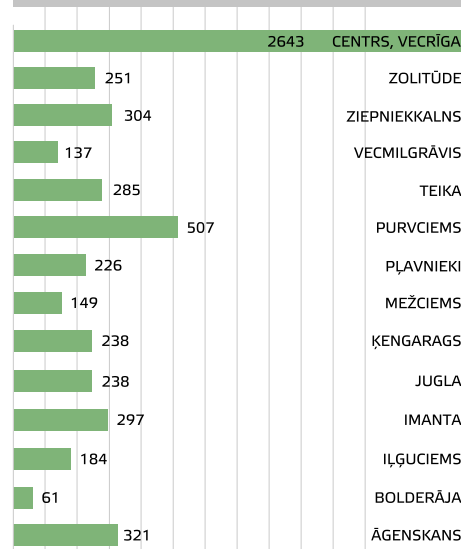
Source: ARCO REAL ESTATE

In April 2014, the standard-type apartment market showed a price growth in almost all of the largest Riga housing estates. The largest growth of the average price of one square meter in April was observed in Mežciems (+1.6%). Only in Bolderāja there were not registered any changes; the prices in this housing estate are still at the same as in the previous month.

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

	Average 1m ² price on 1st of May, 2014	Average 1m ² price on 1st of April, 2014	Price changes, %
Jugla	626	624	0.3 ↑
Pļavnieki	667	666	0.1 ↑
Purvciems	683	681	0.3 ↑
Mežciems	659	649	1.6 ↑
Teika	811	810	0.1 ↑
Vecmīlgrāvis	531	530	0.1 ↑
Ķengarags	562	560	0.2 ↑
Bolderāja	451	451	0.0 →
Ziepniekkalns	644	643	0.3 ↑
Imanta	662	659	0.5 ↑
Zolitūde	680	678	0.3 ↑
Āgenskalns	669	664	0.8 ↑
Ilģuciems	605	603	0.4 ↑

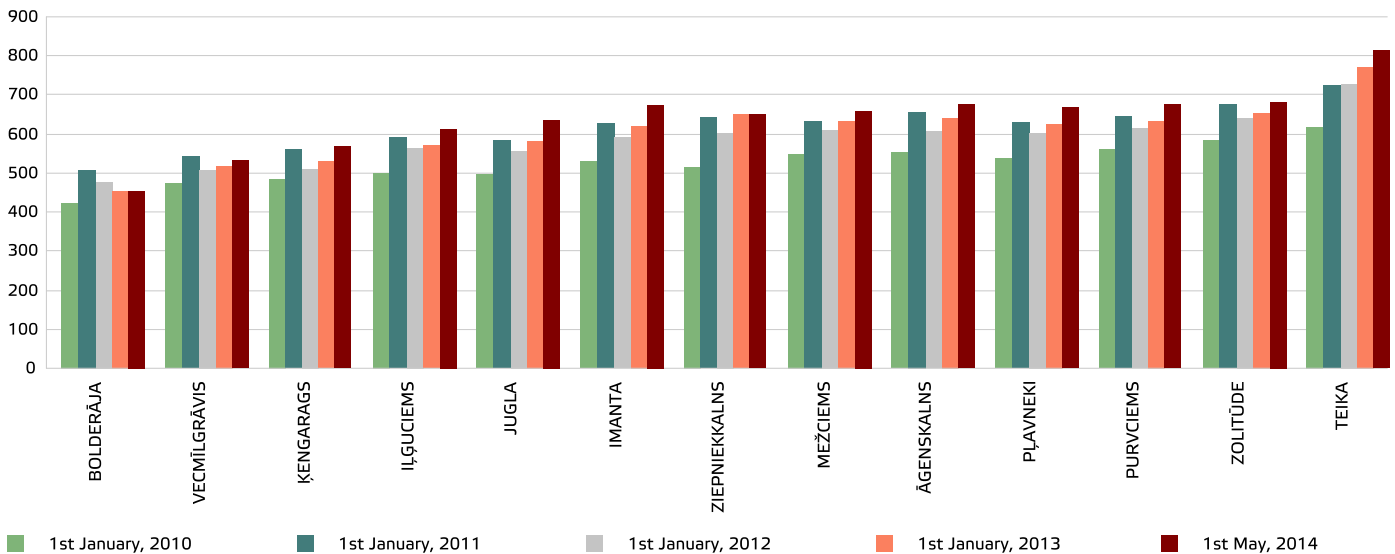
Source: ARCO REAL ESTATE

**Number of apartments offered in Riga,
April 2014**


Source: ARCO REAL ESTATE

Since the beginning of 2010, prices have increased by 21.1%. Since the beginning of 2011, the prices are higher by 3.6%. Since the beginning of 2012, prices of the standard-type apartments have increased by 8.2%. Compared with the beginning of 2013, in March 2014, the standard-type apartment prices in the housing estates of Riga were by 6% higher.

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

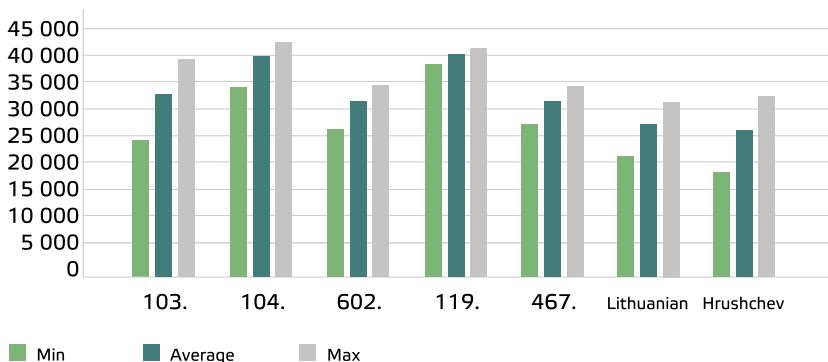


Source: ARCO REAL ESTATE

The highest standard-type apartment prices in April 2014 were in Teika, where the average price of one square meter is keeping growing and has reached 811 EUR. But the lowest average price of one square meter was in Bolderāja – in April it remained unchanged being 451 EUR.

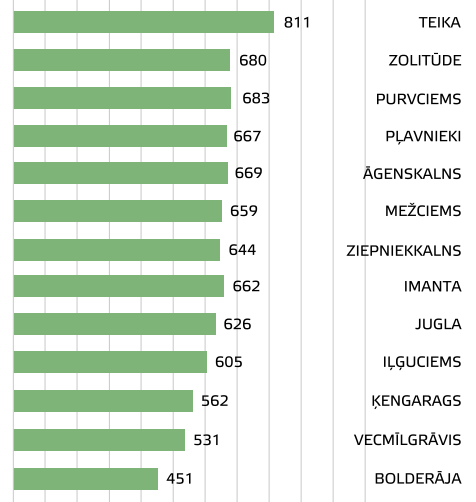
In April 2014, the most expensive apartments still were apartments in the houses of the 119th series and 104th series, where the price of 2-room apartments varied from 34 to 42 thousand EUR, depending on the location. In turn, the so-called Lithuanian design houses have been the cheapest ones, where the price of 2-room apartments varied from 21 to 31 thousand EUR, and the so-called Khrushchev-time houses, where the price of 2-room apartments varied from 18 to 32 thousand EUR, depending on the housing estate.

Standard-type apartment prices by series in Riga housing estates in April 2014, EUR (2-room apartments)



Source: ARCO REAL ESTATE

Average standard-type apartment prices in Riga housing estates in April 2014, EUR/m²



Source: ARCO REAL ESTATE

Apartment market in the vicinity of Riga

OGRE

The average prices of standard type apartments in Ogre in April 2014 remained unchanged. The average price remained to be 432 EUR/m². In 2013, the prices of standard-type apartments increased by 0.9% in Ogre. The apartment prices in Ogre since beginning of 2013 could be valued as stable; a little price increase was observed only in certain months.

KAUGURI, JŪRMALA

In April 2014 the apartment prices in Kauguri, Jūrmala remained unchanged. The average price of an apartment remained to be 398 EUR/m². In 2013, the prices of apartments have decreased by 5.7% in Kauguri. In 2014, price changes in Kauguri have been minimal.

SALASPILS

In April 2014 the apartment prices in Salaspils have increased by 0.3%. The average price of an apartment has grown to 464 EUR/m². In 2013, the prices of apartments decreased by 3.4% in Salaspils. The decrease of the prices in Salaspils stopped at the end of the previous year. In the first quarter of 2014 there were not observed any price changes. Even today the prices of apartments in Salaspils are assessed as stable, not showing significant price fluctuations.

JELGAVA

The apartment price growth in Jelgava has stopped. In April 2014 the prices remained unchanged. The average apartment price remains to be 339 EUR/m². In 2013, the prices of apartments increased by 6.3%. Apartment prices in Jelgava in the first quarter of 2014 increased by 8.3%, which constitutes a significant price increase. In April, the price changes were not detectable, suggesting accession of a certain degree of stability.

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