

**LAND FOR PRIVATE CONSTRUCTION IN RIGA
AND VICINITY OF RIGA CITY**

2014*

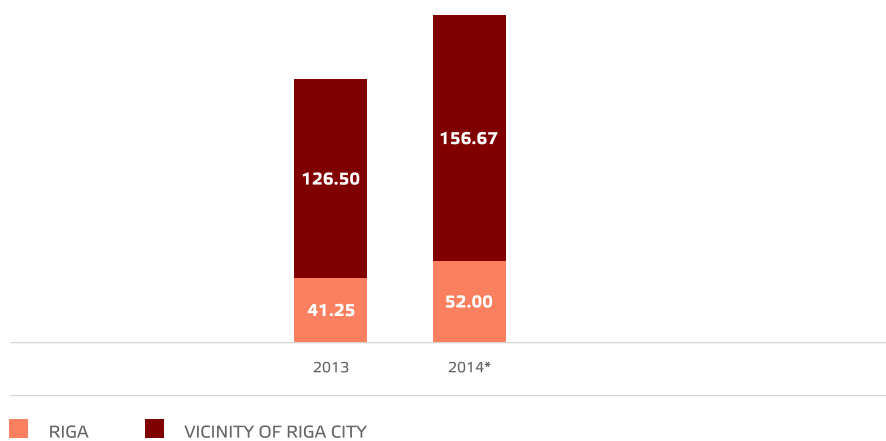
* The overview is based on the data for the first three quarters of 2014.

Land for private construction

Activity in the sector of the land for private construction increased significantly in 2014*. The number of transactions with land for private construction, with an area of 300 - 3000 m², in Riga and its surroundings increased by 24.4%. In contrast to the segment of private houses, where in the first three quarters of 2014 an increased activity was observed only in Riga, the growth of activity in the segment of land for private construction was approximately the same both in Riga and its surroundings. In Riga, the average number of transactions in 2014* was by 26.1% bigger than in 2013, and in the vicinity of Riga, this indicator was 23.8%.

The growth of activity has not resulted in significant price changes, and the overall level of prices has remained to be approximately the same as in 2013. It can be seen as a positive sign, as in previous years, this segment reported a fall in prices.

The average quarterly number of transactions with land for private construction in Riga and its vicinity*



The main factors affecting the price of acquisition of land for construction of detached houses in 2014* were as follows:

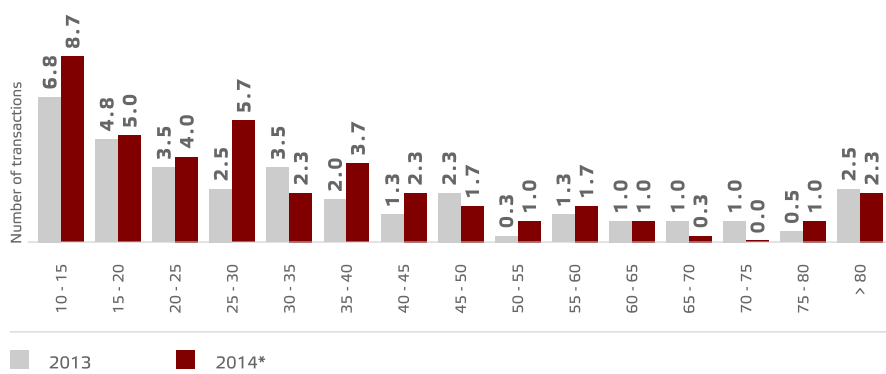
- availability of public utilities;
- possibilities of use of the land plot;
- availability of access roads, their coverage and quality;
- distance from the land plot to Riga or a city centre;
- presence of and distance to infrastructure objects (schools, kindergartens, shopping malls, hospitals, etc.);
- proximity and availability of public transport.

Source: STATE LAND SERVICE

Riga

The representative prices and the overall price level of private construction land in Riga remained unchanged in 2014*. The average transaction amount was by 2.3% lower than in the previous year, which can be explained by the fact that the activity increased at the expense of cheaper land plots. The number of transactions with land plots for private construction, whose price was in the range from 10 to 30 EUR/m² increased by 33% in 2014* number of transactions with land plots for private construction, whose price was from 30 to 50 EUR/m², increased only by approximately 11%. By contrast, the number of transactions with land plots for private construction at a price above 50 EUR/m² in 2014* was about 2% lower than a year earlier.

Breakdown of the average number of transactions in Riga by price ranges



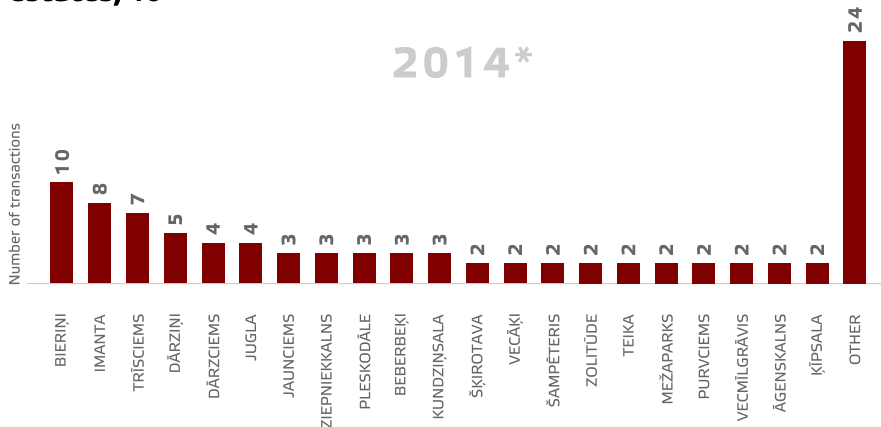
Source: STATE LAND SERVICE

Note

* The overview is based on the data for the first three quarters of 2014.

Most popular Riga housing estates as to the number of transactions concluded were Bierīni (10.3%), Imanta (8.1%), Trīsciems (7.5%), Dārziņi (4.7%), Dārzciems (4.4%), Jugla (4.4%), Jaunciems (3.4%), Ziepniekkalns (3,4%) and Pleskodāle (3,1%). These nine housing estates together accounted for half of the transactions with private construction land plots in Riga.

Breakdown of number of transactions by Riga housing estates, %

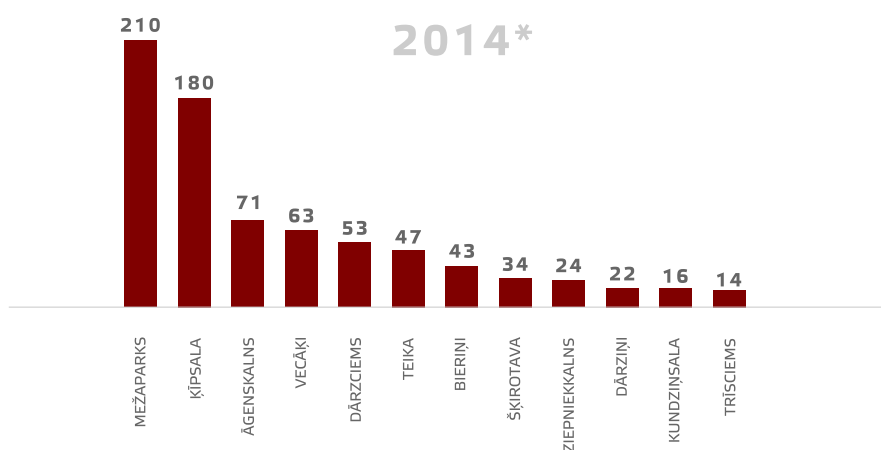


Source: STATE LAND SERVICE

Riga housing estates where the most expensive land plots for private construction were located, were Ķīpsala, Mežaparks, Āgenskalns and Vecāķi. The most expensive transaction with private construction land registered in 2014* was a transaction with a land plot in Mežaparks where the price was 293 EUR/m². However, the supply contained certain land plots in Mežaparks with the price of up to 450 EUR/m². In Ķīpsala, the price in two of the three transactions concluded in 2014* exceeded 200 EUR/m², but the prices of certain plots being offered for sale exceeded 500 EUR/m².

The cheapest land price was registered in such Riga housing estates as Trīsciems, Kundziņsala and Dārziņi. In those housing estates the transaction price rarely exceeded 25 EUR/m², which can be explained by the fact that in these suburbs the infrastructure is less developed and they are situated further away from the city centre.

Average price of land plots for private construction in the housing estates of Riga, EUR/m²



Source: STATE LAND SERVICE

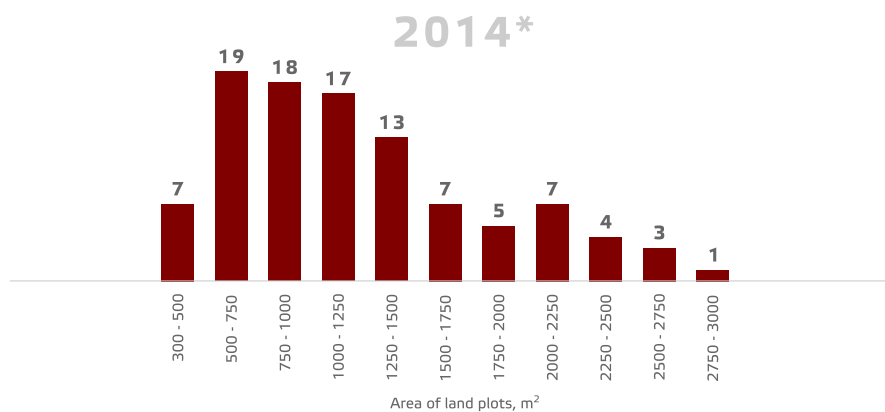
Analyzing the transaction structure by the area of the land plots, it is evident that the greatest proportion was occupied by land plots with an area from 500 to 1500 m². These areas were the most demanded on the market and constituted more than two-thirds of the transactions concluded.

By contrast, land plots with an area of over 2000 m² represented a significantly smaller proportion - 15%. They were mostly land plots located on the outskirts of the city, where building intensity was lower, for example, in Beberbeķi, Juglasciems and Šķirotava.

Note

* The overview is based on the data for the first three quarters of 2014.

Breakdown of number of transactions concluded in Riga by area of land plots (of the total number of transactions), %



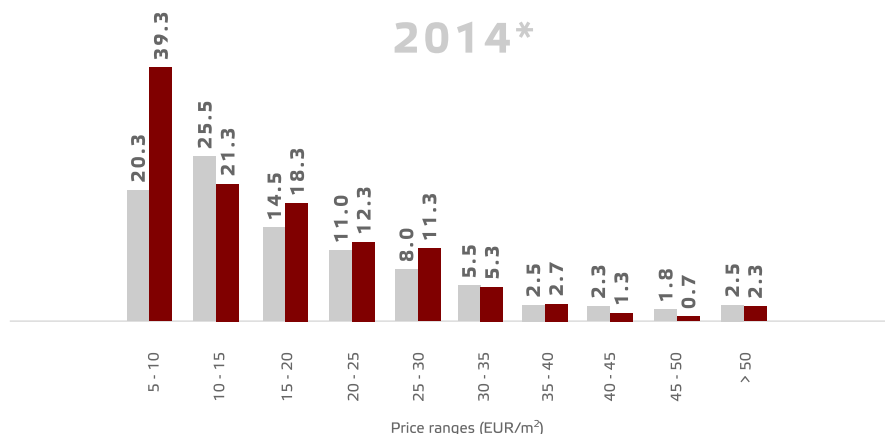
Source: STATE LAND SERVICE

Vicinity of Riga City

The situation in the vicinity of Riga in terms of price changes was approximately the same as in Riga: the average transaction amount in 2014* was by 10,3% lower than in 2013; this was due to the fact that market activity increased mainly in respect of cheaper land plots. The representative prices and the overall price level of land for private construction in the vicinity of Riga City in 2014* remained unchanged.

The number of transactions with land plots in the vicinity of Riga where the price was in the range of 5 – 10 EUR/m², almost doubled in 2014* (+94%). These were mainly transactions in such locations of Ķekava Municipality as Rāmava, Katlakalns, Krogsils and neighbourhood of Baloži. The number of transactions in the price range of 10 - 20 EUR/m² remained unchanged. In the price range of 20 – 30 EUR/m² the number of transactions increased by 25%. The number of transactions in the price range of 30 – 40 EUR/m² remained unchanged. In turn, the number of transactions with land plots the price of which exceeded 40 EUR/m², decreased by one third in 2014 (-33%).

Breakdown of the average number of transactions in the vicinity of Riga by price ranges



Source: STATE LAND SERVICE

The most expensive land plots for private construction still could be found in Garkalne Municipality, around the Lake of Baltezers. Though no one land plot located in this area and sold in 2014* had any specific and exclusive features due to which the price could exceed 100 EUR/m², the supply contained land plots on the shore of the lake, the price of which exceeded 200 EUR/m².

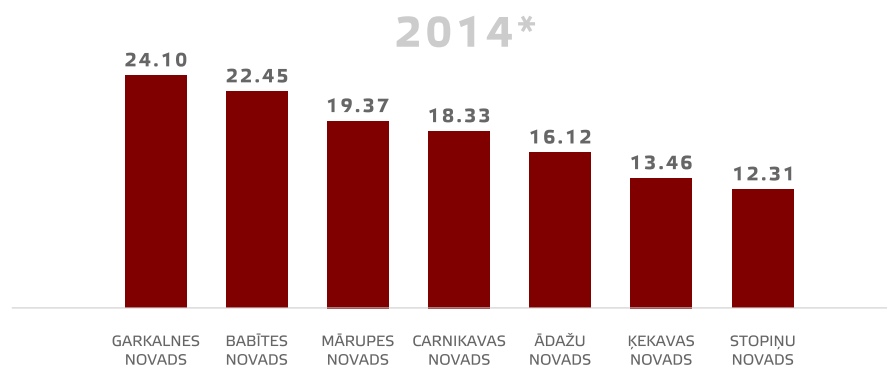
Babīte and Mārupe Municipalities followed as the next locations with the highest private construction land prices. This year's most expensive deal was registered in Piņķi, Babīte Municipality where a plot of land was sold for the price of 142 EUR/m².

Note

* The overview is based on the data for the first three quarters of 2014.

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Average price of land plots for private construction in the municipalities located in the vicinity of Riga, EUR/m²



Source: STATE LAND SERVICE

Prices of land for private construction in the vicinity of Riga, EUR/m²

2014*	Land plots with area of up to 1 800 m ²			Land plots with area from 1 800 to 3 000 m ²		
	Minimum price	Representative price	Maximum price	Minimum price	Representative price	Maximum price
Jaunmārupe	7	11	20	6	10	18
Mārupe	13	25	40	10	20	32
Babīte, Piņķi	13	25	45	10	20	35
Ulbroka, Vālodzes, Līči	8	12	20	7	10	15
Olaine, Jaunolaine	5	10	16	3	7	13
Ādaži	10	17	30	8	15	25
Garkalne	10	13	25	8	11	15
Baltezers	20	28	80	15	25	60
Ķekava	8	12	22	6	10	15
Rāmava, Katlakalns	9	13	24	7	11	17
Baloži, Titurga	10	15	25	9	13	17
Salaspils	7	10	16	6	8	14

Source: ARCO REAL ESTATE

The leader among the municipalities situated in the vicinity of Riga as to the number of transactions was Ķekava Municipality, which accounted for 26% of the total number of transactions. It was followed by Mārupe, Babīte, Stopiņi and Garkalne Municipalities, which accounted for 13 to 17% of the total number of transactions. Ādaži (7%) and Carnikava Municipalities accounted for the smallest percentage (6%) of the total number of transactions.

The largest increase in the number of transactions in 2014 took place in Ķekava Municipality (+70%). An increase was registered also in Stopiņi (+35%), Mārupe (+22%) and Babīte (+19%) Municipalities.

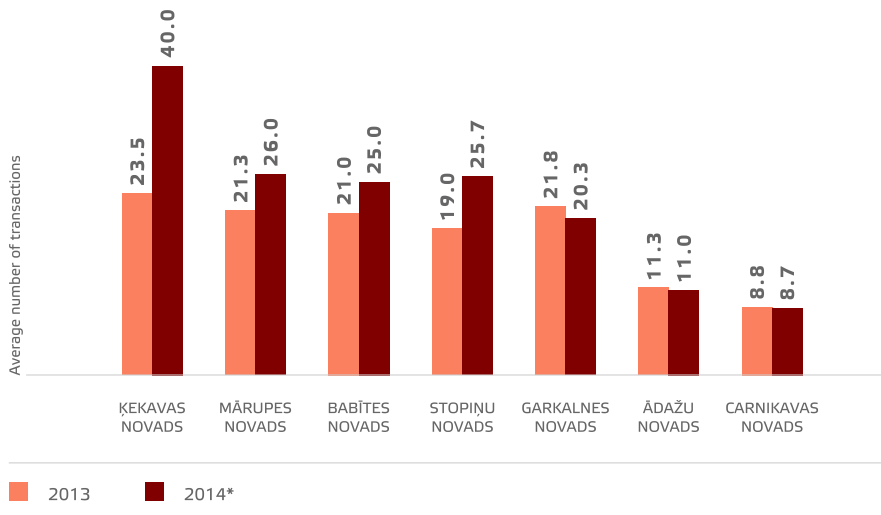
In contrast, in Carnikava (-1%), Ādaži (-2%) and Garkalne (-7%) Municipalities the number of transactions with land plots for private construction declined slightly in 2014.

Note

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Breakdown of number of transactions by municipalities*

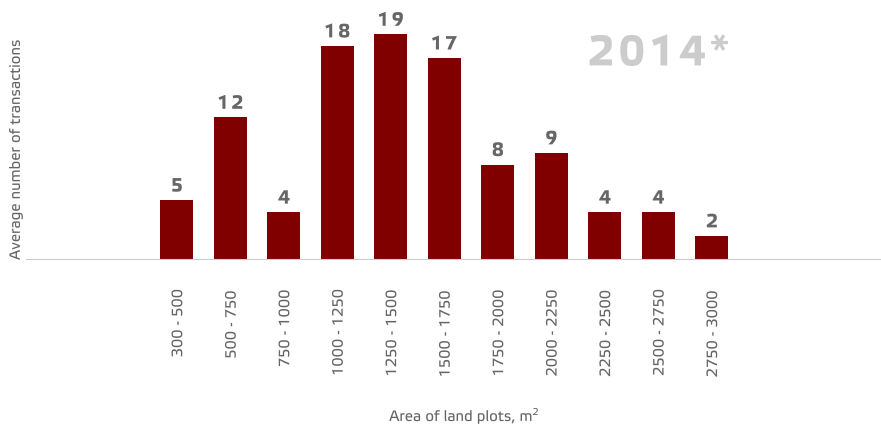


Source: STATE LAND SERVICE

A characteristic feature of transactions concluded in the vicinity of Riga was the fact that the area of land plot was bigger than in Riga. Having analyzed the most representative areas of land plots as well as having compared the average areas of the sold land plots, it can be concluded that these values are bigger in the vicinity of Riga than in the City of Riga. The average area of a land plot sold in the vicinity of Riga was 1437 m², which was by 17.6% bigger than in Riga where the average area was 1222 m².

Land plots with an area of 1000 m², accounted for 21% of the total number of transactions. A relatively large number of transactions with such land plots were registered in Baloži, Ķekava Municipality in 2014*. The most demanded plots in the vicinity of Riga were land plots with an area from 1000 to 1750 m², which together accounted for 54% of the number of transactions. By contrast, land plots with an area of over 2000 m² together accounted for 19% of the number of transactions.

Breakdown of number of transactions with single-family houses in the vicinity of Riga by area of the house, %



Source: STATE LAND SERVICE

Note

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