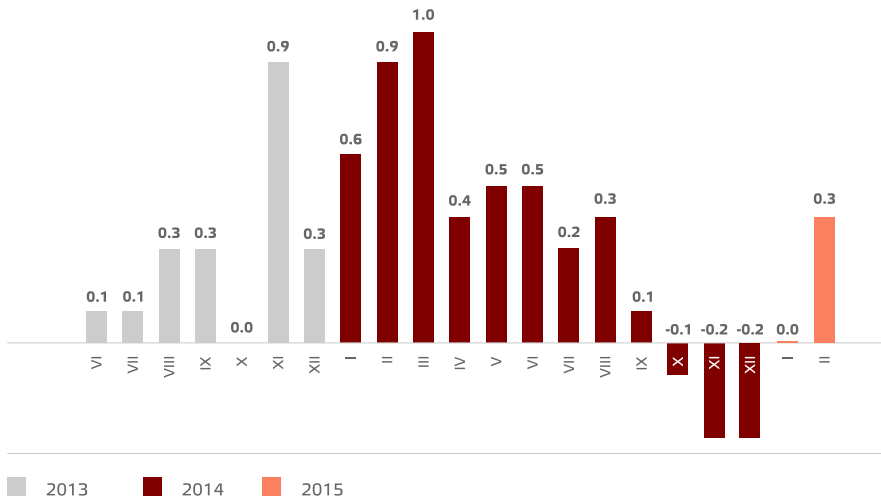


**SERIAL APARTMENT MARKET OVERVIEW
FEBRUARY**

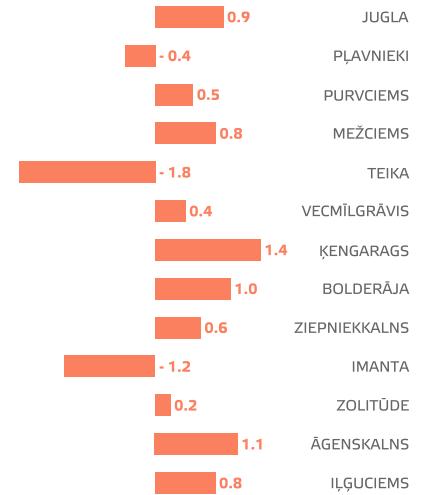
Serial apartments, March 1, 2015

The price of serial apartments in Riga residential areas increased per 0,3 % on average in February 2015, and the average serial apartment price grew up to the position of 639 EUR/m². The serial apartment prices have risen per 2,7 % since February 2014.

Serial apartment price changes since the middle of 2013, %



Price changes in the biggest residential areas of Riga since January 1, 2015, %



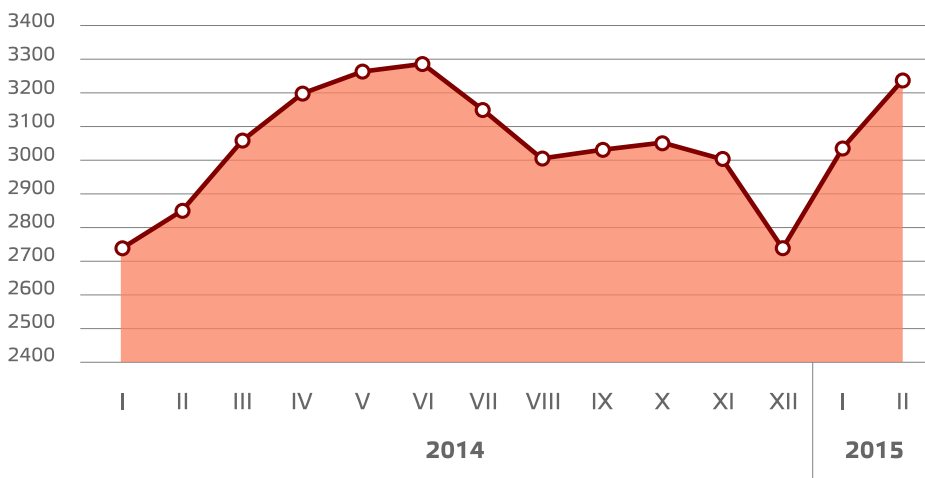
Source: ARCO REAL ESTATE

Source: ARCO REAL ESTATE

The prices in February presented an increase again after a 4 month interruption. As a result of the activity rise in the serial apartment segment, the price increase per month reached the 0,3 % point since last August. The price rise was observed in the biggest part of residential areas, but the price decrease was found only in some areas.

Also, the amount of offers kept increasing in February. In the biggest residential areas of Riga it increased per 6,6 % and almost reached the level of the most active months last year. Due to the big amount of offers it can be foreseen that the price increase tempo is not going to be rapid in the period of the next months.

Apartment offer amount dynamics of the biggest residential areas of Riga



Source: ARCO REAL ESTATE



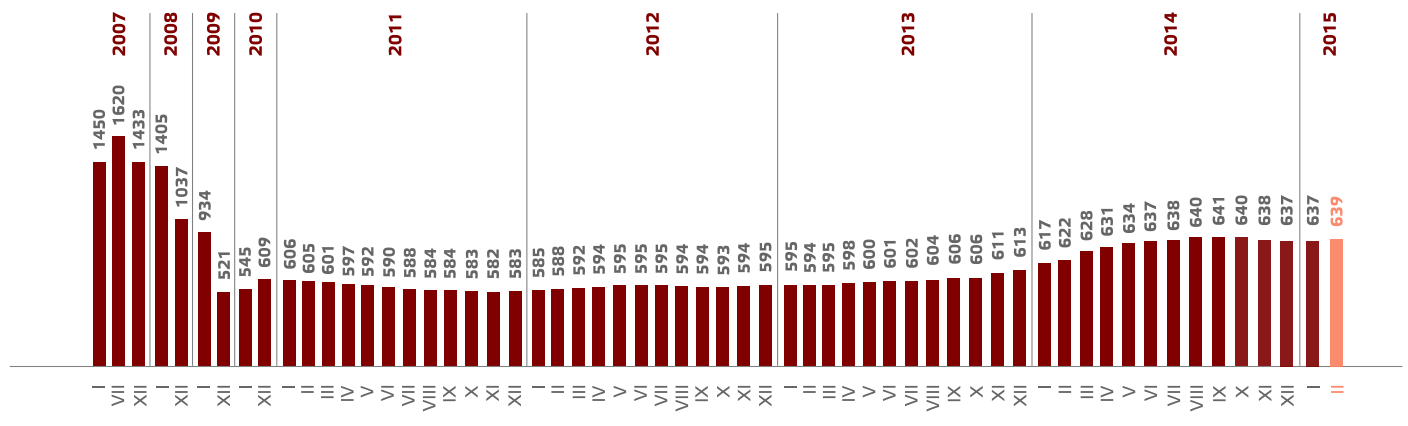
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The biggest apartment price increase per 1 m² in Riga residential areas since the beginning of 2015 is observed in Ķengarags (+1,4 %) and Āgenskalns (+1,1 %). Also, the prices in the biggest part of other largest Riga residential areas increased during this period. However, the price level decreased in Teika (-1,8 %), Imanta (-1,2 %) and Pļavnieki (-0,4 %).

The average apartment price in February 2015 increased up to the position of 639 EUR/m². The prices were on average per 60,6 % lower than on July 1, 2007, when the average price of an unrepaired serial apartment reached the highest point of all times – 1 620 EUR/m².

The average prices for serial apartments in Riga in 2008 decreased per 33,5 % on average. During 2009 the average prices fell per 44,2 % overall, but during 2010 they rose per 16,9 % on average in total. The prices for serial apartments dropped per 4,3 % in 2011. Next, the apartment prices grew per 2,1 % in 2012, but in 2013 – per 3 %. The prices kept increasing in 2014 in amount of 3,9 %. During the first two months of 2015 the prices increased per 0,3 %.

Serial apartment average price dynamics in the biggest residential areas of Riga, EUR/m²



Source: ARCO REAL ESTATE

In February 2015 the average apartment value per 1 m² in accordance with the number of rooms increased for both, one room (+0,3 %), and 2 room (+0,2 %) apartments, as well as for 3 room (+0,5 %) and 4 room (+0,2 %) apartments.

The average serial apartment prices in residential areas of Riga by the amount of rooms, EUR/m²

	2013												2014												2015		
1 room	643	643	643	643	648	648	650	651	652	654	655	664	666	671	681	689	692	697	701	699	703	704	702	702	703	698	700
2 rooms	602	602	602	603	610	612	612	614	616	619	618	623	625	628	631	638	641	645	649	650	652	654	651	647	644	644	645
3 rooms	574	574	574	574	576	577	578	579	582	583	583	587	588	592	596	600	602	604	609	610	611	612	613	611	607	609	612
4 rooms	560	560	560	560	561	562	562	563	564	567	568	571	573	577	581	586	588	590	592	594	594	592	594	595	593	596	597
	01.01.	01.02.	01.03.	01.04.	01.05.	01.06.	01.07.	01.08.	01.09.	01.10.	01.11.	01.12.	01.01.	01.02.	01.03.	01.04.	01.05.	01.06.	01.07.	01.08.	01.09.	01.10.	01.11.	01.12.	01.01.	01.02.	01.03.

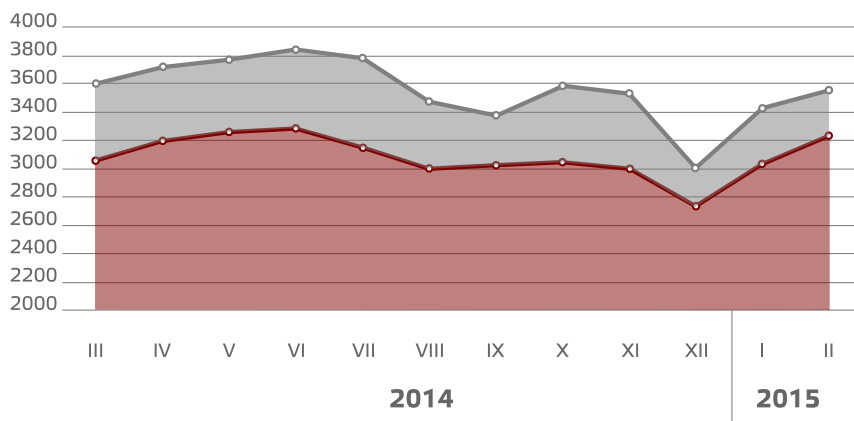
Source: ARCO REAL ESTATE

The apartment offer in Riga in February 2015 increased per 5 % overall. The offer amount in the biggest residential areas observed by ARCO REAL ESTATE increased per 6,6 %. In comparison with the last February, the overall apartment offer increased per 11,3 %, but the offer in the biggest residential areas – per 13,6 %.

To sum up, the biggest amount of offers in residential areas in February was observed in Purvciems, Pļavnieki and Ziepniekkalns, but the smallest – in Bolderāja and Vecmīlgrāvis. Observing the offer amount proportionally to the residential area size (amount of inhabitants), the biggest offer is found in Mežciems, Zolitūde and Ziepniekkalns, whereas the smallest – in Ķengarags, Vecmīlgrāvis and Bolderāja.

Increase in offer amount in February was observed in almost all the biggest residential areas. The few residential areas where the offer decreased were Imanta (-2,8 %), Ziepniekkalns (-1,8 %) and Vecmīlgrāvis (-1,1 %). In its turn, the most essential increase in apartment offer in February was observed in Ilģūciems (+20,8 %), Pļavnieki (+18,8 %) and Mežciems (+16,8).

Apartment offer dynamics in Riga



■ THE BIGGEST RESIDENTIAL AREAS (Jugla, Pļavnieki, Purvciems, Mežciems, Teika, Vecmīlgrāvis, Ķengarags, Bolderāja, Ziepniekkalns, Imanta, Zolitūde, Āgenskalns, Ilģūciems).

■ THE REST OF RIGA (center and other areas).

Source: ARCO REAL ESTATE

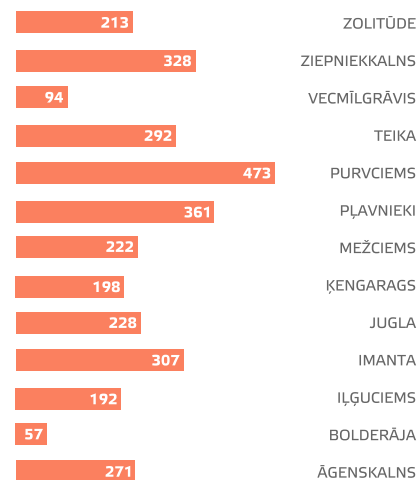
In February 2015 the prices in the serial apartment market increased in the biggest part of Riga residential areas. The average price per 1 m² decreased only in Teika (-0,8 %) and Imanta (-0,1 %). In other residential areas of Riga the price rise was observed. The biggest price increase was found in Ķengarags (+0,9 %), Bolderāja (+0,7 %) and Jugla (+0,5 %).

The average price changes in serial apartments in Riga residential areas, %

	The average value per 1 m ² 01.03.2015.	The average value per 1 m ² 01.02.2015.	Changes, %
Jugla	644	641	0.5 ↑
Pļavnieki	661	660	0.2 ↑
Purvciems	685	682	0.4 ↑
Mežciems	667	666	0.3 ↑
Teika	784	790	-0.8 ↓
Vecmīlgrāvis	533	533	0.1 ↑
Ķengarags	603	597	0.9 ↑
Bolderāja	459	456	0.7 ↑
Ziepniekkalns	647	644	0.4 ↑
Imanta	668	669	-0.1 ↓
Zolitūde	699	695	0.6 ↑
Āgenskalns	684	681	0.5 ↑
Ilģūciems	614	611	0.4 ↑

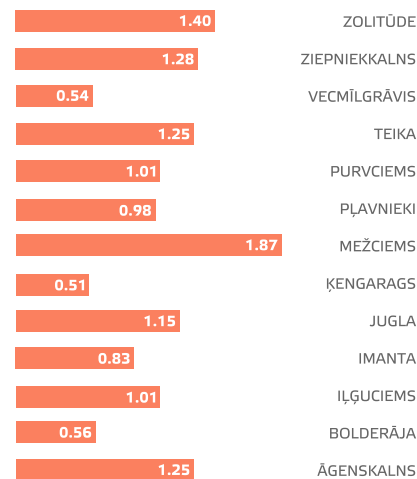
Source: ARCO REAL ESTATE

Apartment offer amount in Riga in February 2015



Source: ARCO REAL ESTATE

Apartment offer proportionally to the sizes of residential areas in Riga in February 2015*

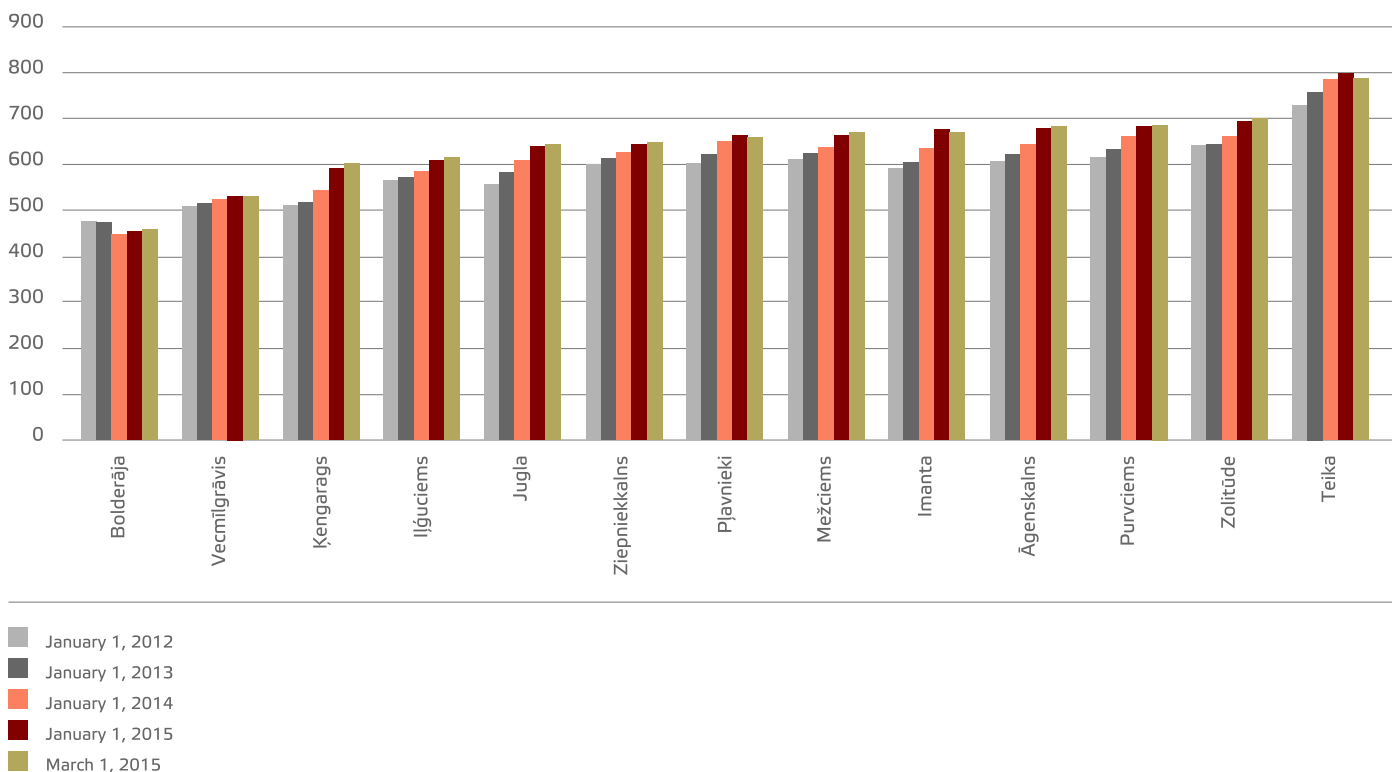


* If the coefficient is **greater than 1**, the relation of the supply of apartments in the specific housing estate to the number of population in that housing estate is higher.
If the coefficient is **less than 1**, the relation of the supply of apartments in the specific housing estate to the number of population in that housing estate is lower.

Source: ARCO REAL ESTATE

In comparison with the beginning of 2012, the prices in February 2015 were per 9,5 % higher, but the serial apartment prices had grown per 7,3 % since 2013. In comparison with the beginning of 2014, the serial apartment prices in Riga residential areas were per 4,2 % higher in February 2015.

The average serial apartment prices in residential areas, EUR/m²

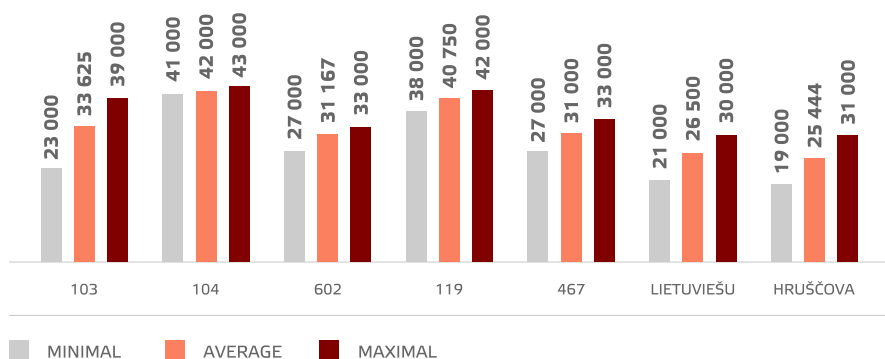


Source: ARCO REAL ESTATE

The highest serial apartment prices in February 2015 remained in Teika, where the average price per 1 m² decreased and was at the position of 784 EUR/m², whereas the lowest price per 1m² remained in Bolderāja – it increased up to 459 EUR/m² in February.

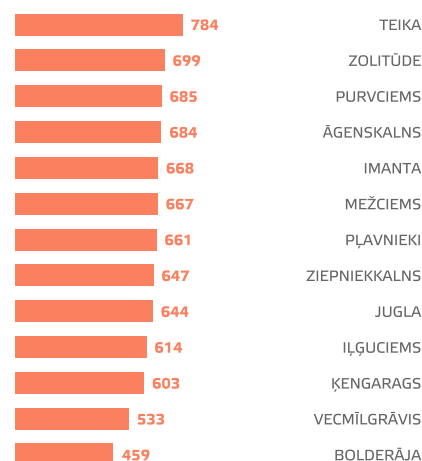
The most expensive apartments in February 2015 remained in the houses of 119th and 104th series, where the prices for 2 room apartments fluctuated from 38 000 to 43 000 EUR, depending on location. The Lithuanian project houses were the cheapest, where the prices for 2 room apartments ranged from 21 000 to 30 000 EUR, as well as for the Khrushchev houses, where the prices for 2 room apartments varied from 19 000 to 31 000 EUR, depending on the residential area.

Serial apartment price by series in Riga residential areas in February 2015 (for 2 room apartments), EUR



Source: ARCO REAL ESTATE

The average serial apartment prices in residential areas on March 1, 2015, EUR/m²



Source: ARCO REAL ESTATE

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Apartment market in Riga neighbourhood

Ogre

The serial apartment prices in Ogre in February 2015 remained stable. The average price kept its position at 422 EUR/m². During the period of the previous 4 months the price decrease was observed. The serial apartment prices in comparison with the last February were per 2,3 % lower.

Kauguri, Jūrmala

The prices in Kauguri in February 2015 increased per 1,1 %. The average apartment price exceeded the border of 400 EUR/m² and reached 401 EUR/m². In comparison with the last February the serial apartment prices in Kauguri were per 1,5 % higher.

Salaspils

The price level in Salaspils in February 2015 increased per 0,3 %. The average apartment price in February was 469 EUR/m². The prices in Salaspils in February were per 1,5 % higher in comparison with the corresponding month last year.

Jelgava

The prices in Jelgava in February 2015 fell per 0,5 %. The average apartment price in February was at the position of 331 EUR/m². Despite the fact that February was the fourth month in a row, when the price decrease was observed, the serial apartment prices were per 0,9 % higher in comparison with February 2014.

ARCO REAL ESTATE is the leading real estate company of the Baltic states, founded in 1992 in Estonia, the offices are today in cities in Latvia, Estonia and Bulgaria. ARCO REAL ESTATE is listed in Tallinn Stock Exchange since June, 2007.

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ARCO REAL ESTATE

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