

REAL ESTATE MARKET REPORT – RIGA CITY AND SUBURBS **OCTOBER 2008**

Information summarized by Ober Haus Vērtēšanas Serviss Ltd

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RESIDENTIAL – SERIAL FLATS IN RIGA MICRO DISTRICTS

At the end of October 2008 the average price for serial flats in Riga's residential districts, as estimated by Ober-Haus, was 1089 EUR/ sqm (in September 1162 EUR/sqm). The average price of 1 and 2-rooms apartments was 1125 EUR/sqm, but 3 and more room apartments – 1053 EUR/sqm. The decrease of the average price during last month is 6,3%. Comparing with October 2007, the total price decreases of 29%.

Comparing prices in micro districts, more expensive apartments still are in Teika – 1269 EUR/sqm and Agenskalns – 1177 EUR/sqm, but cheapest in Vecmilgravis – 1046 EUR/aqm, Kengarags – 1031 EUR/sqm, Bolderaja – 957 EUR/sqm. The prices in districts – Purvciems and Plavnieki - which are still with high demand are 1139 and 1129 EUR/sqm.

RESIDENTIAL – SERIAL FLATS IN RIGA CENTER

The activity of market was running-down In October comparing with September. Generally the price decreasing wasn't notice, because the price's decreasing doesn't give the advisable effect. The interest like previous month was about three sectors: 1) apartments in Centre periphery with space 30 - 50 sqm, in price 50 000 – 80 000 EUR, which offer is very limited; 2) decorated apartments in renovated building in Quiet centre with space 45 – 80 sqm, in price 3000 – 3600 EUR/sqm, which mostly buy for renting out; 3) exclusive apartments in price 700 000 EUR and more.

COMMERCIAL – OFFICE SPACE, RETAIL, INDUSTRIAL SPACE

In October is the same situation like September and before when many companies which thought about office change is sitting in cross and it is complicated to plan developing aspects of future. "We are in crises period but still there are deficit of office space in market. It means that any positive impulse in economic will promote dynamic office market development continuation" says Ober Haus commercial department manager Arturs Bogdanovs.

For potential tenants situation of today is good time for conclude agreement because developer will be accommodating in mean of price and other condition of agreement.

The rent price in offices in class B last month was 10 – 18 EUR/sqm, class A 18-23 EUR/sqm. Managing payment is from 0,87 EUR till 4 EUR per one sqm.

October was very active in commercial retail market. The rent price of retail was decreasing about 30 – 40% comparing with start of this year. The rent price in Riga centre is 35 – 45 EUR/sqm of 100 – 150 big retail space, 45 – 60 EUR/sqm of 50 – 100 big space, in Old Town the rent price is 50 – 80 EUR/sqm.

October was active month also in warehouses sector. The rent price of warehouses in October was 3,5 – 7 EUR/sqm, in order of effectiveness of premises, year of construction, capacity, engineering communications and location.