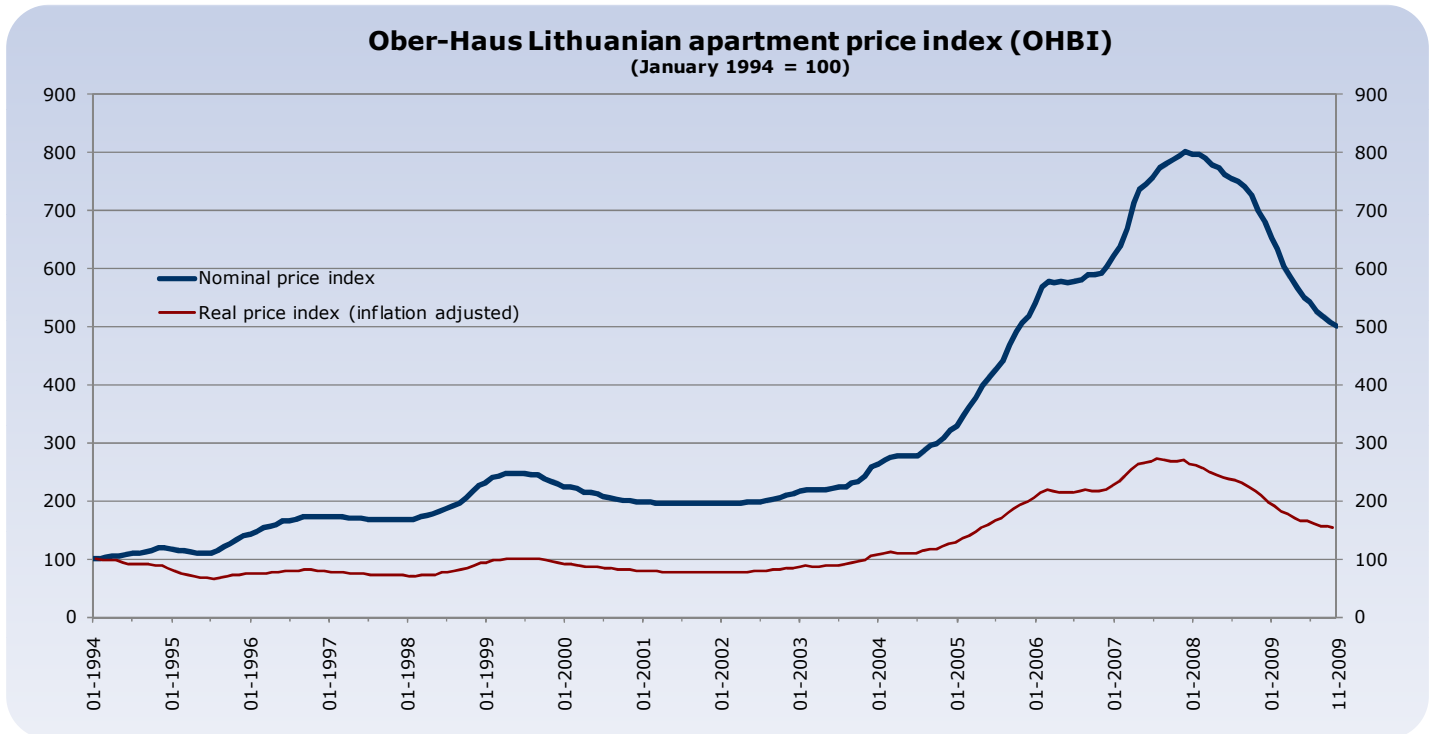


PRICE INDEX - OHBI



Change in prices
per month

-1.1%

Change in prices
per year

-28.4%

Change in prices
from the highest value

-37.4%

Duration of the
calculation of the index

191 months

The Ober-Haus Lithuanian apartment price index (OHBI) shows that the rate of decline in apartment prices is continuing to slow down. In November this year, apartment prices in the five largest Lithuanian cities (Vilnius, Kaunas, Klaipėda, Šiauliai, and Panevėžys) went down **1.1%** (monthly decreases of 1.8% were recorded in September and October). This is one of the lowest indicators this year, almost equalling the change recorded in July, when apartment prices went down 0.9%. Over the past 3 months, apartment prices declined as much as in March this year, when the highest monthly decline this year - 4.7% - was recorded.

The OHBI data for November confirm the decrease in the annual apartment price decline forecasted in October. The OHBI for November shows that over the past 12 months apartment prices decreased **28.4%** (in September 2009, the annual price decrease was 30.2%).

From the highest summarised apartment price level, which was reached in December 2007, to November this year apartment prices in major Lithuanian cities declined **37.4%**.

Method for the Estimation of the Lithuanian apartment price index and Major Definitions Applied by Ober-Haus Real Estate Advisors

The Lithuanian apartment price index (**OHBI**) applied by Ober-Haus Real Estate Advisors shows summarized changes in prices for apartments in the five largest Lithuanian cities (Vilnius, Kaunas, Klaipėda, Šiauliai, and Panevėžys). The baseline period for the **OHBI** is January, 1994; the baseline value of the **OHBI** is 100. All declared values and deviations of the **OHBI** are rounded with accuracy up to one figure after a point. The **OHBI** is estimated every month and declared since July, 2009. To ensure the accuracy and immediacy of the results obtained, different information and data sources are used for the estimation of the **OHBI**: the databases and information collected by Ober-Haus, the data of governmental institutions and private entities as well as other information and data sources that may affect the results obtained.

The estimation of the OHBI is made by the method developed by the Ober-Haus employees. This method applies the weight system which attributes appropriate weights to each group of reviewed real estate (apartments in different cities). These weights affect summarized prices and the deviations thereof. When developing the system of weights, the following parameters were taken into consideration: the number of available apartments and the number of deals made in individual geographic segments (in the districts of individual cities and in district groups), and quality characteristics of apartments (a floor space, age, and completeness). If material deviations arise in the real estate market or in the properties thereof, the system of weights may be corrected taking into consideration the magnitude of these deviations.

To make the information announced more transparent and easier comparable with other information sources both nominal and real values of the **OHBI** are estimated and published:

- **Nominal apartment price index** shows the deviations of nominal prices for apartments in time, compared to the OHBI baseline period (01-1994).
- **Real apartment price index** shows the deviations of real prices for apartments in time, compared to the OHBI baseline period (01-1994). The real OHBI is estimated by eliminating the effect made by inflation on the nominal values of the OHBI. The real OHBI shows the average change in prices for apartments compared to change in prices for other consumer goods and services. E.g., if the value of the real OHBI is 200, this means that, since the baseline period, prices for apartments on the average increased 2 times compared to increase in prices for other consumer goods and services. The real OHBI is estimated by applying the *Harmonized Index of Consumer Prices (HICP)* estimated and publicly announced by the Department of Statistics under the Government of Lithuania.

Ober-Haus Real Estate Advisors reserves the right to amend the method for the estimation of the OHBI and to postpone the announcement of the OHBI.

The OHBI is the ownership of Ober-Haus Real Estate Advisors. Any information related to the OHBI must be accompanied by reference to Ober-Haus Real Estate Advisors.

If you wish to receive any additional information about development of the real estate market in Lithuania, Latvia, Estonia and Poland; or you would like to order a special report on the part of the market relevant to you or the market of the project in progress, please contact Ober-Haus real estate market analysts.

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