



# Real Estate Market Report 2006

## Baltic States capitals

Tallinn, Riga, Vilnius

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### Tallinn, Estonia

#### *Continuous GDP growth fuels booming real estate market*

##### **Economy**

Estonia's economy is booming with 9.1% GDP growth in 2005 and projected growth of 6.8% in 2006. Unemployment has dropped to 8.7% and inflation hit a mere 2.2%. FDI per capita in 2005 was 1,700 EUR. EU funds flowing into Estonia will account for 550 million EUR p.a. or 406 EUR per capita in 2006-2008. Estonia is planning to join the single currency by 2007 bringing numerous benefits including currency stability, lower interest rates, and increased FDI. Real wage growth in Estonia was over 8% annually from 2001-2005.

##### **Office**

#### *Limited supply boosts rents*

##### **Supply**

By the end of 2004, modern A-class office stock in Tallinn had grown to 120,000 sqm. Only 8,000 sqm of new A class office stock was added in the last 12 months. A further 8,000 sqm will come online in 2006. An increase in construction costs and existing rental levels

has resulted in a slowing of further development. Many developers are focusing more on residential development to pocket higher returns.

##### **The biggest new buildings in town are:**

**Rävala Neli** – Located next to City Plaza in Tallinn city centre, this 8,000 sqm building is set to open in spring 2006. The project is 100% pre-leased and rents are 13-16 EUR/sqm. Most tenants are local companies and joint ventures.

**City Plaza** – Local construction company Estconde opened its 23-storey City Plaza in September 2004. The 9,000 sqm building is already 100% pre-leased. Rents are 13-16 EUR/sqm. The majority of tenants are local law firms and consulting companies.

**Admirali House** – Local builder Merko and partner Manudent developed and completed this office and apartment building at the end of 2004. Located in the port area, Admirali House comprises a total area of 8,100 sqm and sports a separate parking building. Current rents in the building stand at 14-16 EUR/sqm.



*City Plaza, a new 23-storey office building in Central Tallinn.*

##### **Demand**

Take-up totalled 23,000 sqm in 2005, exceeding new supply, and leading to a tightening in the market. With GDP and employment growing so rapidly, we expect take-up to continue to exceed supply in 2006. Vacancy has dropped below 1% which has resulted in available space being vacant only for a short time.

Favourable lending conditions have increased interest in buying office space. Many companies follow the German model of owning (not renting) and wish to reduce their rental overheads by replacing them with monthly loan repayments. This trend is especially attractive for companies who are not planning to expand in the future and are looking for an option to invest their funds. Owning the space they operate in is the preferred choice with interest rates for companies today at a competitive 3.5 to 4.5%.

### Rents

Rents have been stable in Estonia for the last seven years. During the last six months, due to limited supply, rents have increased 10–15% to 13.5-16.0 EUR/sqm. Typical service charges are 2.5-3.5 EUR/sqm. Rents for class B office space range from 8 to 11 EUR/sqm and have increased by 5-10% during the last year. We expect rents to rise further as take-up will continue to exceed supply.

### Investment

Yields have dropped rapidly over the last 12 months. A-class office buildings currently attract buyers at yields of 7.0-7.5%. Demand is clearly exceeding supply and most buyers are justifying low yields with relatively low rents. Buyers believe that rents are low and will increase 10-15%, so they believe they are buying at real yields of 8.0-8.5%.

### Institutional transactions

**Swiss House** – This 8,800 sqm office building in the heart of Tallinn city centre on Roosikrantsi street was sold in October 2005. The project was developed by SwissRe in 1999. The price of the transaction was 8.9 million EUR which represented a yield of 7%. The buyer was a local investment company called EE Reit owned by the local fund management company LHV and the real estate brokerage firm Uus Maa.

**Maakri House** – This 9,900 sqm office building in the CBD area in Maakri street was sold in November 2005. It was owned by Finnish developer SRV. The price was 10.5 million EUR and the respective yield was 7%. The buyer was the Norwegian owned AS Farretex.

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### Retail

#### **Tallinn remains most retailed city in Baltics**

### Supply

Supply has been very limited in the Tallinn retail market during the last 18 months. Total retail stock is 390,000 sqm. At 0.99 sqm of retail gross leasable area (GLA) per capita, Tallinn is more retailed than Helsinki (0.71), Stockholm (0.75), Warsaw (0.60), Riga (0.90) or Vilnius (0.90).

Most developers and banks are wary of supporting further development. There are a few developments planned but mostly they are single tenant projects not shopping centres. Most retailers feel that there are more opportunities in the eastern side of Tallinn in the Lasnamäe suburb which houses a third of the capital's population. The sqm per capita there is two times less than the Tallinn average.

**Kristine Centre** - This 38,000 sqm Shopping Centre, near Tallinn city

centre, is one of the largest shopping malls in the city. Developed by the Italian company Pro Capital, the property is anchored by an 8,000 sqm Prisma Hypermarket. This centre concentrates on fashion and clothing.

**Ülemiste Shopping Centre** - This 50,000 sqm project is the city's largest shopping mall and is located next to Tallinn Airport. Developed by Norwegian group Linstow Varner, the property is anchored by a 10,000 sqm Rimi Hypermarket.

**Viru Square** - A 32,000 sqm newly-built city centre scheme located next to the Viru Hotel. The new building houses an underground bus station, and is connected by bridges to the Viru Hotel and the Tallinn Department Store. Tenants include the Tallinn Department Store (with a 2,000 sqm extension) and Mango, the Spanish fashion house. The Finnish company SRV and Estonia's Merko were the developers.

**Lasnamäe Centrum** – A new 23,000 sqm shopping centre in the heart of Lasnamäe, the biggest suburb in Tallinn. The building, developed by Paul Oberschneider and partners, includes a 10,000 sqm RIMI hypermarket, Jysk, and Sportland, as anchor tenants. The centre was opened Autumn 2003.

### Projects planned to enter the market in 2006 include:

**Prisma Hypermarket in Lasnamäe** - In November 2006 Finnish retailer SOK will open its fifth Hypermarket in Tallinn. The 11,000 sqm building is located in Lasnamäe across the road from the existing Lasnamäe Centrum. The developer is Paul Oberschneider and Partners.

### Demand

There was massive development in the market three to four years ago. This was a period when retailers expanded very quickly - in some cases many times more than the growth of purchasing would have allowed them to grow. Most retailers wanted to attain a dominant market position. There were some bankruptcies and overall the profitability fell and demand for new space was quite weak. More recently, demand has increased again due to a noticeable increase in purchasing power resulting from an increase in wages. People feel comfortable about the future and are more willing to increase their expenditure. Vacancy is close to 0% and most centres have a list of tenants patiently queuing for space.

### Rents

Rents are increasing. New shopping centres charge 14 - 22 EUR/sqm for 100 sqm units in prime locations in major malls. Food store anchors are generally paying 9-10 EUR per sqm. With service charges set between 3 - 5 EUR/sqm depending on the centre.

Rents for a prime located 100 sqm main street unit are 20 - 40 EUR/sqm. These units are usually occupied by restaurants, bars or service companies. Most retailers have moved to shopping centres.

### Investment

One of the biggest retail centres, Rocca al Mare, was sold in July 2005 to the Finnish property fund Citicon - which concentrates on retail properties. The centre is 36,000 sqm and has building rights for 20,000 sqm of further development. The value of the transaction was 63 million EUR with a yield of 8.5%.

Today there has been a further weakening of yields to a level of 7-7.5%. Even though yields are at their lowest ever, there is still a lack of product on the market as most property owners have a hard time finding alternative investment opportunities. If there were alternatives more property owners would sell their property.

### Industrial *Supply is limited with vacancy less than 2%*

#### Supply

The industrial market is the least developed real estate segment in Tallinn. The Greater Tallinn area has 270,000 sqm of modern warehouse stock out of which 200,000 sqm is located out of the city. The Greater Tallinn area is within the ring road which is up to 15 km from the city border. Many Scandinavian small and mid-sized production companies are interested in moving production to the Baltics due to lower costs, favourable legislation, and a helpful taxation system (no corporate income tax on undistributed profits). Due to low interest rates and limited supply of rental space, most new warehouses have been developed by end users - or for end users. Local developers prefer to develop residential and retail properties which give better returns.

2004 was a boom year for construction, with 110,000 sqm built. We expect another 120,000 sqm to be erected in 2005, by developers such as Kodu Grupp with their Jüri Industrial Park and Baltic Property Trust with their Via Baltics Logistics Centre. Half of the planned space will be built by end users.

New warehouses are usually built either on ground level or raised (1.2 m). Today there is more demand for warehouses with raised level flooring. The height of the spaces varies from 6 -10 meters and minimum unit sizes start from 400 sqm.

**Via Baltics Logistics Centre** – The Danish investment group Baltic Property Trust owns this property with 18,300 sqm of existing space and the possibility to extend it by 29,000 sqm. It is located in the rural municipality of Saue next to the Tallinn ring road and will be completed by 2007 with rents standing at 5-6 EUR per sqm plus service charges and VAT.

**Jüri Industrial Park** – This is the largest industrial park in Tallinn covering a total territory of 37 ha and includes 42 land parcels of between 2,700 - 16,000 sqm. The developers are offering both land for sale as well as built-to-suit for tenants who are willing to put pen to



*Luther Quarter, bringing a previous limestone factory to life as residential.*

paper. Rental contracts run for 10+ years. The price of land is 45 - 50 EUR/sqm plus VAT and rents are 5.5 - 6.5 EUR/sqm plus additional charges and VAT.

#### Demand

75,000 sqm of industrial space was leased in 2005, leaving 5,300 sqm vacant, which is less than 2%. Demand is expected to remain high as the economy is growing rapidly and both retailers and production companies will continue to require additional space.

#### Rents

Rents inside the city vary from 3.0 to 4.5 EUR/sqm for old premises. For new premises rents are 4.5-5.7 EUR/sqm for ground level units and 5.1-6.4 EUR/sqm for new premises, plus VAT and additional charges. Rents in the city and bordering the city are similar and have been stable over the last two-three years.

#### Investment

Today there have been no institutional transactions in the industrial field. Mostly existing buildings have been bought by end users. Yields have been 7 - 8%. The development yield for developers - for built-to-suit premises for long term tenants - is currently 10.0 -10.5%, therefore we expect the yield level to remain 7 - 8% to encourage them to sell the property. Even though yields are the lowest ever, there is still a lack of purchasable product on the market. This is due to most property owners having a hard time finding alternative investment opportunities to entice them to sell their property.

### Residential *Prices up a hefty 30-50% in 2005*

#### Prices

Prices of new build apartments jumped a massive 30% in 2005, even as much as 50% in the city centre, as demand continues to outpace supply. Demand is so strong, that even old flats in Soviet-era prefabricated

concrete panel block buildings are selling at levels only 20% less than new built. This price difference should increase in the future with the prices of a flat in a new apartment building increasing more rapidly than a flat in an older building.

Another trend emerging on the market is the price diversification. The largest price amplitude is apparent in the centre of Tallinn where the minimum sale price is currently 2,100 EUR/sqm and the maximum is 3,400 EUR/sqm (Twin Towers next to Stockmann). In the old town prices are between 2,300-3,500 EUR/sqm. The most inexpensive new housing can be found in the outlying districts where the minimum price is 1,450 EUR/sqm and the highest 2,000 EUR/sqm.

### Supply

The residential market in Tallinn and its surrounding counties has experienced significant growth from 1,000 new apartments built in 2000 to more than 3,000 in 2005.

This is expected to reach 3,500 units in 2006. Most apartments are sold before project completion. Supply is expected to remain lower than demand over the coming two to three years as the number of detailed plans approved by the city of Tallinn is still low and construction periods have lengthened - due solely to a lack of construction personnel on the labour market.

We envisage a shortage of supply in residential both in the city centre and in the suburbs.



*Ober-Haus is having great success selling and renting new suburban apartments. And prices are sure to grow.*

### New projects

**Luther** - Developed by local developer Grove Invest and located in the city centre on Vana- Lõuna Street. There are 180 apartments planned from 28 - 185 sqm. The project will be completed in April 2007 with prices from 2,100 to 2,500 EUR/sqm. 40% of the apartments are already sold.

**Kadriorg, Liivaoja** - Developed by Skanska EMV and located in Kadriorg next to the city centre, this project has a planned 319 apartments ranging from 34 - 128 sqm. The project will be completed

in April 2007 with prices from 2,200 to 2,400 EUR/sqm. 85% of the apartments have been sold.

**Triumph Plaza** - Developed by local developer NG Invest and located in the heart of the city centre on Narva street, this project has a planned 54 apartments to be constructed on the top of the existing office building. The apartments range from 45 - 80 sqm and the building will be completed in April 2006 with expected price tags of 2,200 to 3,100 EUR/sqm. 85% of the apartments have been sold.

**Volbre** - Developed by Paul Oberschneider together with Immoeast Beteiligungs from Austria and the UK company Grainger Europe Ltd, this project is located on Rannamõisa street in Kakumäe, one of the capital's most popular suburbs. There are 46 apartment houses planned and 805 apartments from 45 - 80 sqm. Construction will start in April 2006. Prices of apartments will range from 1,500 to 1,700 EUR/sqm.

### Demand

Despite an increase in supply on Tallinn's residential market last year, demand for new modern residential space in Tallinn and surrounding areas remains strong and still exceeds supply. All apartments developed have been sold. The high demand in residential is mostly driven by the following factors:

- rapid economic growth in Estonia leading to an increase in disposable income
- the relatively low level of financial leverage of local households combined with a significant decrease of interest rates and increasingly favourable terms in mortgage lending.
- increasing interest from foreign investors in Tallinn's residential properties for investment purposes.
- a low ratio of living-space per capita and deteriorating housing stock. The average useful area per inhabitant in Tallinn is one of the lowest in EU countries and currently stands at 23.3 sqm/person. The average useful floor space per EU inhabitant stands at 32.8 sqm/person. The same indicator for old Europe is considerably higher reaching 36.6 sqm/person. Hence, depending on the economic development of the city driven by the purchasing power of the population, residential construction growth should accelerate in Tallinn.

Estonia's accession to the EU has been another supporting factor of market growth.

### The Mortgage Market

The growth of the mortgage market in Estonia has been fast. The average annual growth rate for the last five years stands at 55% and total household mortgages amounted to 2.3 billion EUR as of Q3 2005. Please see table 1 below. The rapid growth pattern of the mortgage market is set to continue as the ratio of mortgage loans to GDP is still significantly below the EU average of 48%, standing

## Tallinn, Estonia

at 23% as of Q3 2005. The growth rate and relatively low level of mortgages is of crucial importance to the future growth in demand for residential property.

Growth of demand in the Tallinn residential market is fuelled by the increased availability of mortgage financing and all time low interest rates. Average interest rates for households in local currency currently stand at 3.9% at 3.3%, down from 4.2% a year ago. Mortgage interest rates in Estonia have been lower than comparable average rates in the Euro-zone since July 2004.

As the competition in the banking sector strengthens, banks are becoming more flexible in granting mortgage loans. Currently, the maximum lending period stands at 30 years and credit may be granted for up to 100% of the property value.



*Triumph Plaza, high-spec office and residential in the city centre.*

### Rents

In 2005 rents remained stable. The average price for a furnished apartment was 9-13 EUR/sqm. Typical monthly rent ranged from 650 - 800 EUR for a 70 sqm, 3 room, city centre newly-built flat. The greatest demand is for a 1-2 bedroom flat of 50 - 80 sqm. The most popular area is around the old town within a 5-10 minute walking distance. Supply is limited as many local owners sold their apartments after sharp increases in prices in 2005.

### Income and taxes

**VAT** - As of 1st May 2004, all companies who develop land and apartments were required to charge VAT 18% on the sale price, not just on the construction costs. There is no VAT on property on the secondary market.

**Rents** - Private individuals must declare rent collected as income and pay a flat income tax of 23% on rent and may not claim any deductions. Corporate income tax is 23% with all deductions allowed. Both loan interest and improvements are tax deductible for corporate owners. Improvements may be amortized over a period of up to 10 years. Corporate owners prefer to add VAT on top of the rents as in many cases the rent is paid by companies. Corporate owners can charge rent without VAT if they rent to individuals but it will

require a more complicated bookkeeping system. There is no VAT added if the owner is a private person.

The only sensible way to rent property in Estonia is through a company structure so all expenses are deductible. Companies pay no income tax until profits are distributed.

**Purchase** - On purchasing real estate there is a notary fee of 0.2-0.4% of the transaction value (the sale price), and a fee of 0.3% of transaction value to register the property in the real estate registry.

**Property tax** - There is no property tax in Estonia. There is only a tax on land, which is from 1 to 2% (depending on the municipality) of the cadastral value of the land.

**Sale** - On the sale of an asset, companies and private persons pay standard income tax on profits (23%), while private owners pay no capital gains tax on the sale of their personal residence.

**Commissions** - Usually, the agency commission fee comprises 2-3% of the sale price. It should also be taken into consideration that VAT is mandatory for all legal persons, and that the client's 'success fee' will therefore actually amount to 2.5-3.5% of the value of the property at the time of sale.

**Restrictions** - Foreigners can freely buy and sell properties in Estonia.

**For more information on residential property in Tallinn contact Kristiina Moldre on +372 627 8070.**

**For more information on off-plan, buy-to-let investment opportunities throughout the region contact David Rice on +48 22 829 1212.**



### Riga, Latvia

#### Soaring economy driving all property sectors

##### Economy

Latvia's economy keeps roaring on with 7.5% GDP growth in 2005 and projected growth of 7.0% in 2006. Unemployment has dropped to 8.3% nationwide but less than 5% in Riga. Inflation was still high at 6.7% in 2005 due to strong exports and higher fuel costs. Interest rates in the local currency are 3.62% and are converging with Euro rates in anticipation of joining the Euro-zone in 2008. FDI per capita in 2004 was 240 EUR.

##### Office

#### Supply up 30 % while demand keeps pace

##### Supply

By the end of 2005, modern A and B class office stock in Riga had grown to 260,000 sqm. The last 12 months saw the addition of 55,800 sqm of new office stock - out of which six buildings were new A class and eight were renovated B class. However, during 2006 office stock is expected to sky-rocket due to the anticipated addition of 18 new buildings.

##### New projects:

**Baltis Vejs** - A new modern office building with a total area of 3,000 sqm for rent. Rent prices will range from 15 up to 18 EUR/sqm. It is located near a main highway and offers 220 parking spaces.

**Dunte's Haus** - 8,800 sqm of office space developed for sale. An A class building of high technical standard and a planned opening date of autumn 2006. Easily accessible by private and public transportation. Prices range from 1,600 - 2,500 EUR/sqm.



*Dunte's Haus, a new build modern office with plenty of parking will be offered for sale through Ober-Haus.*

**Marine Business Centre** - A fully-leased six floor B+ office building only 10 minutes drive from the city centre. Total space 7,000 sqm and a price of 12-14 EUR/sqm.

**GMP Business Centre** - A nine storey office centre for sale with prices ranging from 1,500 - 1,800 EUR/sqm. The location is easily accessible by transport and is a five minute drive from the Old Town and is set to open in summer 2006.

**Ziemeļu Vārti** - An eight floor office building with a total space of 10,000 sqm and rents from 12-15 EUR/sqm. Underground parking spaces available and slated to open in June 2006.

**Terbatas Business Centre** - A new modern six storey building with a total area of up to 5,000 sqm. 70% leased with rents ranging from 12-13 EUR/sqm. Located on one of the most prestigious streets in the city centre.

**Sadovnikova Street** - A 2,500 sqm modern seven floor office building located in the very centre. It is easily accessible and has a view of Salu Bridge. Rents are attractive from 8-12 EUR/sqm.

**Barona Kvartals** - New B class office building in the CBD on Brivibas Street with total space reaching 25,000 sqm for 10 EUR/sqm.

**Sarkanais Kvadrats** - Renovated B class offices, located near the river and a major department store, now reaching 17,000 sqm. Rents range from 8-10 EUR/sqm with 60% of the space currently reserved.

### Demand

Riga take-up amounted to 52,600 sqm in 2005. Even though there has been an increase in office stock this year, the demand for new or renovated offices with parking in the city centre - or close to it - is persistent. It is expected to be matched in 2006 due to the considerable increase in office stock supply.

### Rents

The lower end of A class rents have increased by 20% from 13 – 20 to 16 – 20 EUR/sqm, as demand for A class stock and the overall price level increased. Typical service charges for B class range from 1 to 2 EUR/sqm while A class charges can go up to 6 EUR/sqm. Rents for class-B office space ranges from 7 – 15 EUR/sqm and up to 6 EUR/sqm for C class. We expect the average A and upper B class office rents in the city centre to increase moderately due to increasing demand, however, it should not exceed the upper end of rent level.

### Investment

The Danish investment group Baltic Property Trust has been aggressive throughout the Baltic region closing a few top market deals and buying the Valdemara building, a 8,300 sqm A-class office building in downtown Riga.

Increased investor interest has pushed yields down significantly since last year, hitting as low as 7% on the best projects and portfolios.

**For more information on buying or letting office space in Latvia contact Rasa Villerusa or Ilze Redere on +371 728 4544**

### Retail

#### ***Mall supply increases 25% in 2005, exceeding half million sqm***

### Supply

Total rental space in retail centres grew to 540,000 sqm in 2005 which represents an increase of 100,000 sqm. At 0.90 sqm of gross leasable retail area (GLA) per capita, Riga is as retailed as Vilnius (0.90), and much closer to heavily retailed Tallinn (0.99) than last year. We see another 300,000 sqm being built in the next two years, most of it in suburbs, bringing GLA per capita past Tallinn. New projects include:

**ALFA Phase IV** – Started in June 2001, ALFA Retail Park was the first of its kind in Riga. In recent years ALFA has expanded substantially from 19,000 to 51,000 sqm. The next expansion phase will see the opening of a large-scale DIY centre covering a further 20,000 sqm.

**Galeria Centrs Phase II** – In autumn 2006, the central Old Town shopping mall will considerably increase its total area from 20,000 to 30,000 sqm including an incorporated glass passage. The investment is estimated at 30 million EUR.

**Spice Phase II** – Spice is located on the airport route Ulmana Avenue and has completed its 2nd phase by increasing total space to 50,000 sqm.

**K-Rauta Centre** – In 2005 the Finnish developer AS Rautakesko finished two large building & hardware shopping centres on Ulmana Gatve (17,800 sqm) and Lucavsala (21,600 sqm).

In the coming years, several more big retail centres covering a total area of 305,000 sqm plan to hit the market:

**Galerija Azur** – Construction has started on a 25,000 sqm shopping centre in the Plavnieki suburb of Riga. The project has a planned finishing date of May 2006.

**Riga Plaza** – Latvian developer Domuss, in a joint venture with Plaza Centres Europe, is building the Riga Plaza Shopping and Entertainment Centre – a 41,000 sqm complex with 31,000 sqm of gross leasable area and parking provision for 1,500 vehicles. The facility will contain over 150 stores, a supermarket, a cinema complex and a family entertainment area. The centre will be located next to the busy Salu Bridge on the left bank of the Daugava River, 3 km from the city centre. Opening is expected for the end of 2008.

**Akropole** – Lithuanian developer Vilniaus Prekybas (VP) Group is planning to build one of the largest retail and entertainment centres in the Baltics. Akropole will house the largest variety of shops in the region and the most entertainment options in one location. The site is located 2 km from city centre and will account for more than 110,000 sqm of gross retail space after the completion of the first phase, including a Hyper-Maxima hypermarket. Total investment is planned to be 135 million EUR with a planned opening in 2008.

**Galerija Patollo** – Norwegian developer Balder Invest is building a 7 floor 40,000 sqm shopping centre with 230 stores. The centre is a downtown scheme located in the heart of Riga with 240 parking spaces.

### Demand

The demand for space in retail centres is very strong. Like last year the 'no vacancy' signs are still up in Riga retail centres. The lack of appropriate retailing sites in Riga centre has encouraged retailers to expand their activities into suburban retail centres.

Local retail companies are not only willing to rent space in retail centres, but they are also looking for the possibility to buy.

### Rents

Rents in retail centres and active trading streets have increased on average by 10-30% ranging from 25-30 EUR/sqm for medium sized (100 sqm) units, to as high as 50 EUR/sqm for smaller units. Anchor tenants normally pay 9-12 EUR/sqm. Service charges range from 3-6 EUR/sqm with a tendency to grow. In the most popular active shopping district in Riga, as well as in top Old Riga shopping areas, rents range from 20 – 55 EUR/sqm.

### Investment

Riga saw an upturn in retail transactions including the sale of the 22,000 sqm Olympia retail centre (anchored by Rimi hypermarket) for a yield of 8%.

The 25,000 sqm Galerija Azur went under the hammer in 2005 when the project developer sold it whilst still at the building stage.

**For more information on buying or letting retail space in Latvia contact Inese Treilina-Bergmane or Rudite Silina on +371 728 4544**

### Industrial Demand for modern industrial parks grows

#### Supply

**Among the few main modern industrial parks in Riga and its surrounds are:**

**Nordic Industrial Park** – One of the most successful industrial parks in Latvia. The tenants include over 30 different local and foreign companies. Total rentable area is 6,400 sqm, while the whole territory - with warehouses and production units - totals 7.5 ha.

**Nordic Technology Park** – located on 7,5 ha of land with the total floor space of 41,500 sqm., including 32,500 sqm. of industrial premises and 9 000 sqm of office premises in a separate office building.

**NP Business Centre** – Industrial park is in the construction phase and its total territory will cover 100,000 sqm. It is located near a main highway and several minutes drive away from the city centre.

**DHL Logistics Centre** – In August 2005, Latvian developer SRV Terbelat started to build a c. 9,000 sqm mixed use office/warehouse terminal near Riga Airport in the Marupes parish. Besides servicing DHL's needs, the logistics centre will also include customs warehouses and rentable space with plans to expand.

**Riga Business Park** – A large modern industrial park covering 200,000 sqm and providing office space as well as warehouse buildings with full infrastructure and connections.

**Valdo Warehouses** – In order to expand its business capabilities the Voldemars company has developed a new office and warehouse building with facilities covering 7,148 sqm with a 12,572 europallet capacity.

**Salaspils Logistics Centre** – A new modern logistics terminal near Riga. Industrial space is 20,000 sqm and rents range from 6 EUR/sqm.

#### Demand

Demand in the segment continues to strengthen due to the rapidly growing retail and import sectors pressuring developers to bring

new premises to the market after a long inactive period in the industry.

### Rents

Industrial rents vary from 1.5-2.0 EUR/sqm for unrenovated - and possibly unheated - spaces in older factory territories, up to 5-7 EUR/sqm for renovated or newly built facilities with differing levels of services and spacing.

### Investment

The most significant leaseback deal – the RIMI single-tenant warehouse complex with an office building - occurred in 2005, giving the first significant transaction example in the segment.

**For more information on investment and commercial space in Latvia contact Mihails Danilevics on +371 728 4544**

### Residential 10,000 new apartments planned for 2006

#### Prices

The prices of newly constructed apartments in Riga grew drastically by 70-90% on average during 2005. In the rest of regions – prices grew on average by 30% for new projects. New apartments located in the city centre vary between 1,800 and 4,300 EUR/sqm, while in the Old Town they cost between 3,500 and 5,000 EUR/sqm. Prices of new, partially decorated apartments outside the city centre range between 900 and 1,500 EUR/sqm.



*Panorama Plaza, a mixed use residential and commercial complex, planned to be a landmark in the new Riga.*

#### Supply

The apartment construction is increasing in almost exponential pace. Since 2000 the residential supply has been increased in total by 23,600 units. In 2005, the actually built new project number that appeared in the market reached 4,500 units. The new block house

projects are typically sold out in 2-3 months after appearing in the market. For the first half of 2006 the new project apartment number is planned to be 7,900 units. The trend is upward sloping and it is realistic as there are at least 130 block house projects waiting in Construction Board to be confirmed. In addition, there are plans to reconstruct and develop the "degraded" residential territories on a large scale.

There is an evident wave of foreign investor interest in new projects in Latvia. This is reasonable due to Riga being the biggest capital city in Baltics, the highest GDP growth rate and credit rating improvement for Latvia from BBB+ to A-.

The most prestigious regions are strongly correlated with the average area of the apartment. Hence, the biggest apartments are offered in Kipsala, Old Riga and Jurmala. These are the most beautiful areas with a sight to the river and Old Town. Jurmala is famous for expensive land plots near the sea. The most units of apartments have been build in centre, followed by Purvciems, Imanta and Ziepniekkalns.



*Zelta Rasa, upscale suburban living sold by Ober-Haus.*

### New projects

One of the latest new apartment projects with full decoration Zelta Rasa (developed by Alkantra) is located 10 minutes drive from the city centre and surrounded by green zone. The 3 building complex houses 150 apartments of 35 - 114 sqm and is 500 m away from a major department store. The prices are starting from 1,300 EUR/sqm with full decoration. The predicted date of opening is December 2007.

The 87 apartment project Dignajas iela (developer Knuts Invest) second part is scheduled for opening in spring 2006 and it is located in green Pardaugava, and price is 1,500 EUR/sqm. The apartments range from 34 up to 131 sqm and include full decoration.

In March 2006 the first building of Dienvidu Pakavs (developer Urban Art) will be completed and will provide 148 apartments. The 6 storey building is located in a close suburb Ziepniekkalns near major highway. The offered apartments range from 56 - 130 sqm with price starting from 1,200 EUR/sqm.

In August 2005 there was a 232 apartment project Torena Nami

(developer RL Grupa Ipasumi) completed. The 4 house complex is located 4 minute drive from centre on the left bank of the Daugava River. Available apartments range from 40 - 131 sqm and prices start at 1,350 EUR/sqm.

There are new projects in construction in the suburbs of Riga and their prices start from 900 EUR/sqm. There is also substantial supply of new projects near Riga resort city by the sea Jurmala, where many exclusive residential projects are being built. There prices start from 2,000 EUR/sqm.

In the residential housing sector, individual and terrace houses with a full decoration and an area of 150-250 sqm are in the highest demand. The price for these buildings is average 215,000 EUR. This year the prices for individual houses have grown by 15 - 30% due to increased construction, labour and land costs. We predict that the construction costs will grow in 2006 as well, impacting overall prices of housing.

### Demand

Demand is increasing due to fast economic growth, consumer confidence, and improved mortgage offers from banks. The highest demand is for 50 - 100 sqm apartments. The demand can be subdivided in two parts - local and foreign citizens. In the end of 2005 there has been a shift in proportions in favour for locals. There is a high demand for renovated qualitative apartments in the silent centre in Riga. The latest trend is buying new apartments for letting them into a rent later.

### The mortgage market

Mortgage loan rates start as low as 1.8 % depending on currency, term, and other conditions. The maximum term is 40 years. Clients can borrow up to 95% of a property's value using guarantees from the state home loan insurance company.

Liquidity is fuelled by growing mortgage loans. Outstanding mortgage loans in Latvia total 21% of annual GDP, compared to the EU average of 48% of GDP.

### Rents

Rents remained flat in 2005. The typical rent for 70 sqm, three room, city centre new build apartment is from 8 - 12 EUR/sqm depending on quality of the premises. The greatest demand is for smaller one or two room apartments in the quiet district in city centre - Elizabetes, P. Brieza, Eksporta and Hanzas Streets are among them. Old Town is not the most popular residential area due to excessive noise and entertainment facilities, and lack of parking. Increasingly more popular have become close suburb regions - Teika and central periphery as the rent level difference is considerable. The standard quality requirements have not changed - contemporary apartment with a good sight from the window, in a renovated building with elevator and security.

### Income and taxes

**VAT** – For the sale of unused real estate, VAT of 18% is charged. An unused building is one that is newly built, has new parts or is in construction and it was sold within one year after the building was built or reconstruction work was accepted. For the supply of a used real estate, no VAT is charged – it is an exempt supply.

**Rents** – An individual's lease of residential apartments is exempt from VAT. There is 18% VAT on the rent of property which is located in Latvia and rented to anyone other than an individual. An individual's rental income is a subject to personal income tax at a rate of 25%. For a legal entity the rental income is subject to corporate income tax of 15%. The taxable income for legal entities can be adjusted for specific tax considerations – the entity can deduct the real estate tax paid along with other costs such as loan interest, letting agent's fees and utilities that are not paid by the tenant. Real estate used for business purposes qualifies also for tax depreciation for corporate income purposes.

**Purchase** – On purchasing property the buyer pays a Stamp Duty of 2% of the transaction value, and court and notary fees. The typical broker's fee is 3%.

**Property tax** - At present, property tax for individuals and companies is 1.5% of the net book value of the buildings and constructions. As from January 1, 2007 the property tax will be subject to the cadastral value of the buildings and land. Therefore, the property tax payments are expected to increase next year. However, there are various exceptions by municipalities and state that can be applied to the property tax payers.

**Sale** - On the sale of an asset, companies pay standard corporate income tax rates on profits (15%), while private individuals can pay no tax if they hold the property for more than 12 months. If the resident's real estate was in ownership for less than a year, the taxable income is calculated as the difference between the sale price and the purchase value, i.e. the profit they have made.

**Commissions** - Usually, the agency commission fee comprises 2-5 % of the sale price.

**Restrictions** – Foreigners can freely buy and sell residential property in Latvia. A foreigner can also buy land but must get approval from the local authority.

**Notary Fees** – that is a flat fee of a 300 – 450 EUR.

**For more information on new residential properties in Riga contact Jelena Korolova on +371 963 3188.**

**For more information on off-plan, buy-to-let investment opportunities throughout the region contact David Rice on +48 22 829 1212.**



### Vilnius, Lithuania

#### ***Demand far outpaces both residential and commercial supply***

##### **Economy**

Lithuania is one of the fastest growing economies in the EU with economic growth hitting a buoyant 6.8% in 2005. GDP has grown at a more than impressive average annual rate of 7.5% since 2001. Experts predict this positive trend to continue into 2006 and 2007 with GDP expected to weigh in at 6.5%.

Unemployment stood at a relatively low 8.8% in 2005 with the capital Vilnius registering a meagre 4.1%. Inflation was only 2.8% and should hit a similar level in 2006 with 2.5% on the cards. The country fully intends to adopt the euro single currency on January 2007.

##### **Office**

#### ***No breathing space in short-term***

##### **Supply**

Modern office space increased by 42,500 sqm in 2005 with total office stock reaching 197,000 sqm by year end. Vilnius office space is expected to increase by over 40,000 sqm by the end of the current year.

##### **New projects:**

**BCC2** - Local construction and development company Eika finished this 13-storey class A office building which is identical to the existing BCC building and offers 6,200 sqm of office space. BCC2 opened in January 2006 and completed the development of the business triangle.

**Vilnius Gates** - Located on Gyneju St, this is the largest commercial and residential block in the city centre with a total built area exceeding 60,000 sqm. The developer Ranga IV will build up to 15,000 sqm of office space in early 2006 with some of it to be used by the company itself and its affiliated companies. The remaining space will be placed on the market for both lease and sale.

**Saltoniskiu St.** - Local developer Vilvesta has started the construction of a new office building. This building will be next to Hanner's second office tower at the crossroads of Saltoniskiu and Gelezinio Vilko streets. They plan to deliver 6,500 sqm of modern high quality office space by early 2007.

**Vilbra II Stage** - This modern office building is expanding and is expected to deliver an additional 2,500 sqm of modern B class office space to the Naujamiestis district by mid-2006.

**Eika** - Ober-Haus signed a deal with real estate development company Eika in order to maintain the exclusive rights for purchasing a brand new office building on Kubiliaus St., in the Zirmunai district. The first (ground) floor will accommodate retail and the second and third floors will offer 1,500 sqm of B-class office space. Opening is planned for Q2 2006.



*Vilvesta - is preparing to build high class office building next to Hanner's 15 storey office tower in the end of 2006 or beginning of 2007.*

##### **Demand**

Demand is so strong that current modern office vacancy stands at a low of 4%, despite the fact that during 2005 office supply grew 25% (from 154,500 to 197,000 sqm). Most take-up was driven by expanding local and foreign companies, not newly established companies. More local capital companies choose modern office buildings not only for better work conditions, but for the prestige associated with such an address.

### Rents

Rents for modern office space have basically remained the same over the last 12 months. A significant fall in rents occurred between 2002 and 2004 when they plunged by 20 %. Current rents for space in a prestigious class A office building range from 13 - 16 EUR/sqm. Class B office space goes for 9 - 13 EUR/sqm. Forecasts of increasing prices for land lots, and growing workforce and building material prime costs, have not led to investors competing in price-cutting. We don't expect a shift in rents in 2006.

### Investment

No modern office buildings were sold in 2005.

**For more information on commercial properties contact  
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### Retail

#### *Rising purchasing power driving development*

### Supply

Gross leaseable retail area (GLA) in Vilnius currently stands at 450,000 sqm. This figure is destined to grow significantly in 2006 - 2007 with the completion of some big retail centres such as Gedimino 9, Panorama, and Ozas among others. Meanwhile, there is no unrest among developers about draft projects which are set to be realized in the near future. All of them confidently believe that their projects will achieve the same success as the Akropolis and Europe retail centres.

### New projects:

**Vilnius Gates** - The largest commercial and residential block in the city centre at Gyneju Street with buildings exceeding a total area of 60,000 sqm. Developed by Ranga IV, the project will add almost 10,000sqm of retail and entertainment space to the market. The project is rather unique because of the projected two-storeys of boutique style shops with separate street entrances. Retail space is available both for lease and sale.

**Helios city** - A commercial and residential block in Savanoriu Avenue which will add residential, office and retail space to the market. The first two floors, which cover 7,000 sqm of the total space of the building, are expected to be allocated solely to retail.

### Future projects:

**Gedimino 9** - This former city municipality building was bought by Ireland real estate company Duke House Asset Managers and construction company Constructus for 13 million EUR. The building will be turned into a retail and leisure shopping centre offering some 15,000 sqm and should be ready come 2007.

**Panorama** - This project is located in the Zverynas district and was purchased by E.L.L. Real Estate. Preparation works have already started for the development of a 65,000 sqm shopping and entertainment centre. The developers plan to invest nearly 60 million EUR in the project.

**Ozas** - This shopping and entertainment centre is set to be developed near Vilnius city centre as part of Vilniaus Entertainment Park. Total area will reach 93,000 sqm of which 62,300 sqm will be retail space. The scheme is scheduled to open in 2007.



*Gedimino 9 - Ireland real estate company bought former Vilnius municipality building, which will be turned to modern shopping centre.*

### Demand

Leasing retail space in big shopping centres is not difficult. Retail units located in the capital's prestigious streets are also relatively easy to fill. Growing purchasing power and new emerging brands in the market are driving the successful development of retail space.

### Rents

Although the offer of retail space is growing year by year, demand remains high. Rental prices for shops with window displays, located in Gedimino Ave and in other prestigious Old town streets, vary from 23 to 44 EUR/sqm. Rents for a 150 - 250 sqm unit in a renowned retail centre vary from 11 up to 29 EUR/sqm and if the unit is less than 100 sqm rents can reach 29 - 60 EUR/sqm. Retail centres located a bit further from the city centre are attracting rents from 8.7 to 17.4 EUR/sqm. In relation to the beginning of 2005, rent prices continue to remain stable.

### Investment

A prominent multifunctional centre located on Ukmerges Street, with a gross retail and office area of over 4,000 sqm, was sold by Ober-Haus to local investors at a yield of 8.5%.

**For more information on commercial properties contact  
Edvinas Malevskis on +370 5210 9700**

## Industrial Supply and demand balance out

### Supply

Total supply of modern functional warehouse space grew 60% in 2005 to 160,000 sqm. It is interesting to note that all of this was built for specific users as opposed to speculative development. Over 90% of this space is located in Vilnius' industrial zones Kirtimai, Vilkpede, and Aukstieji ir Zemieji Paneriai.

**Vinges Terminal** – This terminal is located in Minsko road (16 km) and was refilled in July 2005 with 5,400 sqm of warehouse and 600 sqm of office space. Current total stock stands at 16,000 sqm of modern warehouse area and 2,100 sqm of office.

**Meistru Business Centre** – Construction and development company Eika built this 2-storey mixed office/warehouse scheme in Kirtimai in 2005. Warehouse space covers 6,420 sqm while office space takes up 870 sqm. Tenants include D. Boss Europe, Avokada, Bohmans, and Norameda.

**Dobrovoles Stage I** – Middle European Investment is finishing the first stage of this logistics centre in Traku Voke which will offer 13,500 sqm of modern warehousing and 1,500 sqm of office space. The project will be developed in four stages and upon completion will deliver 60,000 sqm of warehouse and office space to the market. Prices for industrial space will range from 3.8 to 5.2 EUR/sqm.



*Dobrovoles stage I – After finishing first stage of logistic centre near Vilnius city border - 13,500 sqm modern warehouses and 1,500 sqm office space will be offered.*

### Demand

Most warehouses are currently leased due mainly to a developer tendency to have a tenant signed before kicking-off with construction. Newly-built warehouses become difficult to lease when the developer loses a tenant or when a tenant finds another premises.

### Rents

New modern warehouses located near the city centre cost 4.3 to 5.8 EUR/sqm, depending on the size. Product located near the city

limits - or out of it - go for 3.7 to 4.6 EUR/sqm and newly renovated premises go for 2.3 to 4.0 EUR/sqm. Compared to the beginning of 2005, rents are steady and the supply/demand dynamic is rather balanced.

### Investment

Ober-Haus brokered the sale of 4,200 sqm of newly built warehouses with 660 sqm of offices located in Liepkalnio St at a price which would reflect market rental yield of 8.5%.

## Residential Prices soar to record high as supply lags

### Prices

Prices of both new build and older Vilnius apartments leapt an astonishing 40 - 65% in suburban districts in 2005. By the end of 2005, a standard two-roomed apartment (around 50 sqm) of older construction cost 50,000 - 65,000 EUR. The same sized (fully equipped) newly constructed apartment cost 65,000 - 95,000 EUR. This remarkable jump in older apartment prices can be explained by a strong demand for flats which is not adequately served by new supply. Prices of new build apartments in the city centre and nearby districts grew 30 - 40% in 2005.

Newly constructed apartments (without finishing) go for 1,000 to 1,600 EUR/sqm in residential districts and from 1,800 to 2,800 EUR/sqm in prestigious city districts such as Antakalnis and Zverynas. The average price of a newly constructed apartment in the Centre and Old Town varies from 1,850 to 3,500 EUR/sqm - in some cases prices even hit 5,000 EUR/sqm. These flats are sold without final finishing which requires another 200-300 EUR/sqm.

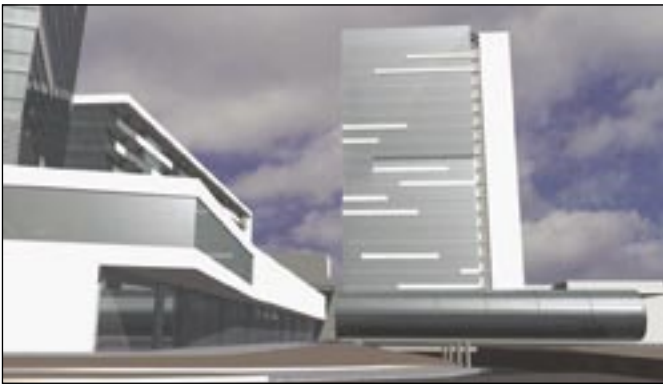
### Supply

Almost 3,900 newly constructed apartments were built in 2005, 35% more than the 2,900 units delivered in 2004. It looks as though supply will continue to fall short of fulfilling market demand for the foreseeable future. The largest proportions of apartments were built in the so-called suburban districts Zirmunai, Pasilaiciai, Fabijoniskes, Pilaite and others. There will be little increase in the number of projects in the prestigious districts of Vilnius, namely Antakalnis and Zverynas. The number of new apartments here failed to reach 300 in 2005. By the end of 2006, the whole market should see the delivery of 5,000 - 5,500 new apartments, depending greatly on how development cycles on the biggest projects pan out.

Even though the number of apartments delivered in 2005 significantly increased, the number of projects decreased. This is due to the development of the bigger projects concentrated in one location where developers build as many apartments as possible. Some projects which fall into this category are currently being developed

in Fabijoniskes (Ukmerges St), Zirmunai (Zvalgu St), Santariskes (Santariskiu St). We expect the growth of such character projects to continue in 2006.

A little more than half (52%) of the dwelling stock in Vilnius was built in 1961 - 1980 and consists of standard Soviet-era pre-fabricated concrete panel block buildings. Although many of these buildings are generally in reasonable condition, they do not correspond to contemporary living standards. In addition, due to the poor building quality during the Soviet-era, these pre-fabricated buildings are deteriorating at a rapid pace and will need replacing in the coming years. Surprisingly, because of strong demand, these panel block flats sell for only 200 EUR/sqm less than new build apartments in the same districts - a price differential which surely must increase in the years ahead.



*Ranga IV Investment & Hermis Capital – planning to develop one of the biggest residential projects in Vilnius. In 99 hectare territory will be constructed about 4,000 units.*

### New projects

Construction companies Eika and Hanner have started the development of low-rise construction projects in Santariskes. There are two sites next to each other where the construction of 3-storey houses with mansards is taking place. A planned 860 apartments (Eika - 695, Hanner - 165) will be built on these sites by 2007. However, these are not the last projects in Santariskes for these two developers as they plan to develop a similar project on a nearby site.

Investment companies Ranga IV Investment and Hermis Capital have announced their intentions to build residential houses next to Pasilaiciai, between Gabijos St and Ukmerges Rd. A total of 34 blocks with 4,000 apartments will be built on a plot of 99 hectares. Prices of an apartment with partial decoration are between 1,000 and 1,150 EUR/sqm. It's the biggest residential project in Vilnius and is set to be completed sometime in 2008.

Development company Sklypas is developing one of the most prestigious projects in Vilnius, on Tauro hill. A 6 to 8-storey building will accommodate 39 apartments offering a spectacular panorama of Vilnius. Units will cost up to 5,000 EUR/sqm in some cases, making it the pricey privilege of a select few.

### Demand

Demand is so strong that 85% of all flats scheduled for delivery in 2006 were already pre-sold by the end of January. Demand for apartments remains high and existing supply cannot meet the demand.

The highest demand is still for cheaper one or two-roomed apartments with a starting price of 1,000 - 1,200 EUR/sqm before decoration. Growing general demand is affecting growth in smaller (150 - 200 sqm) detached houses on the city's outskirts. Those who are willing but not able to purchase a detached house further from the city, attempt to purchase a flat in a low-rise (3 or 4 floor) apartment building.

### The mortgage market

Mortgage loan rates varied from 3.5% depending on currency, term, and other conditions. The maximum term is 40 years. Clients can borrow up to 100% of a property's value using guarantees from the state home loan insurance company.

Since 2001 the housing loans' portfolio has been increasing by nearly 80% per year. Housing loans provided by credit institutions increased by some 580 million EUR, or 78.2% during 2005.

Liquidity is fuelled by growing mortgage loans. Still, outstanding mortgage loans in Lithuania total only 6.9% of annual GDP. Compared to the EU average of 48% of GDP, mortgage lending has a long way to grow, bringing more liquidity to the market.

### Rents

Residential rents remained stable in 2005. In the cheapest market section (the suburban districts) where monthly rents are up to 250 EUR/month, rents increased 5 - 10%. This section remains the most active and has a high demand among low and middle income earners. Rents remain stable for more expensive apartments up to 500 EUR/month (new construction and beyond the city centre), yet this section is seen as having huge potential among middle and high income earners. The situation in the City Centre and the Old Town is a little different with rents ranging from 350 to 750 EUR/month. Last year this area saw a notable 5 - 10% decrease. Such changes were necessitated by a lack of renting interest registered by foreigners with business interests in Vilnius. They tended to purchase a place for living as opposed to renting. In the most expensive market section from 900 to 1,500 EUR/month, both supply and demand did not alter. To lease such an apartment in a prestigious area in Vilnius usually takes some time.

### Income and taxes

**Rents** – A private person can choose to pay either a flat 15% tax on all rents received, and take no deductions for costs or interest, or can choose to be taxed at the 33% rate which allows deductions for items such as interest, expenses, and depreciation.

Companies which rent real estate always pay the effective 19% tax rate (15% income tax plus a special 4% social tax on corporate profits) and are allowed all deductions.

**Purchase** - On purchasing property the buyer pays 0.5 – 1.0% of the purchased value as a notary and legal registration fee. The typical broker's fee is 1.5 – 3.0% with 18% VAT on top.

**Property Tax** - At present, property tax for land comprises 1.5% of the nominal property value. According to new property taxation rules, this tax will (in the future) depend on the market value of the property, and therefore land tax in Vilnius will increase.

Companies pay a 1% tax on the property market value, and, from the beginning of 2006, all private persons who own property for business purposes are expected to pay 1% of the property market value too.

These taxes must be paid by both legal and natural persons that own the Real Estate subject to certain exceptions and exemptions provided for by law.

**Sale** - On the sale of property, a private person pays 15% tax on the capital gain if he held the property for less than three years, and no tax if he held it for three years or more. Companies which sell property at a profit always pay the standard corporate income tax rate on the capital gain. The corporate income tax rate today is effectively 19% (15% income tax plus a special 4% social tax on corporate profits).

**Commissions** - Usually, the agency commission fee comprises 1.5 – 3.0% of the sale price. It should also be taken into consideration that VAT is mandatory for all legal persons, and that the client's success fee will therefore actually amount to 1.8 - 3.5% of the value of the property at the time of sale.

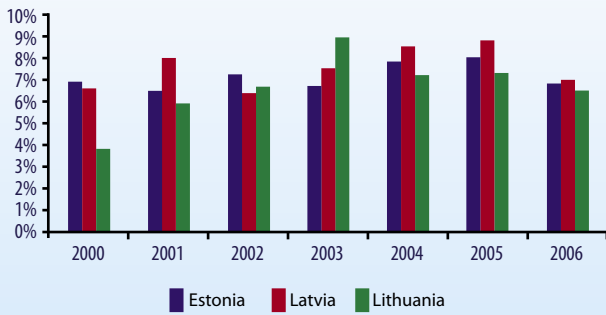
**Restrictions** - Foreigners can freely buy and sell residential property in Lithuania. A foreigner can also buy land but must get approval from the local municipality.

**For more information on new residential properties in Vilnius contact Remigijus Pleteras on +370 5210 9700.**

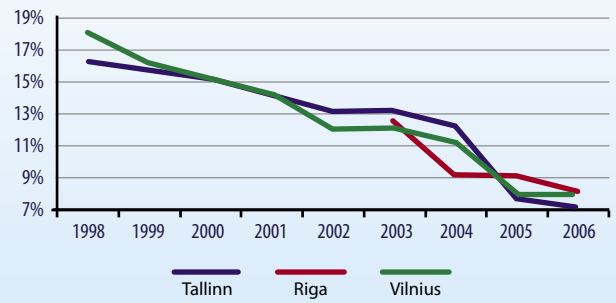
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# Charts

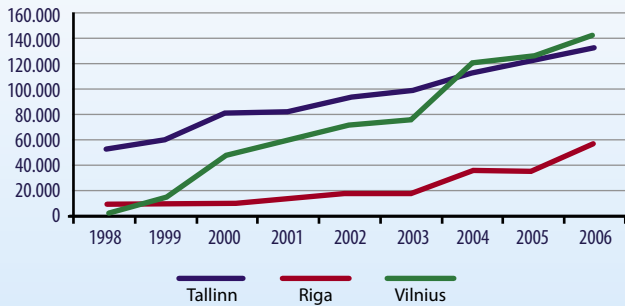
### GDP growth



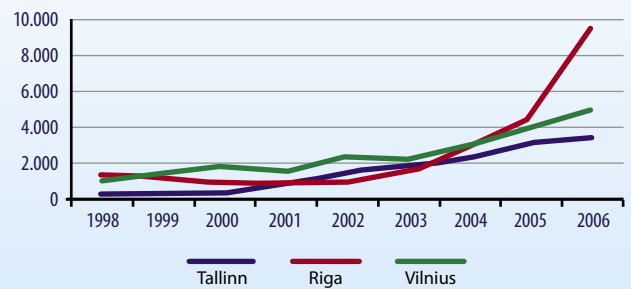
### Class A office investment yields



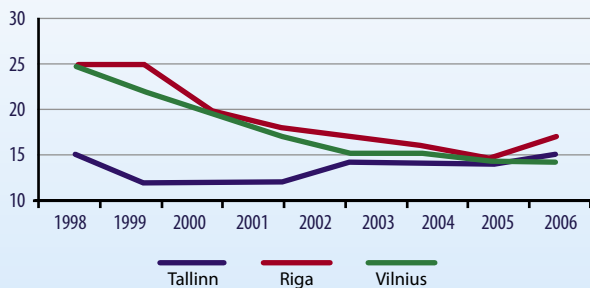
### Total class A office space (sqm)



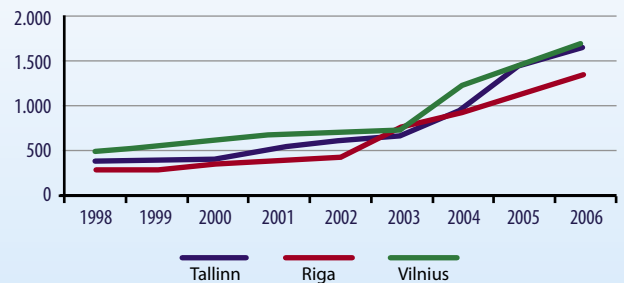
### Completed residential units



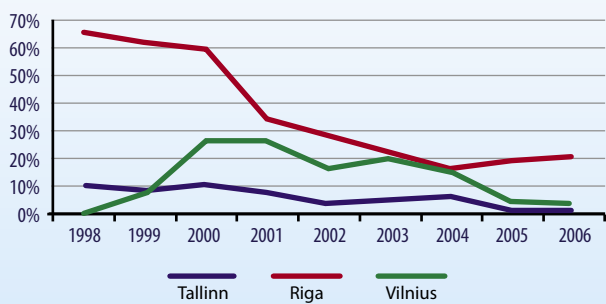
### Avg class A office rents (EUR)



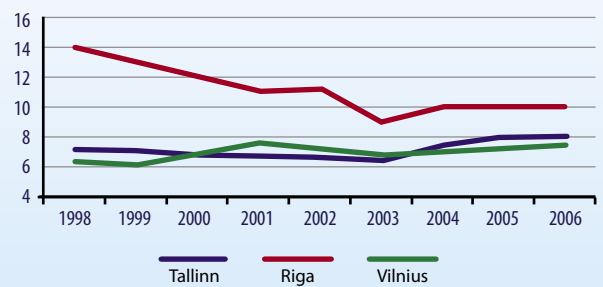
### Average city centre residential prices (EUR/sqm)



### Class A office vacancy rates

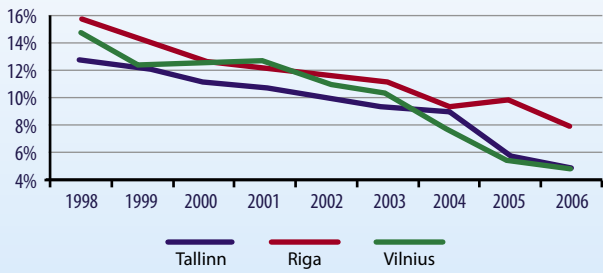


### Average residential rents (EUR/sqm/month)

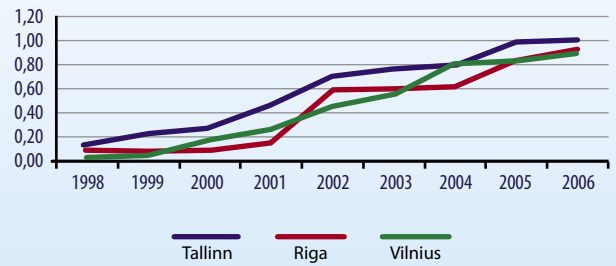


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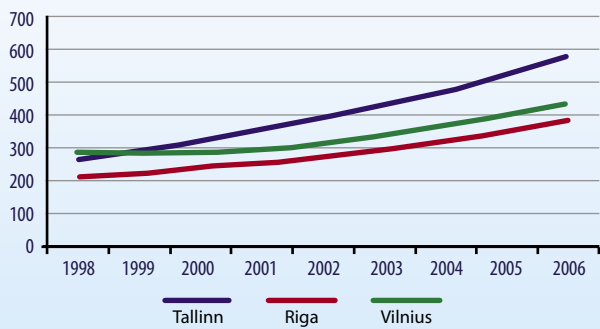
### Residential investment yields



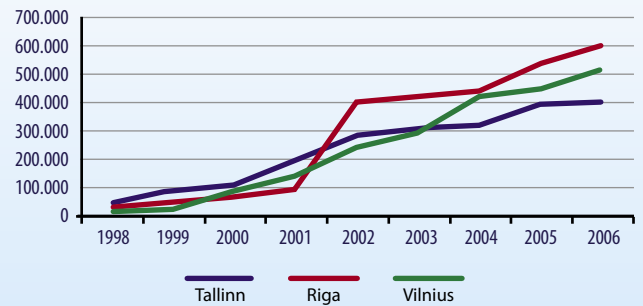
### Total mall space per capita



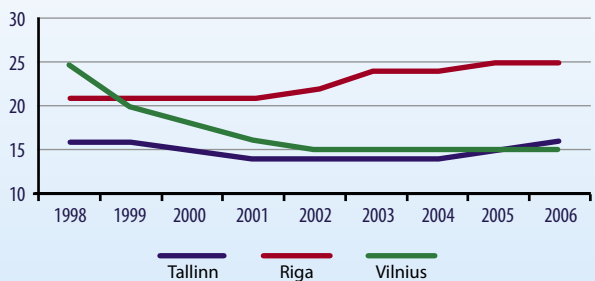
### Avg salary per month (EUR)



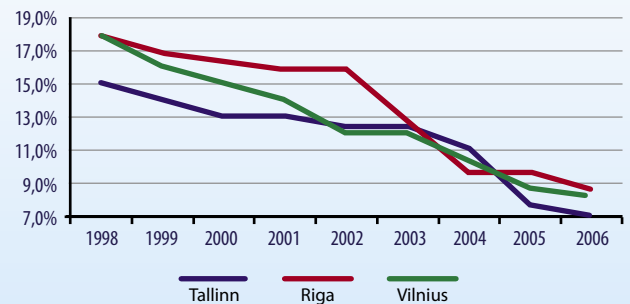
### Total mall space (sqm)



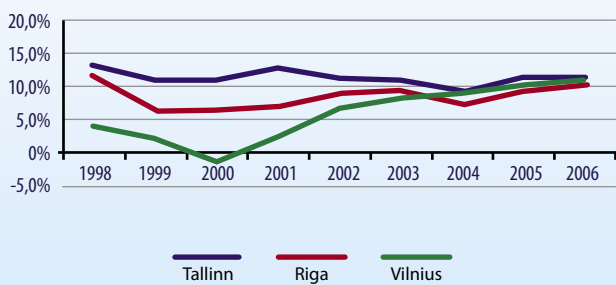
### Avg mall rents (EUR)



### Retail investment yields



### Avg salary growth



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