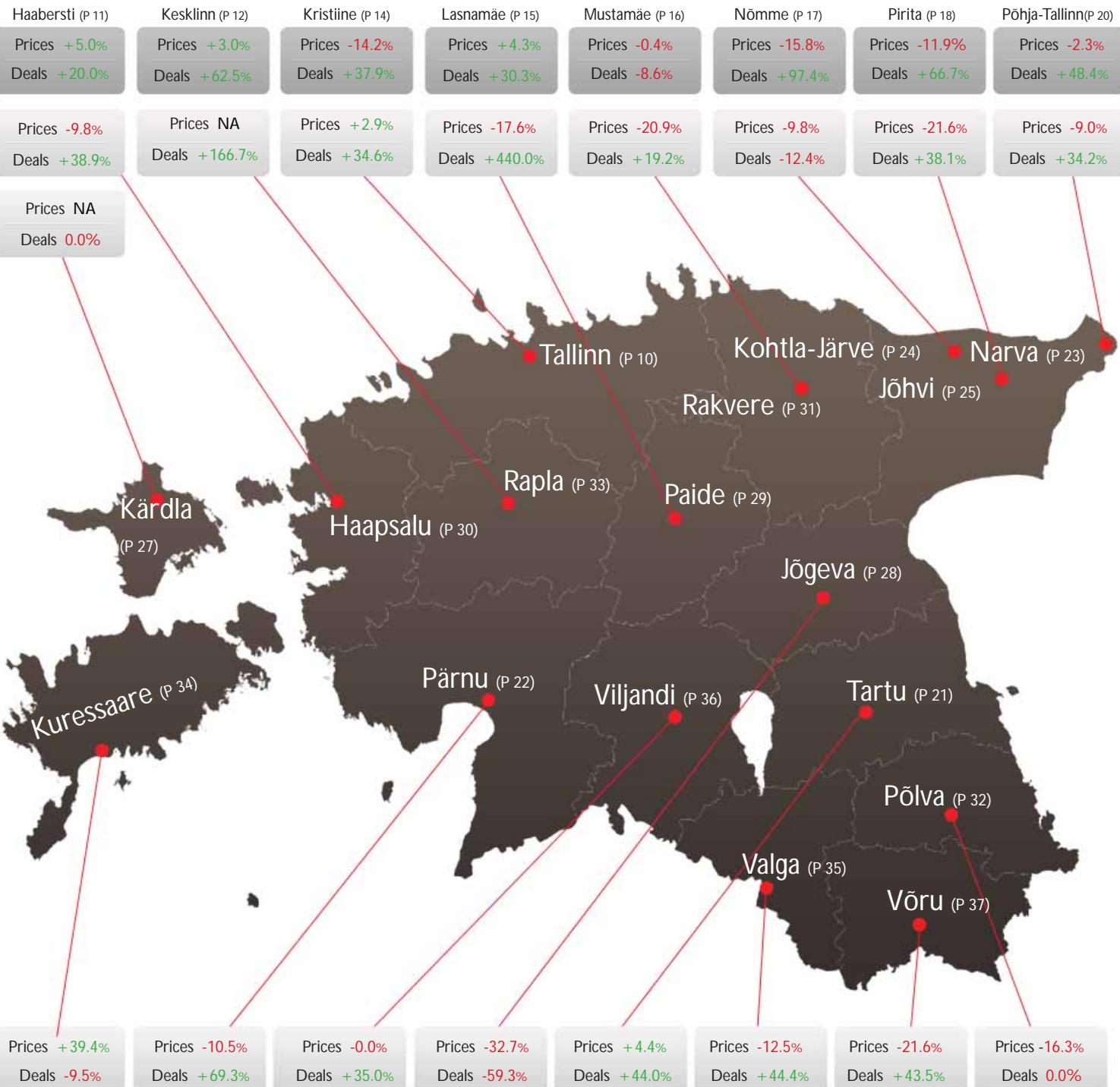


Real Estate Market Overview of KV.EE

2nd Quarter 2010



Contents



Price - annual price change of apartment ownership transactions,%

Deals - annual change in number of apartment ownership transactions %,

Comments



Current Real Estate Market Suitable for a New Standard of Normalit

Looks like the residential premises market has climbed out of its deepest recession. However, this does not mean that a new quick rise is to begin. The current high yet decreasing number of unemployment and decreasing wages are clear signs of the growth in the activity of the residential premises market facing strict limits.

Nevertheless, it is good to recognise that by now, decrease in the number of transactions and falling prices belong to a bygone era.

- **Unemployment is declining.** As at the 1st quarter of 2010, there were a record-breaking 137,000 unemployed persons in Estonia. This is the absolute top of the rate of unemployment in this century. It is still a pleasure to admit that since the second quarter of the year, the "army of the unemployed" has started to decrease little by little.



- **Wages continue to fall.** Average wages in Estonia in the 1st quarter of 2010 were 11,865 kroons. Average wages continue to drop for the fifth month compared to a year ago, and has reached almost the same level as it was at in 2007. High unemployment rate does not allow to expect recovery of growth in wages.
 - **Volume of construction works fell like a rock.** The volume of construction works in the 1st quarter of 2010 was 4.5 billion kroons, which means a fourfold drop com-

pared to the golden age of construction. The volume of construction has decreased by 45% compared to a year ago.

- **Investments in real estate at a minimum.** In the 1st quarter of 2010, Estonian enterprises invested in the construction and reconstruction of buildings and facilities 56% less than a year ago, i.e. 1.0 billion kroons. A scarce 400 million kroons were spent on the acquisition of buildings and facilities, i.e. as much as 74% less than the last year.
- **Euribor not rising.** As at the end of the 2nd quarter of 2010, the 6 months' Euribor remained at the level of 1.041%. Although this is slightly higher than the minimum level of the Euribor, we can still say that the Euribor continues to remain at the minimum level.

Comments



- **Loan balances falling.** Both the balances of personal loans and housing loans, i.e. the volumes of loans being refunded, are decreasing. As at the end of the 2nd quarter of 2010, the balance of private loans was 115 and that of housing loans 94 billion kroons.
- **Loan turnover in seasonal rise.** After a long time, we are able to admit that compared to the last quarter, the loan turnover of personal loans, i.e. the volume of new issued loans, has increased. At the same time, we must admit that this is the loan market activating due to the more active spring season at the real estate market. Yet compared to the 2nd quarter of the last year, less new private loans were issued this year. In the 2nd quarter of the present year, new housing loans totalling 1.6 and personal loans totalling 2.4 billion kroons were issued.
- **Less commercial loans.** Analogically to personal loans, the balance and turnover of loans issued to businesses is decreasing as well. By the end of the 2nd quarter of 2010, the balance of loans issued to businesses was 108 billion kroons, loans totalling 6.6 billion kroons were issued to companies during the quarter.
- **Growth in the loan burden of private persons has stopped.** The positive effect of the decrease in the loan balance of private persons lies in the decrease in loan burden in respect to the gross domestic product, particularly in a situation where income in the form of wages continues to be in the loss for the fifth quarter in a row. Compared to the previous quarter, the loan burden of private persons has dropped from 55% to 54% of the gross domestic product.
- **Completion of residential premises decreased again.** While in the 1st quarter of the year, the number of residential premises that received a permit of use increased, the 2nd quarter of the year again saw a massive fall in that number. In the 2nd quarter of 2010, 337 residential premises were completed, i.e. 65% less than a year ago.
- **Less non-residential premises than in the previous quarter.** In the 2nd quarter of 2010, 183 non-residential premises with a total area of 117,000 m² were completed. Compared to the last quarter, the number and area of non-residential premises that received a permit of use did increase, yet the area of new non-residential premises decreased by as much as nearly two times compared to the same quarter of the last year.
- **Number of real estate transactions on the rise.** In the 2nd quarter of 2010, a total of 10,600 real estate transactions in a total value of 5.5 billion kroons were concluded in Estonia. Within a year, the number of transactions increased by 8% and their turnover by 2%.



Comments



It seems that the real estate market, led by the residential premises market, is rising from the deepest bottom. The volume of transactions clearly shows that people dear to conclude transactions more than a year ago. At the same time, private persons have to face the obstacle of high unemployment and continually decreasing income.

We must emphasise that getting over the bottom of the market does not mean that a new rise is to begin, but primarily that market parties are adapting to the present market. The right thing to do is to forget the euphoria of the boom years and accept that the current real estate market is exactly what should develop into the standard of normality.

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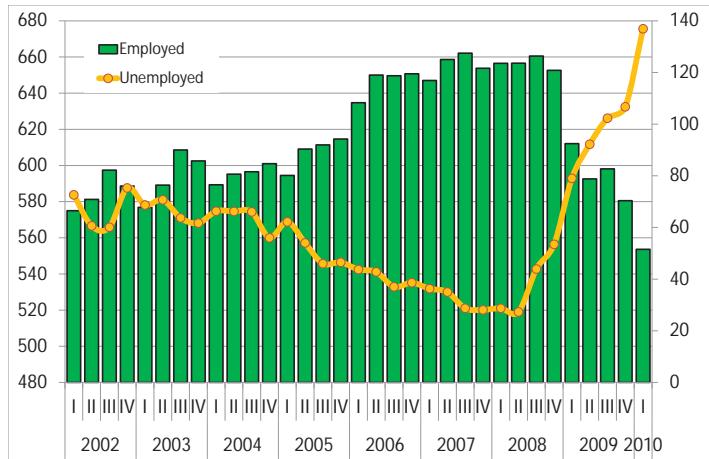




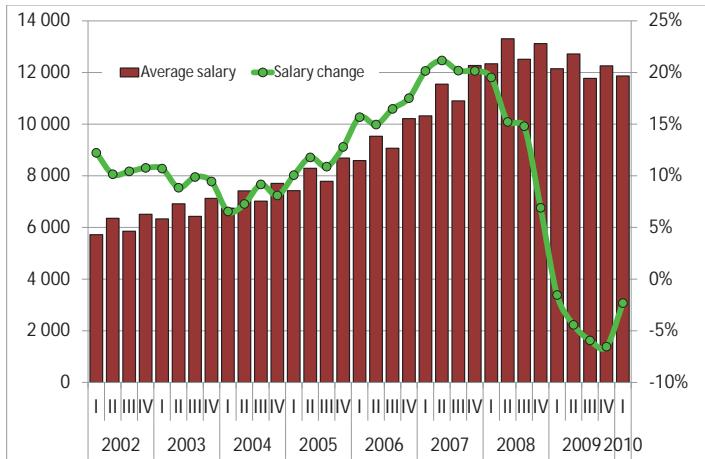
Kõige suurem valik kodusid...

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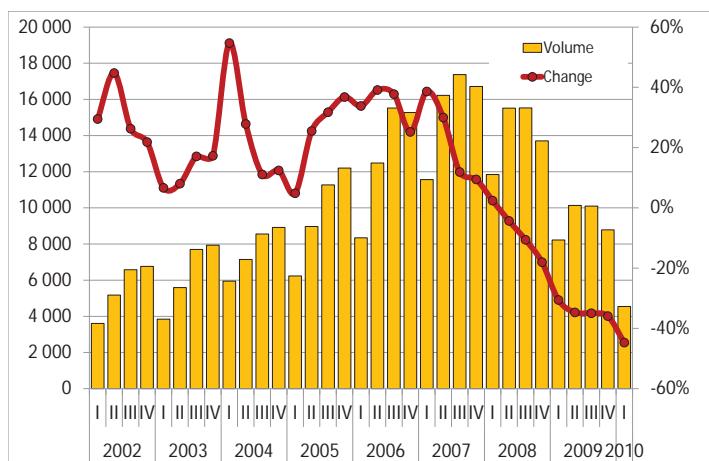
Overall statistics



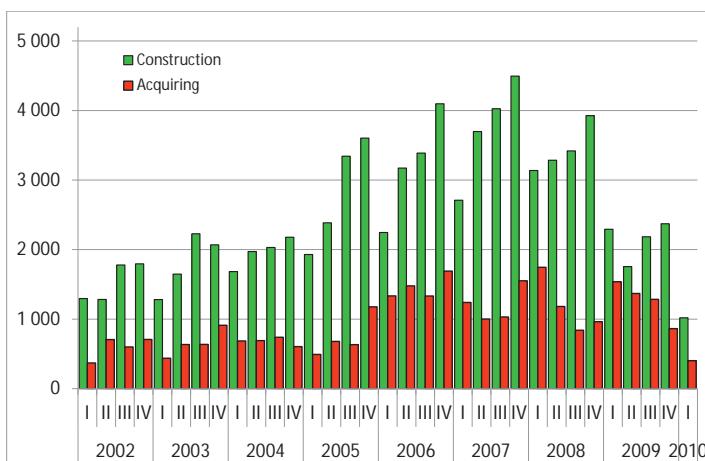
Number of employed people (left axis, 1,000) and unemployed people (right axis, 1,000)



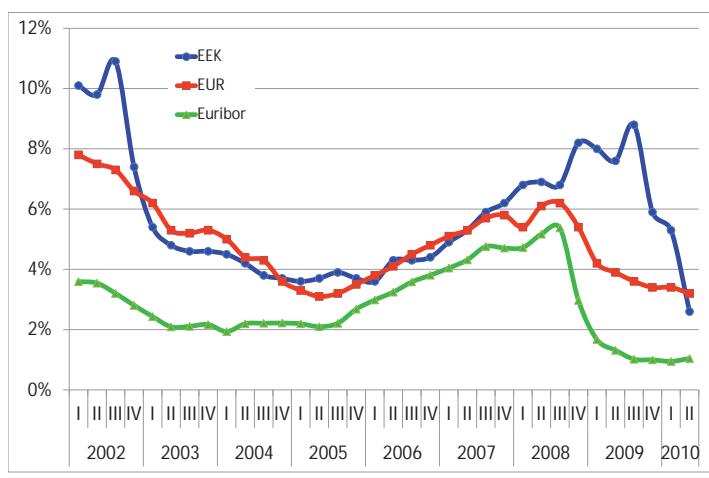
Average salary (left axis, EEK) and salary change, compared to the same period last year (right axis, %)



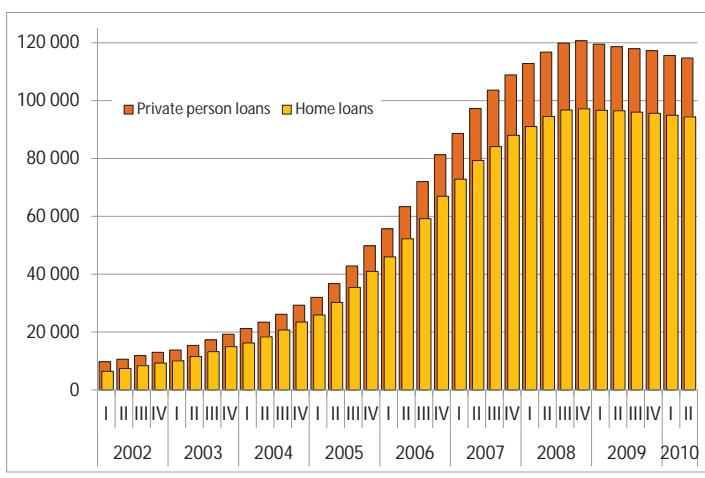
Volume of construction works (left axis, million EEK) and change, Compared to the same period last year (right axis, %)



Company investments into construction and reconstruction of buildings and facilities and into construction of buildings and facilities, million EEK

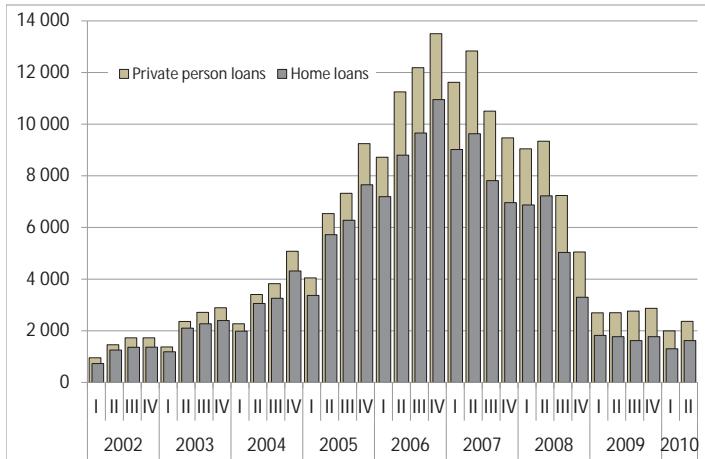


Interest rates of home loans and Euribor, %

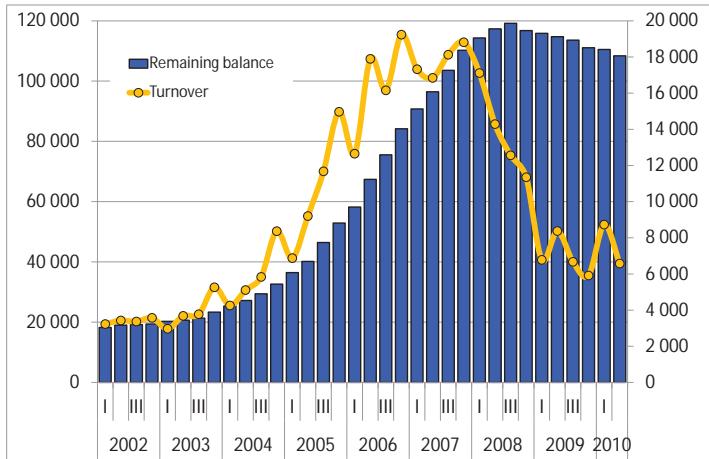


Remaining balance of home loans and private person loans, million EEK

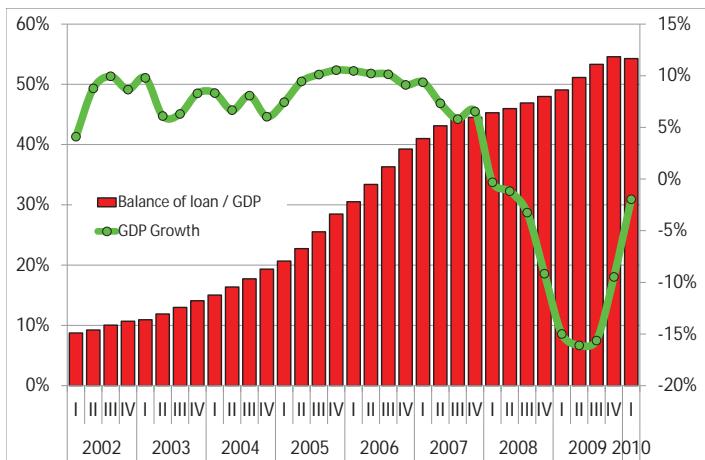
Overall statistics



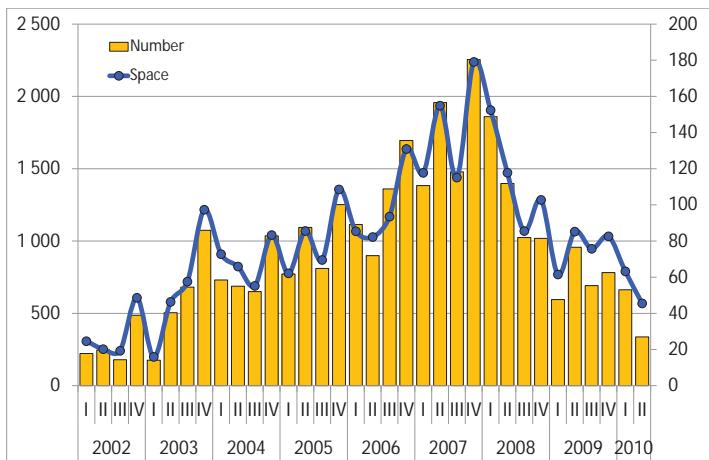
Turnover of home loans and private person loans, million EEK



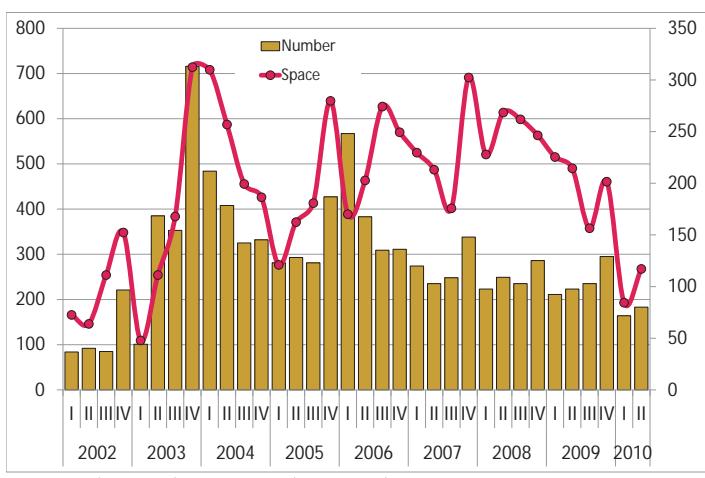
Remaining balance (left axis) and turnover (right axis) of loans given to business associations, million EEK



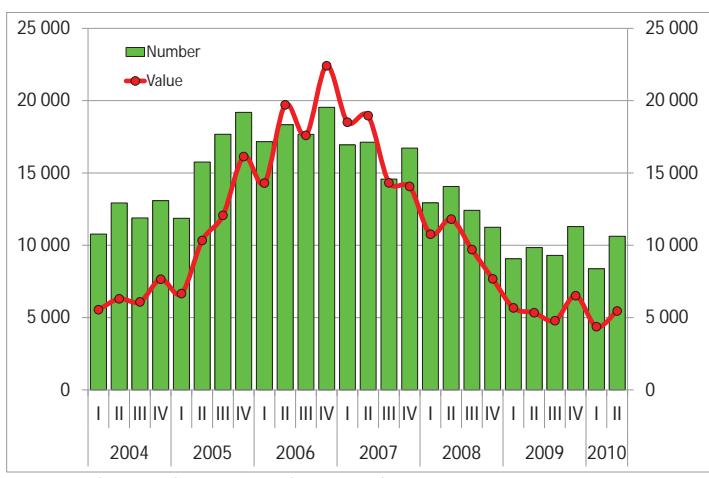
Share of private person loans in gross domestic product (left axis), and economic growth (right axis), %



Number (left axis) and space (right axis) of residential rooms with usage permit, 1,000 m2



Number (left axis) and space (right axis) of non-residential buildings with usage permit, 1,000 m2



Number (left axis) and value (right axis) of real estate transactions, million EEK

Soodsa hinnaga korterid

Mustamäe ja Nõmme piiril - Karsti Kodu.



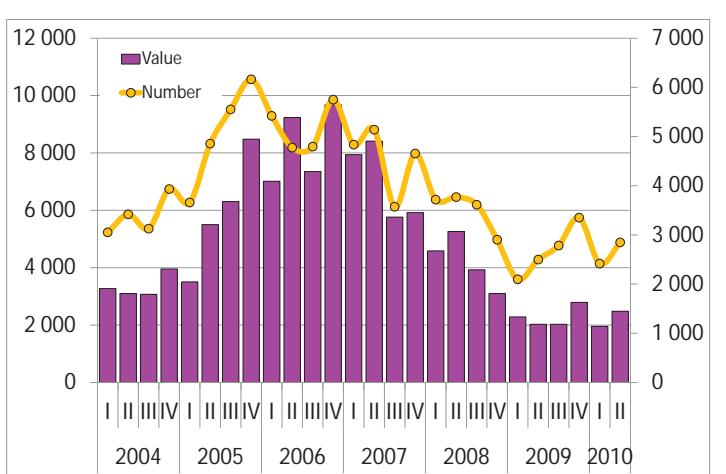
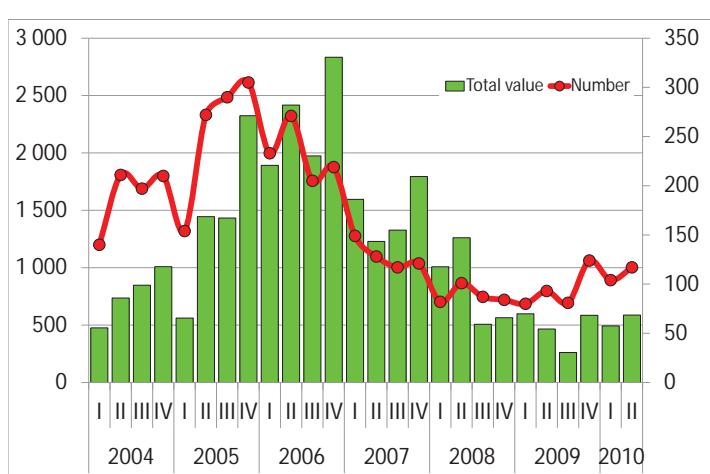
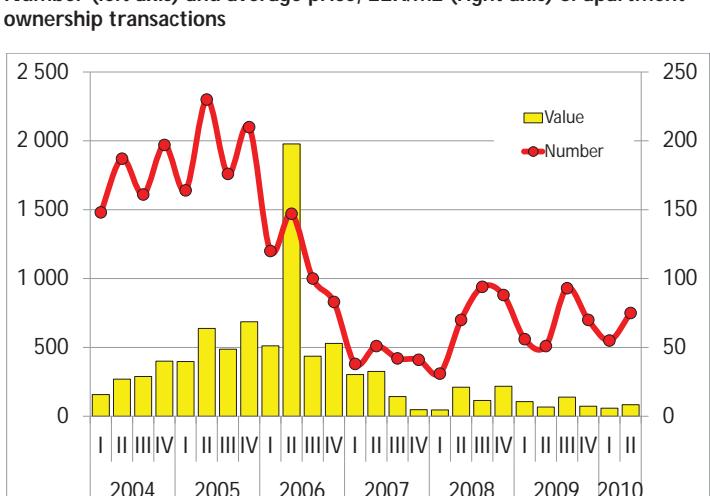
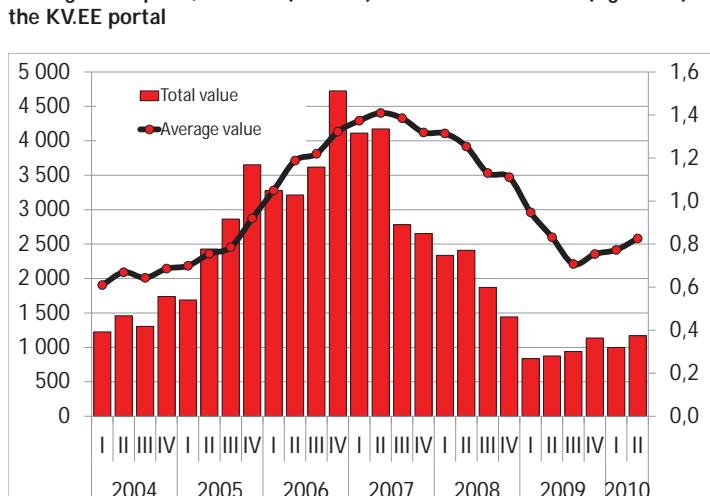
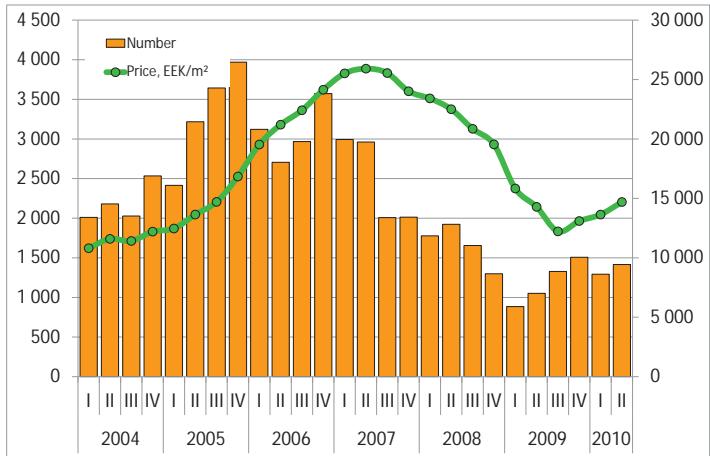
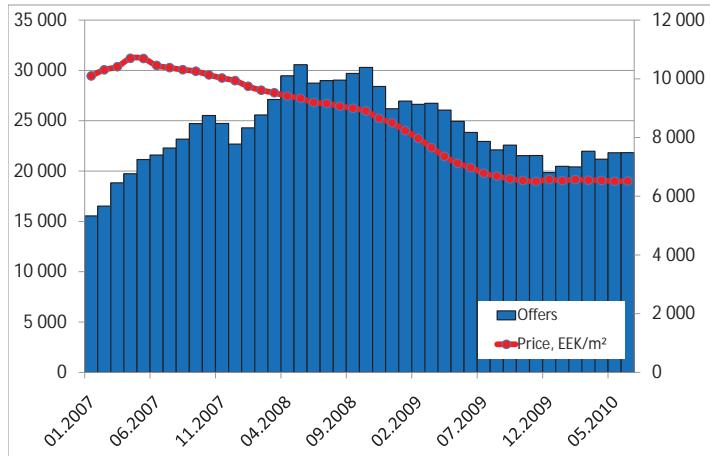
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**Müügiinfo: Erik Liiv
Tel. 501 9747
E-mail: erik.liiv@facio.ee**

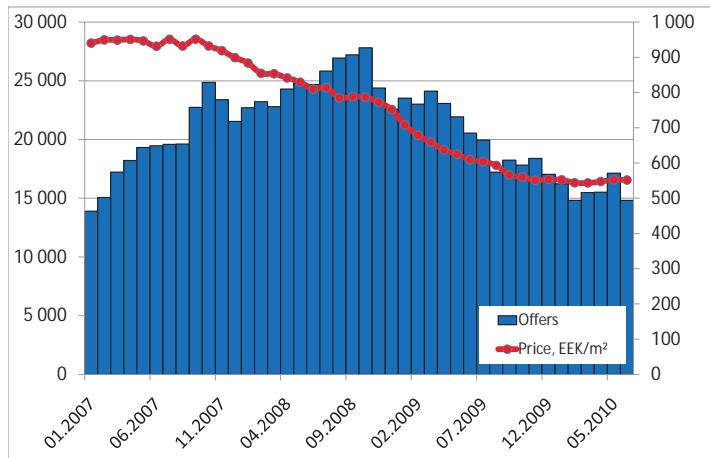


Kõige suurem valik kodusid...

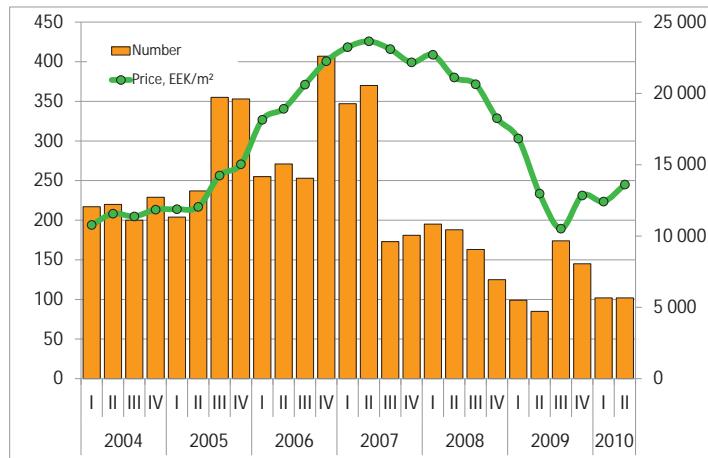
Tallinn



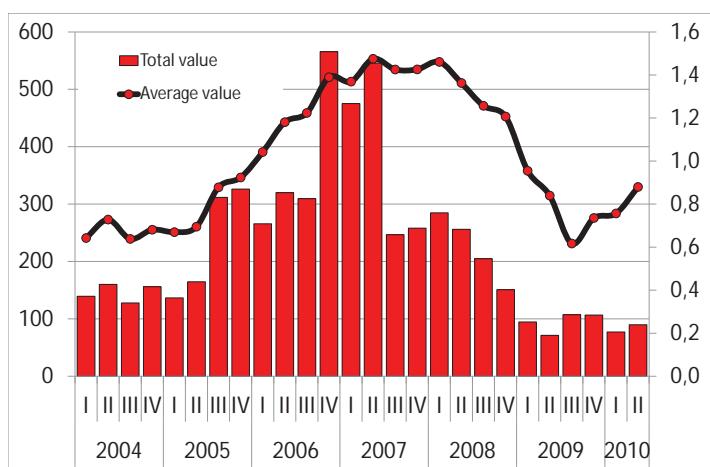
Haabersti District



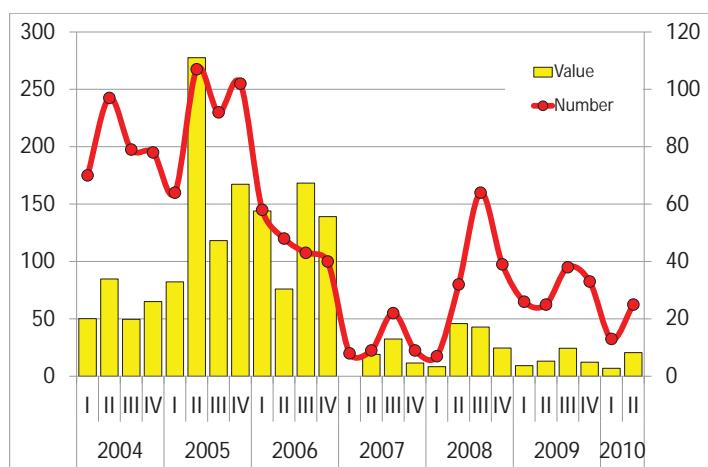
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



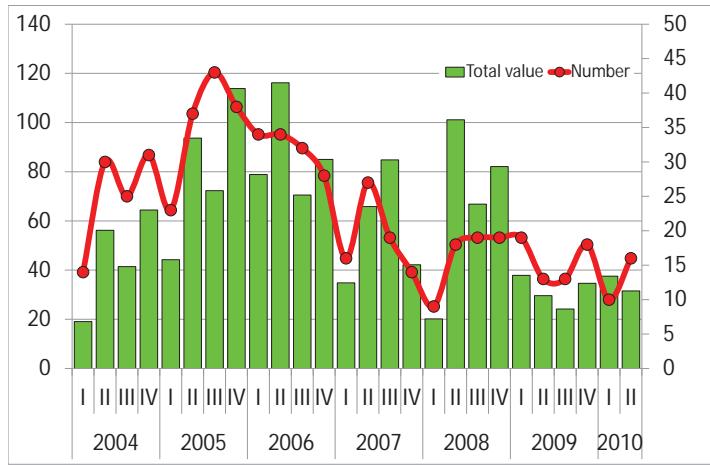
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



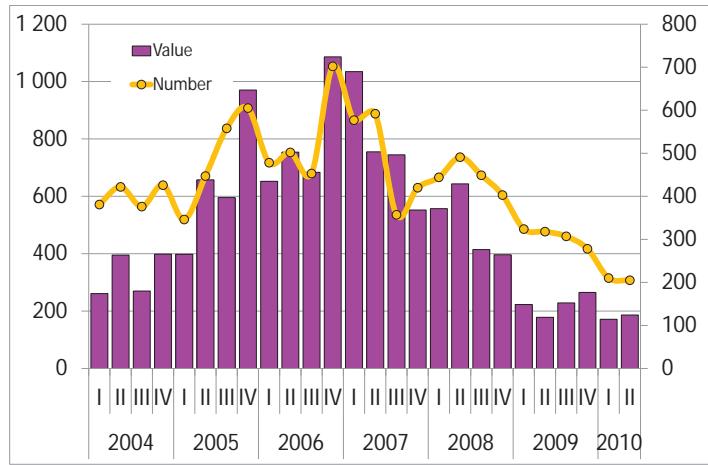
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

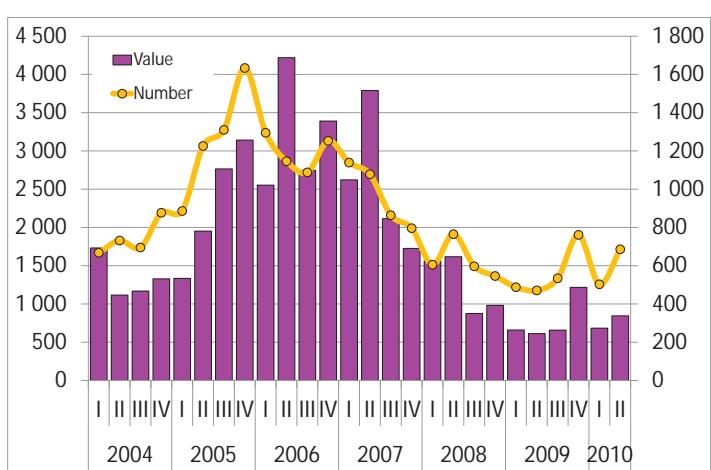
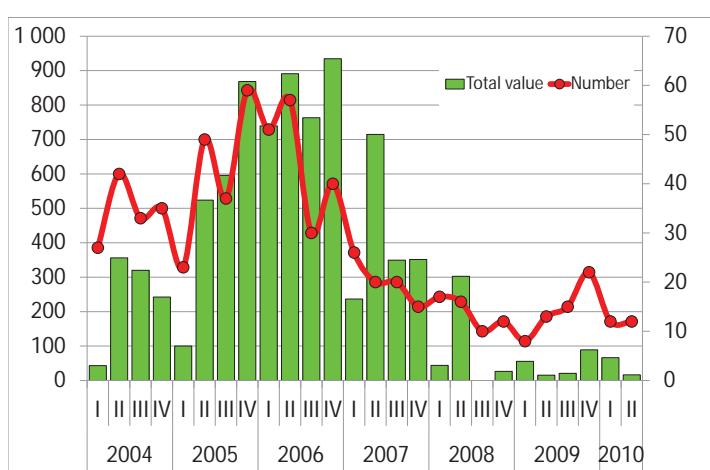
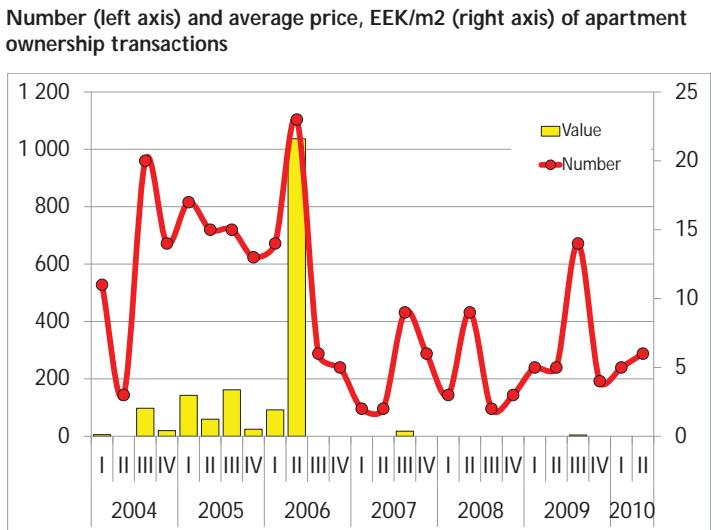
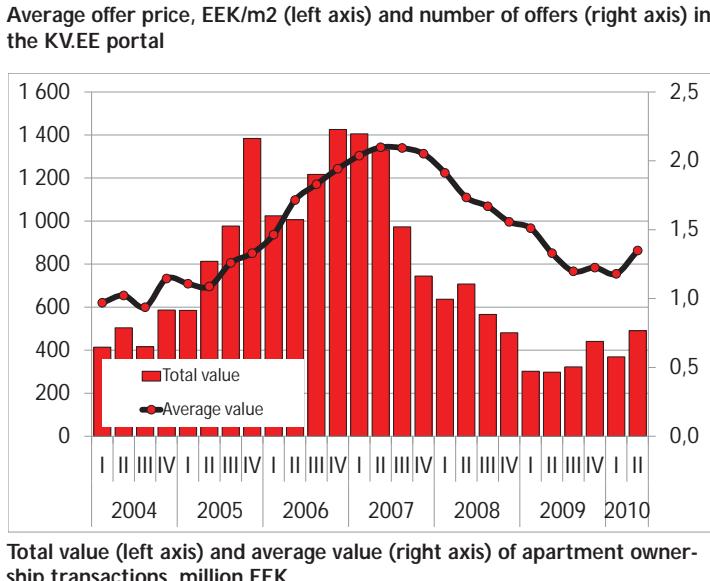
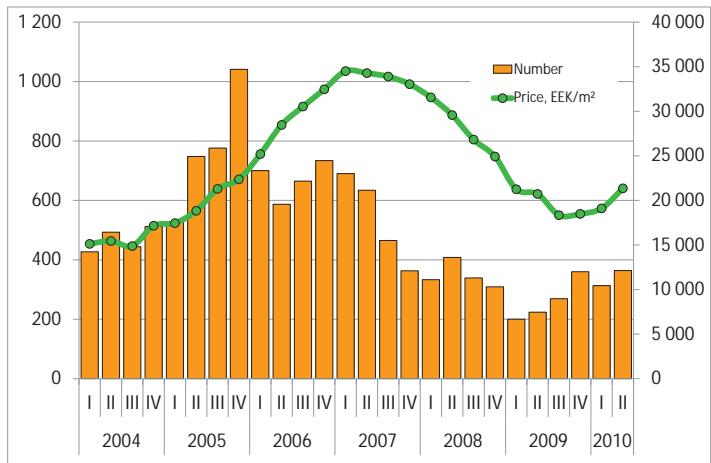
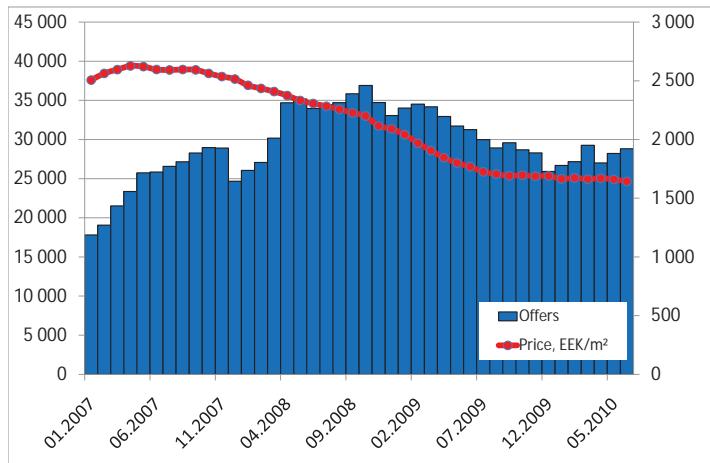


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings



Value, million EEK (left axis) and number (right axis) of real estate transactions

City Center District



KINNISVARA-KONSULTATSIOONID



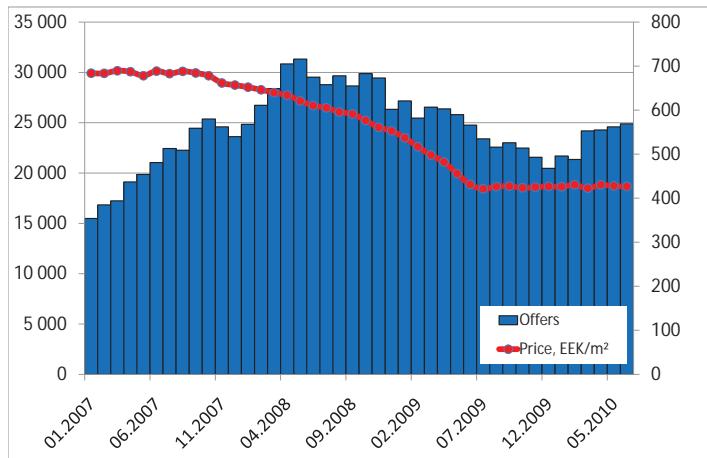
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nõudluse ja pakkumise analüüs,
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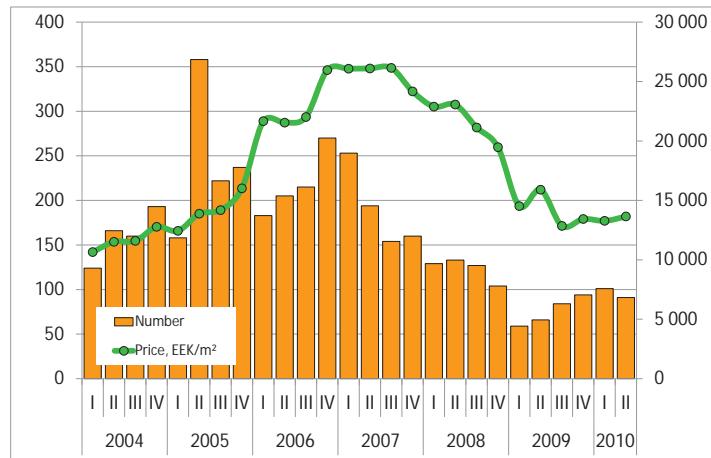
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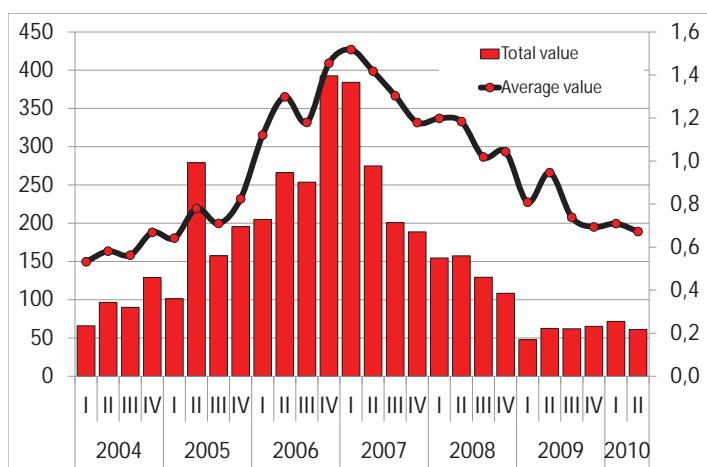
Kristiine District



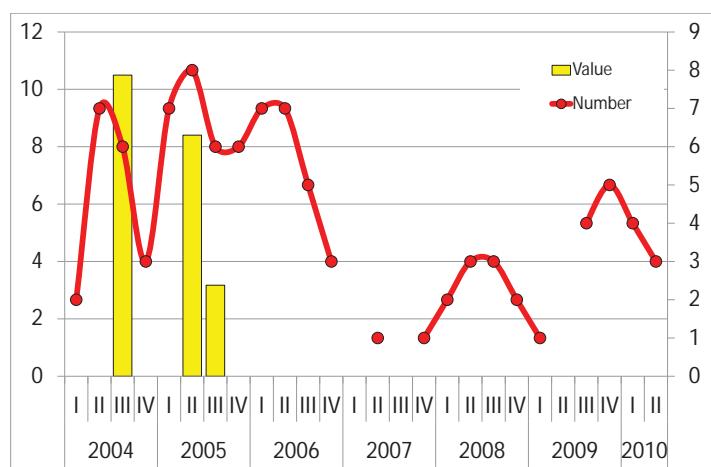
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



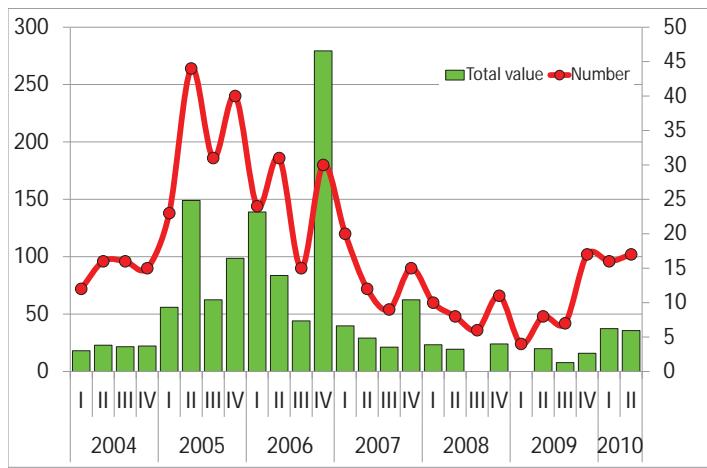
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



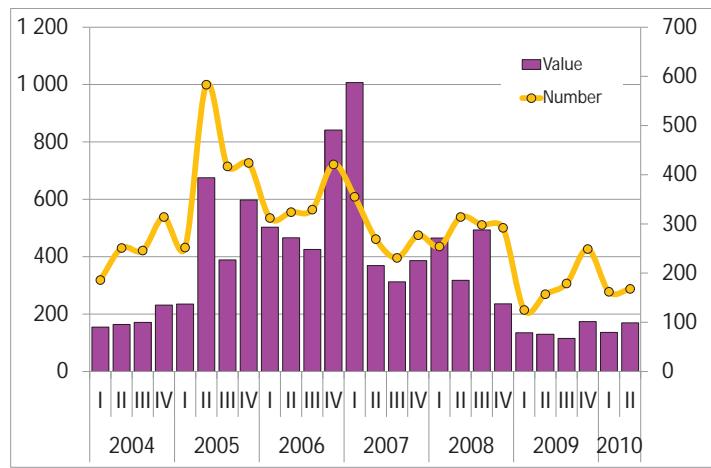
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

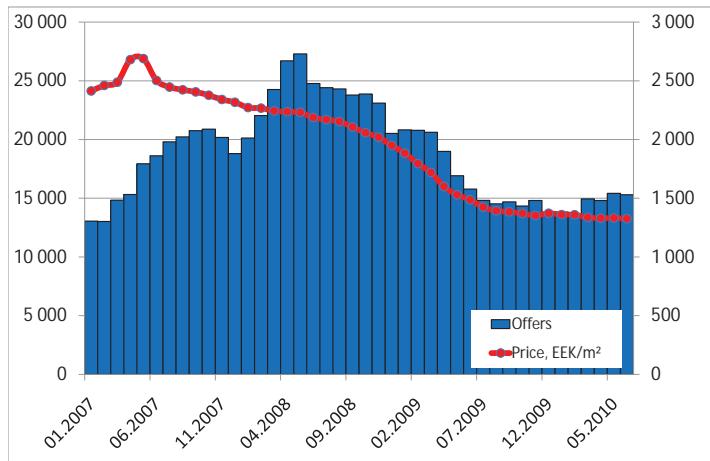


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

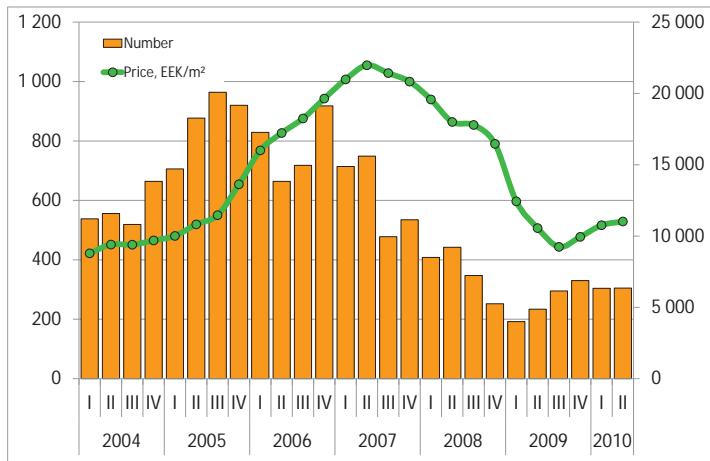


Value, million EEK (left axis) and number (right axis) of real estate transactions

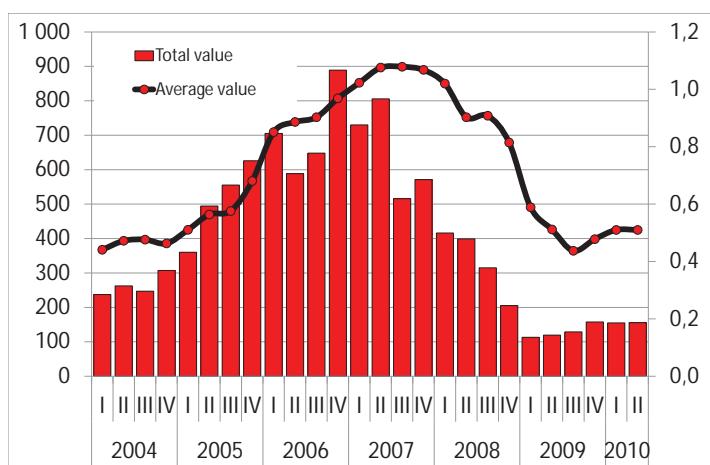
Lasnamäe District



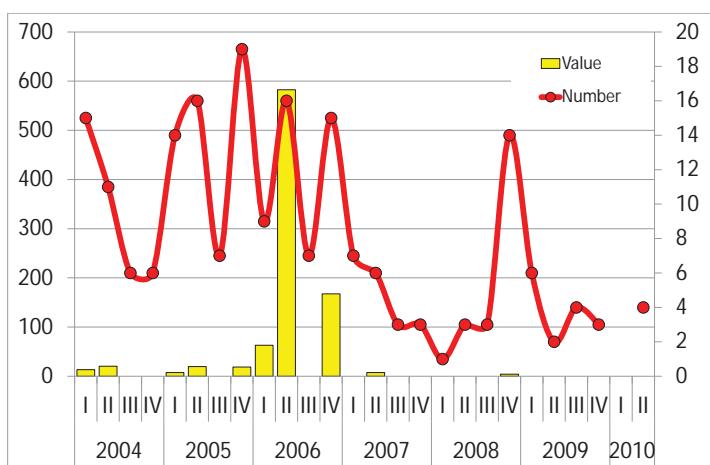
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



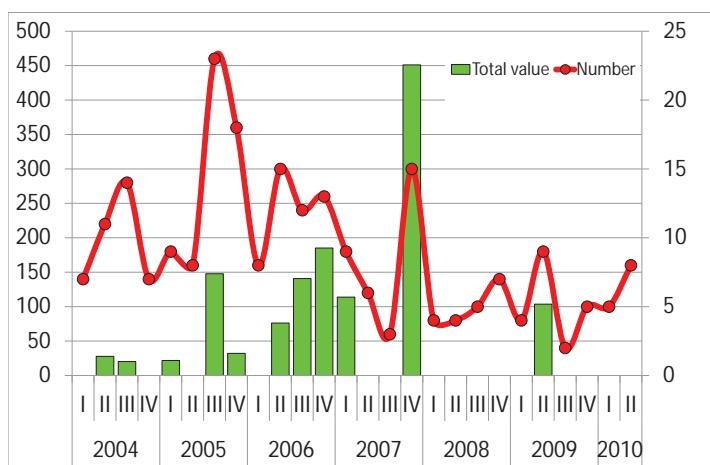
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



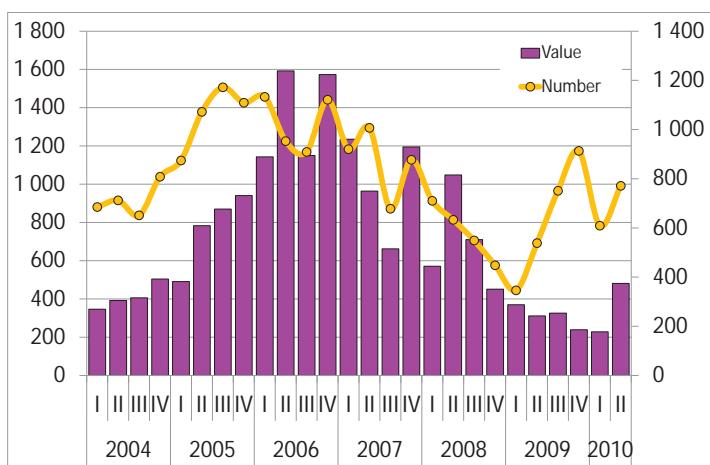
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

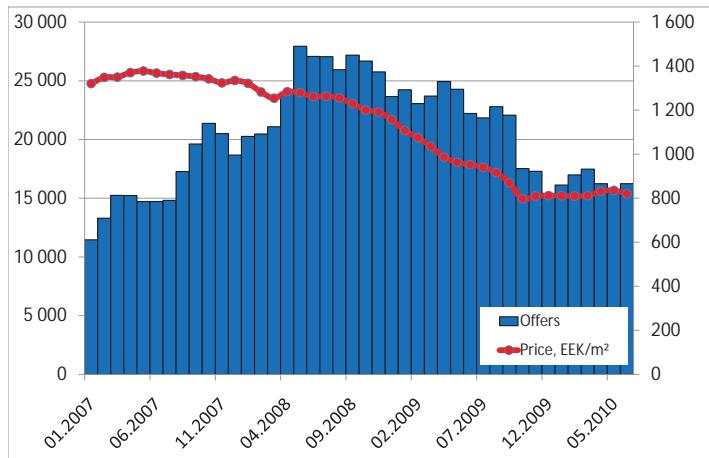


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

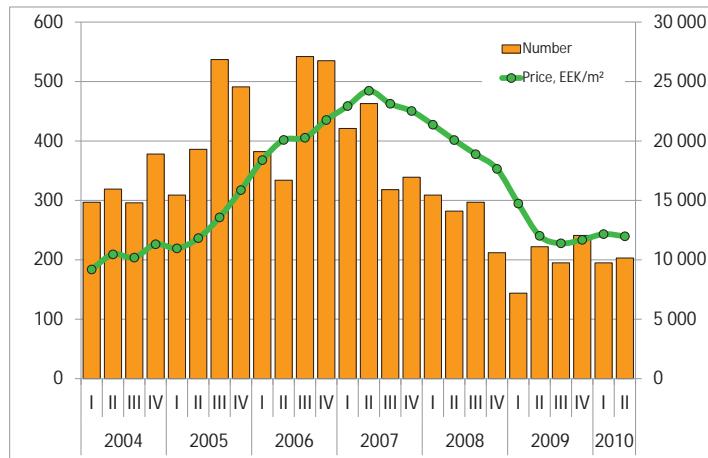


Value, million EEK (left axis) and number (right axis) of real estate transactions

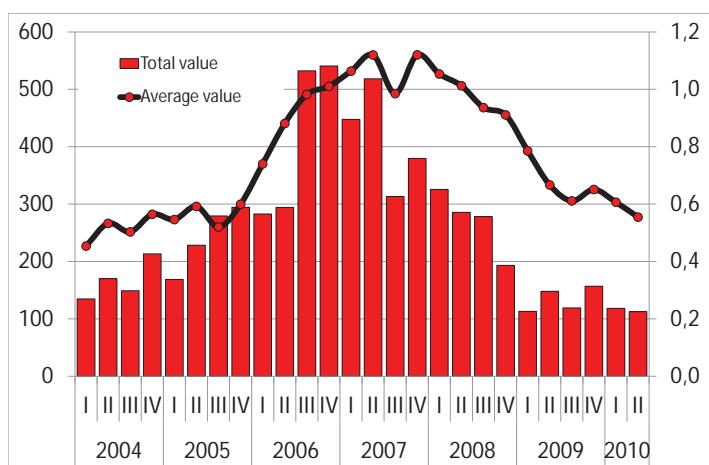
Mustamäe District



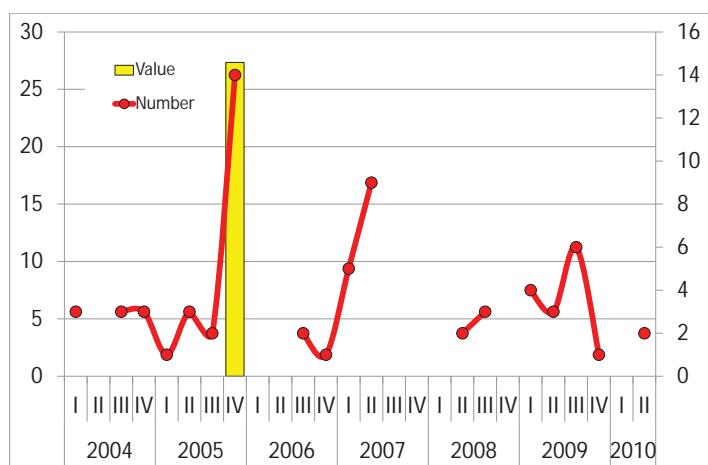
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



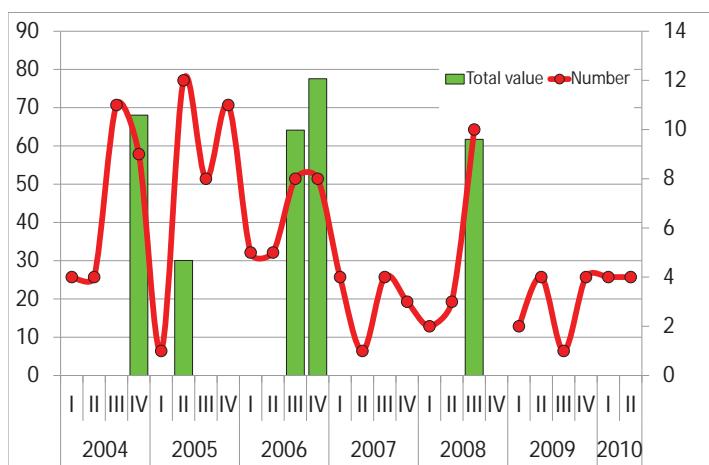
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



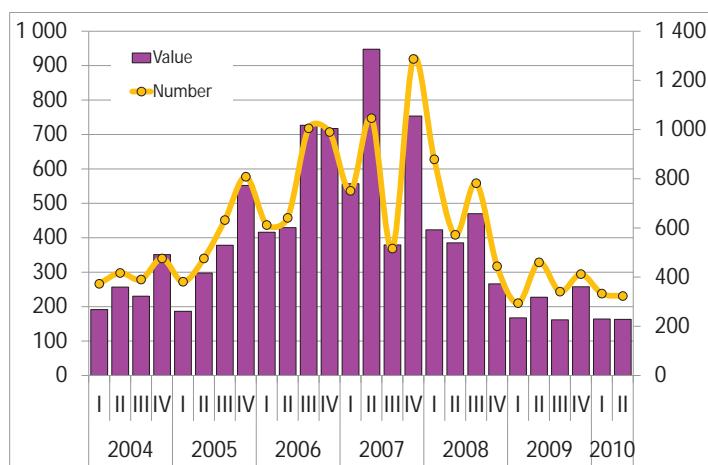
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

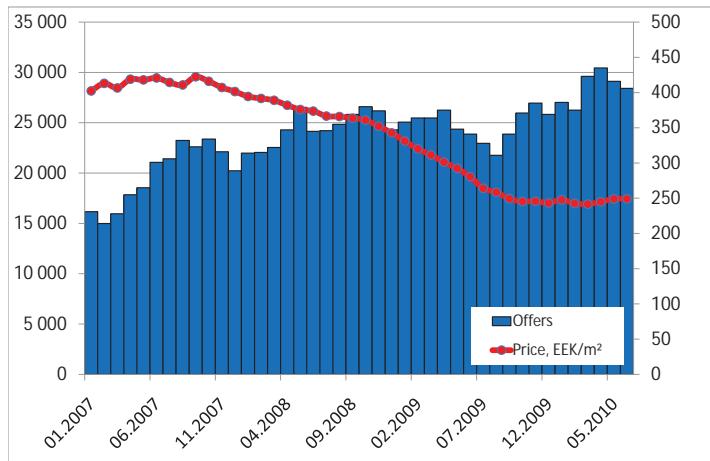


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

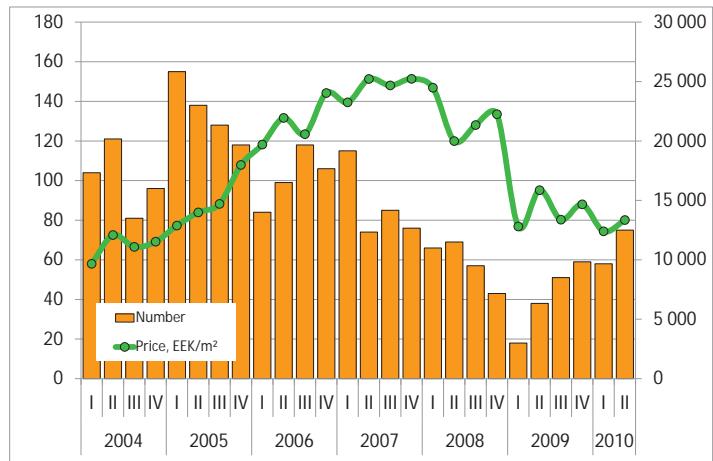


Value, million EEK (left axis) and number (right axis) of real estate transactions

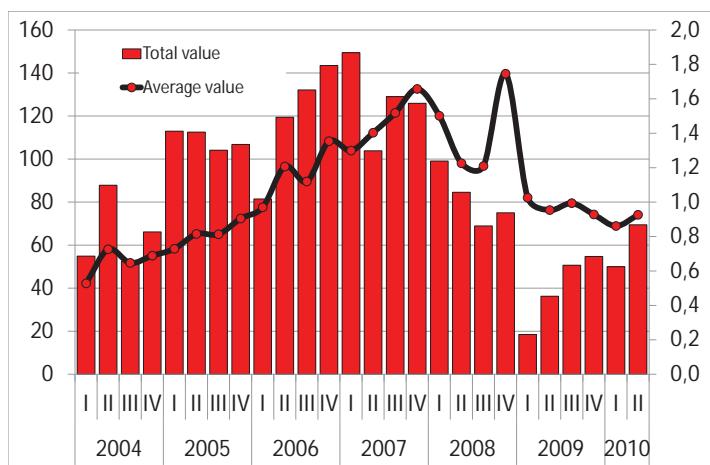
Nõmme District



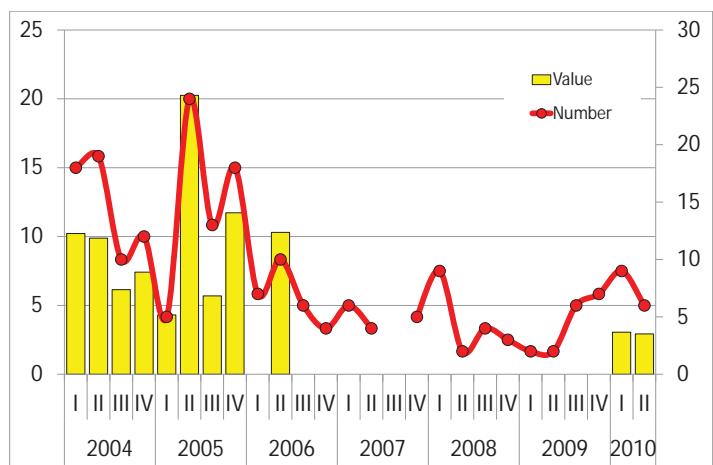
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



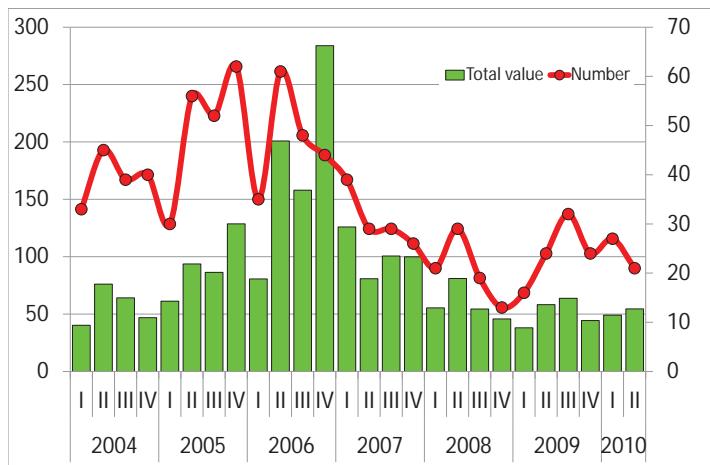
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



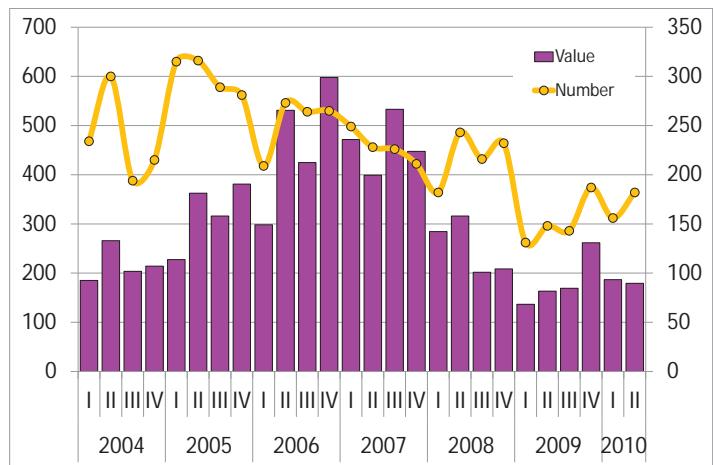
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

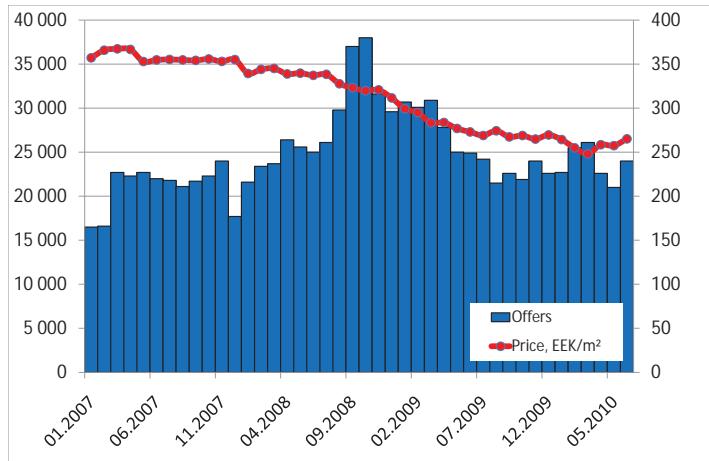


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

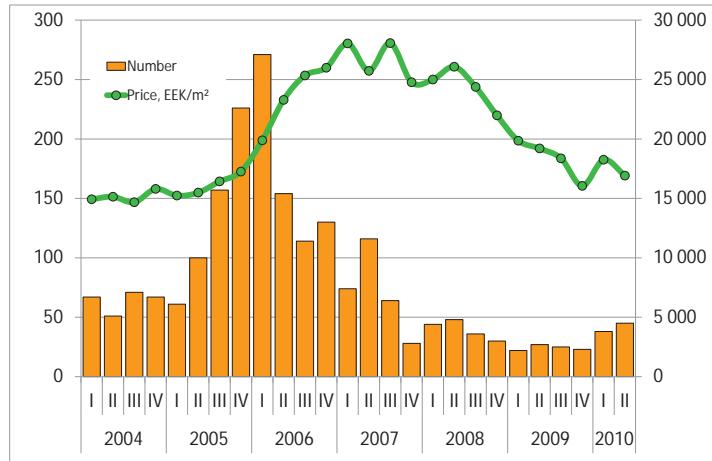


Value, million EEK (left axis) and number (right axis) of real estate transactions

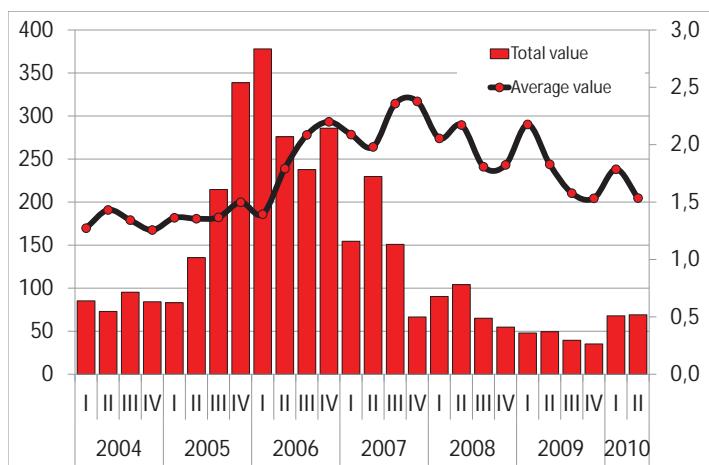
Pirita District



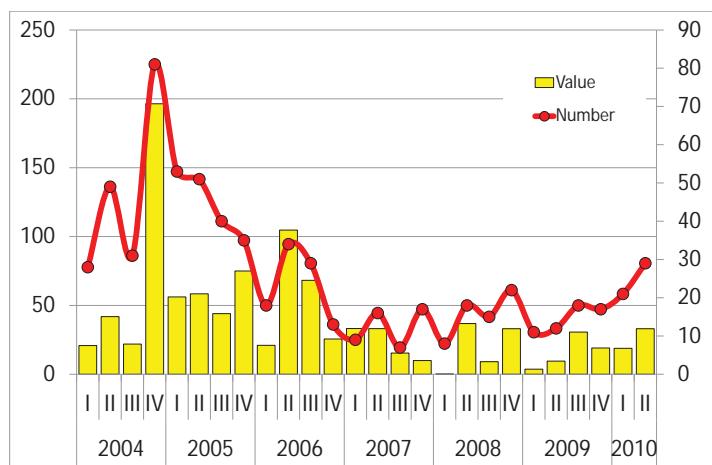
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



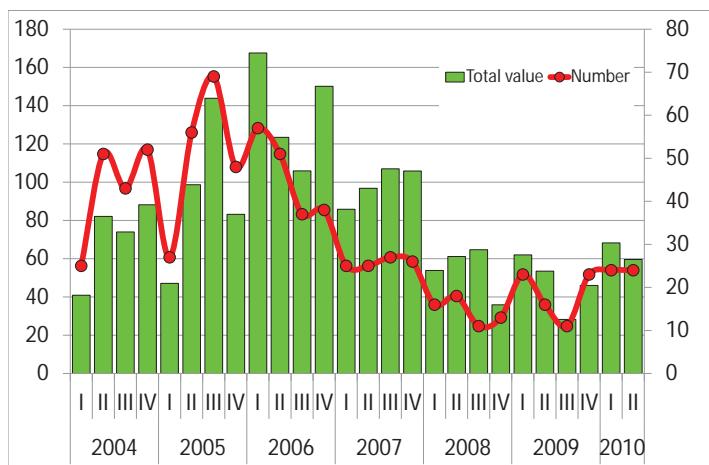
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



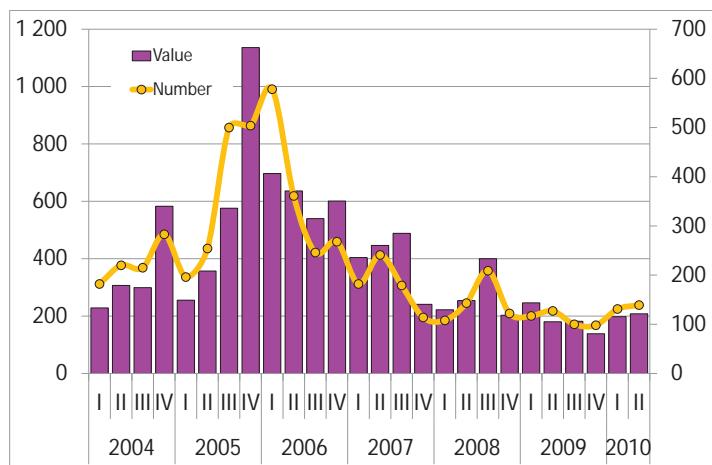
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK



Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings



Value, million EEK (left axis) and number (right axis) of real estate transactions

Männituka ridaelamud Nõmmel

KODU LINNAS JA ROHELUSES

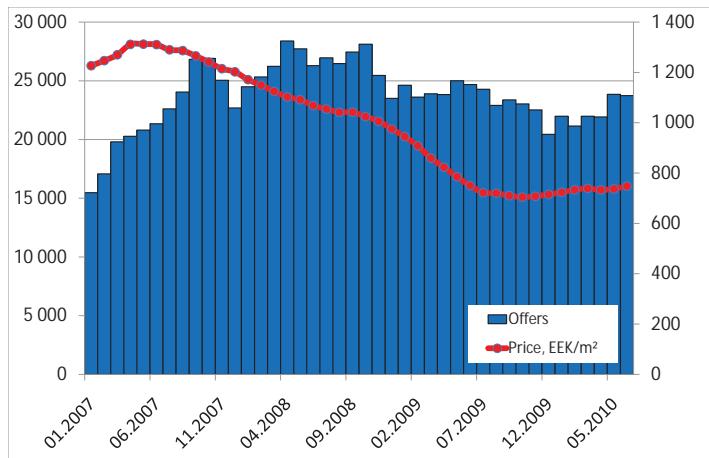


AREALIS

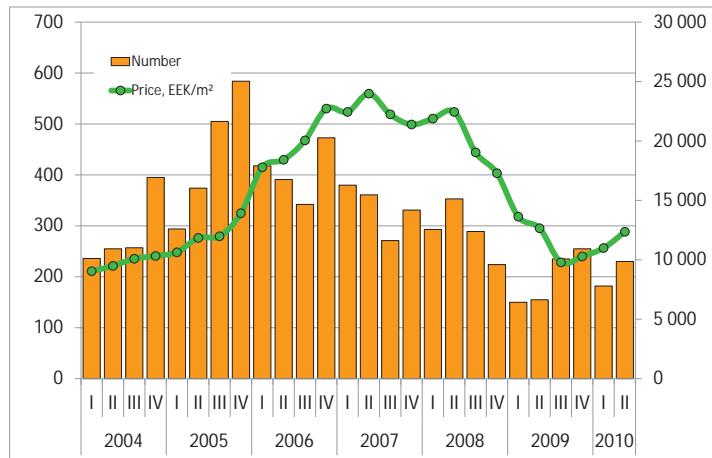
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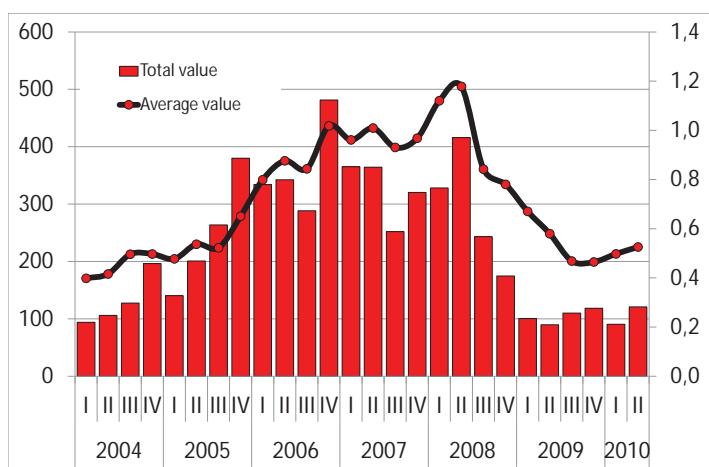
North-Tallinn District



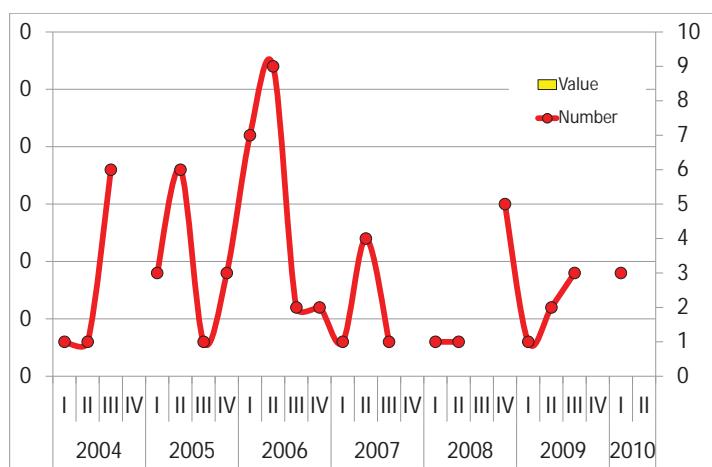
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



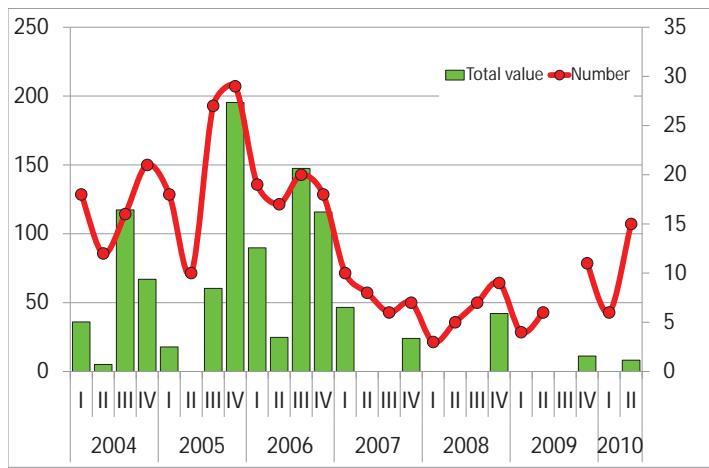
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



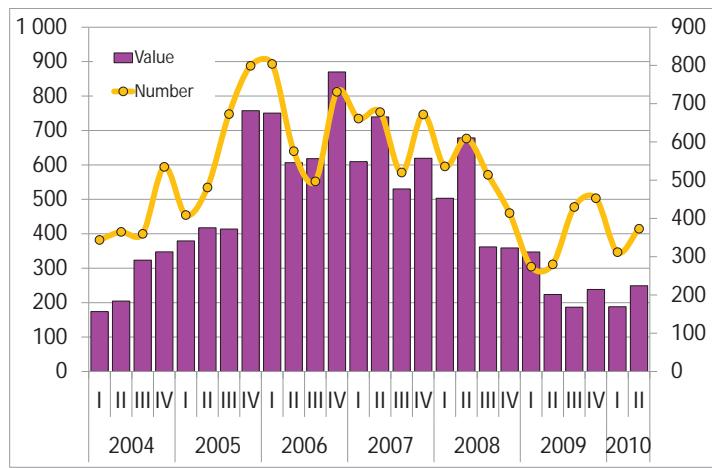
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

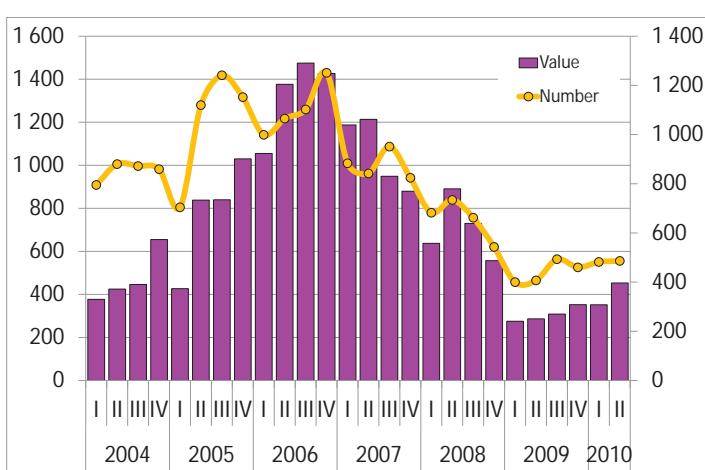
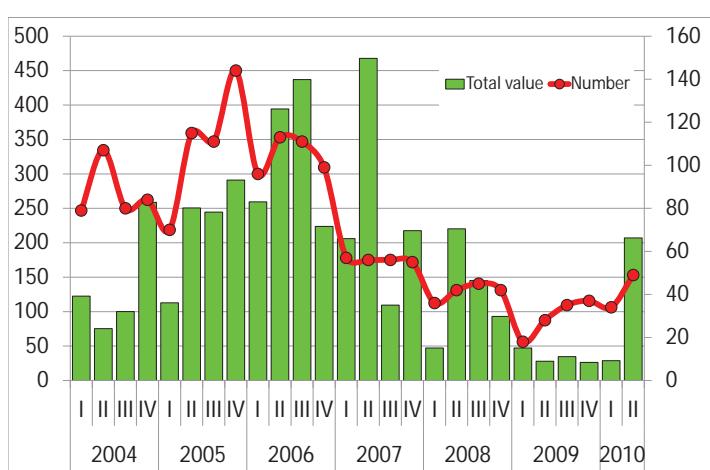
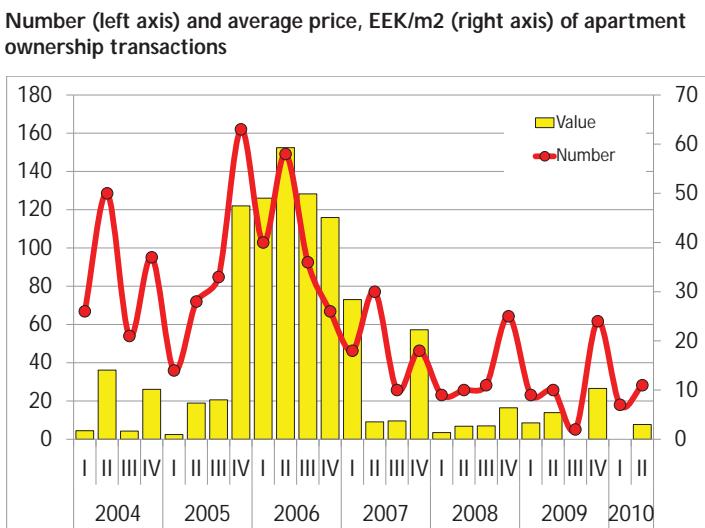
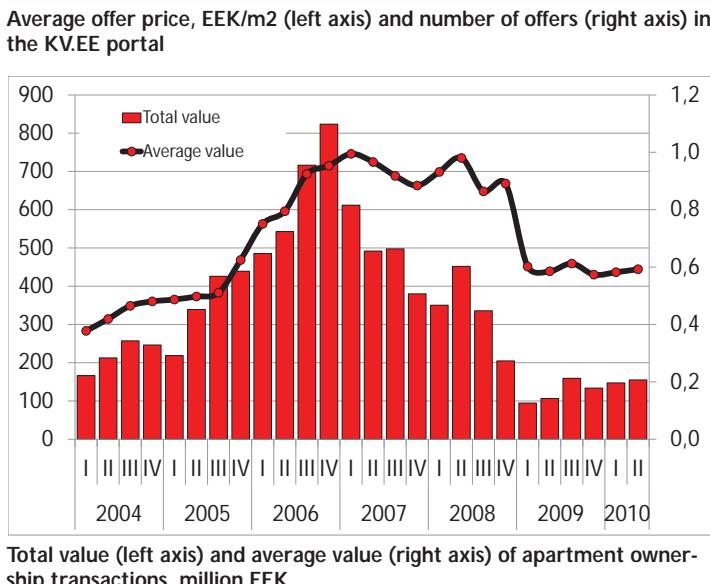
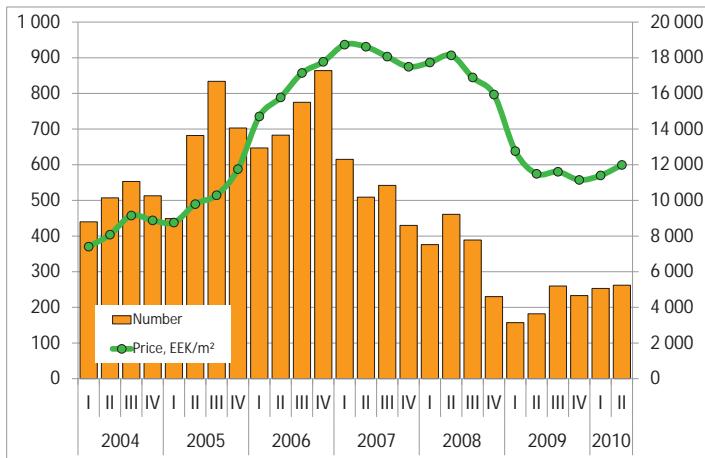
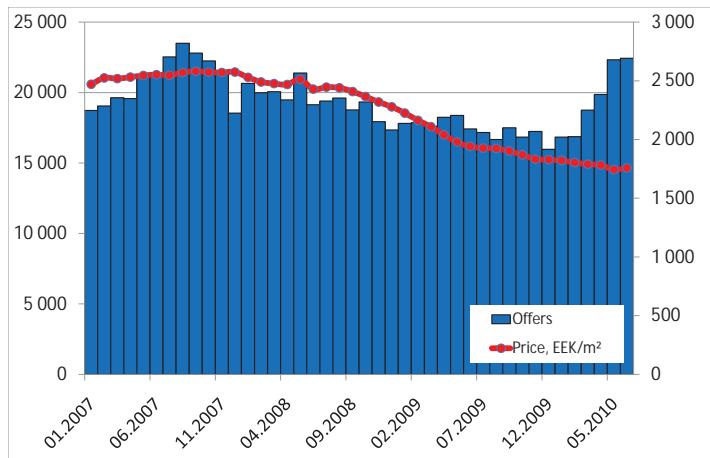


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

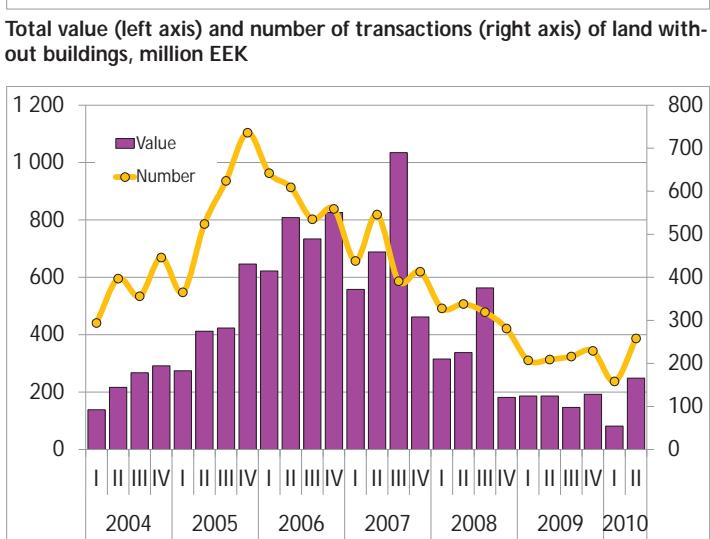
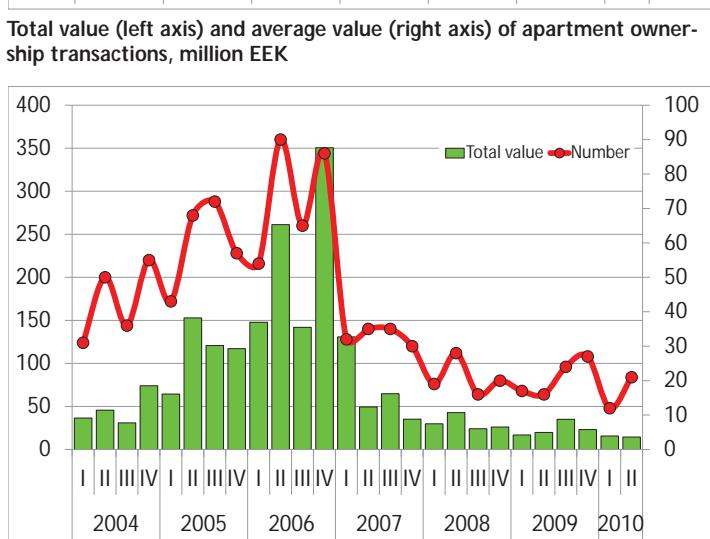
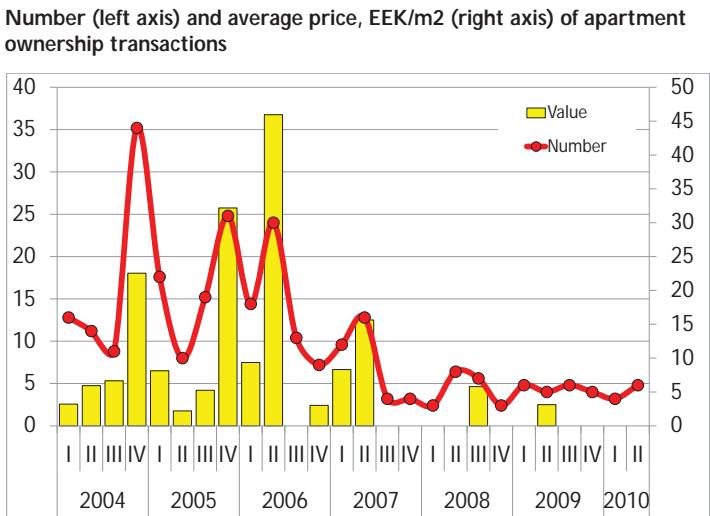
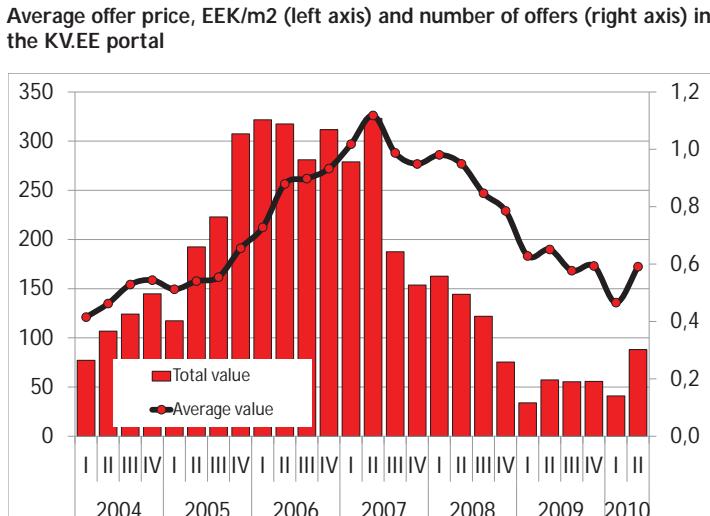
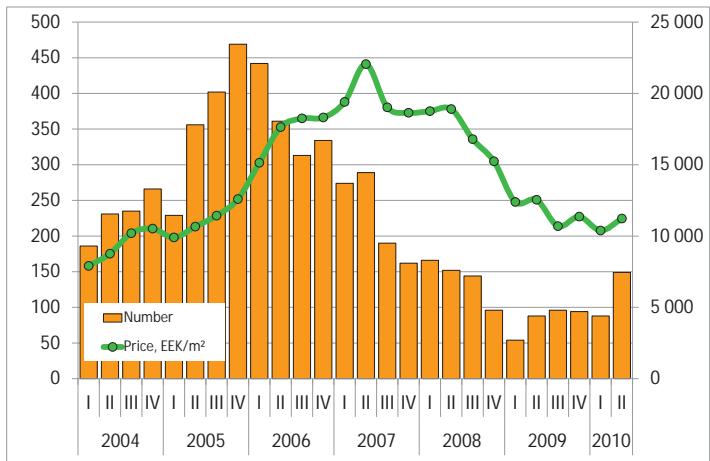
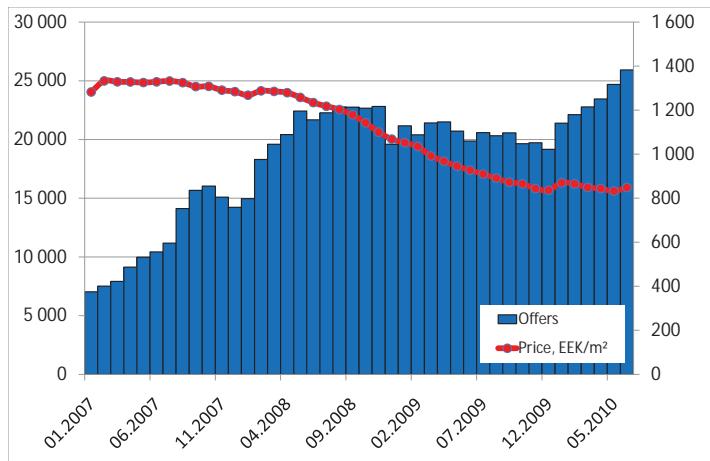


Value, million EEK (left axis) and number (right axis) of real estate transactions

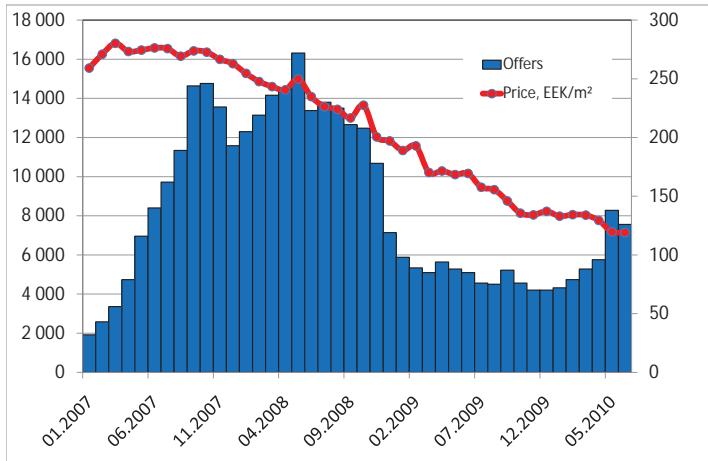
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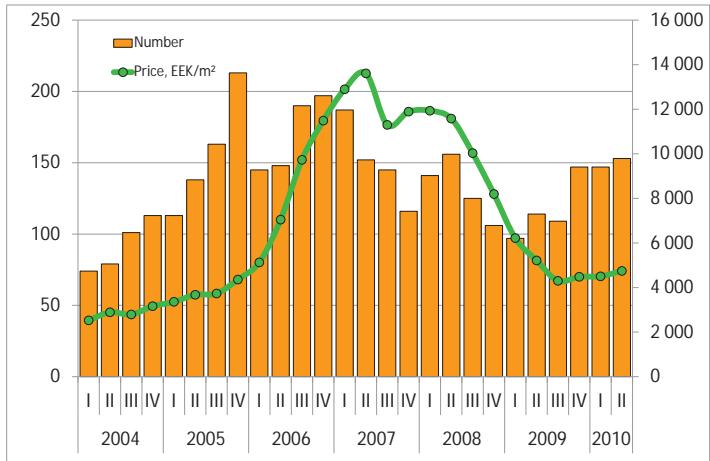
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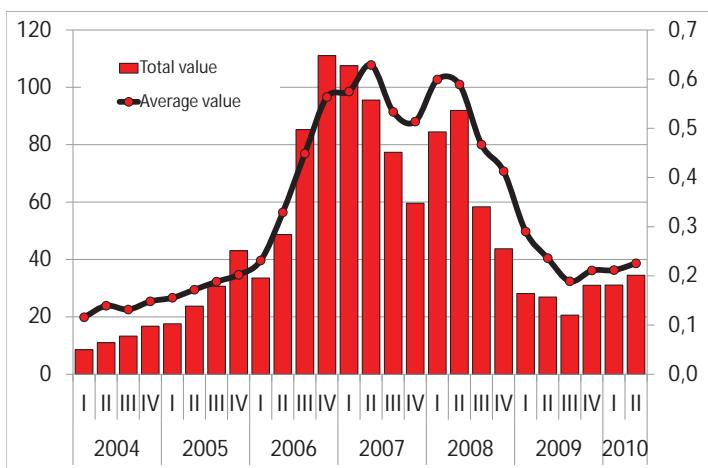
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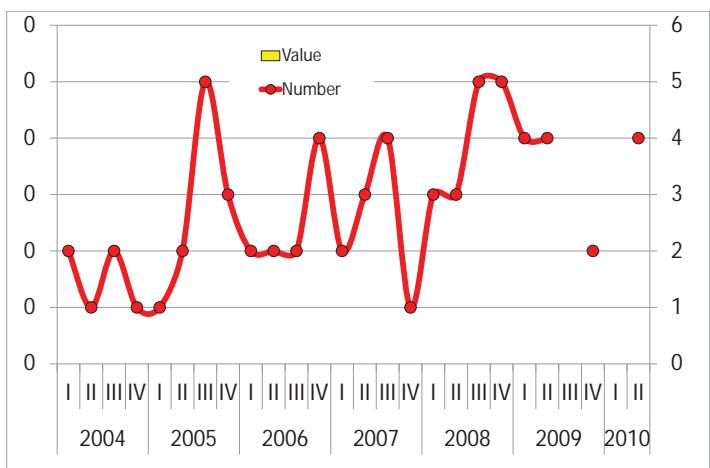
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



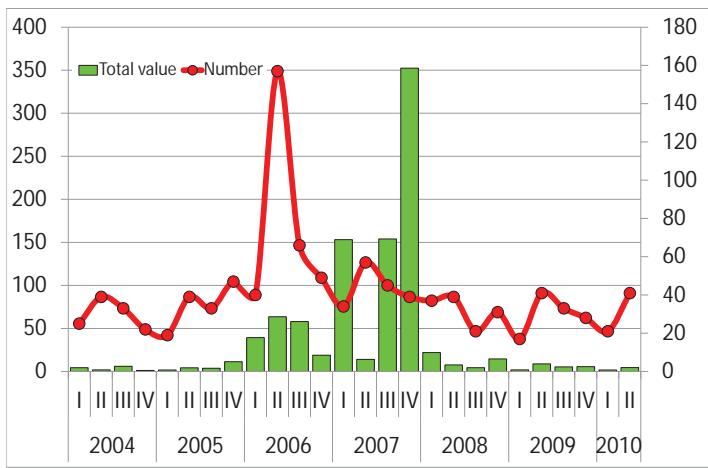
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



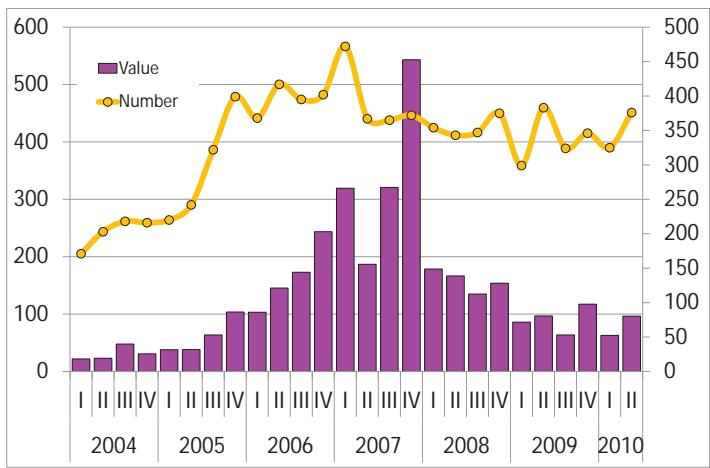
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

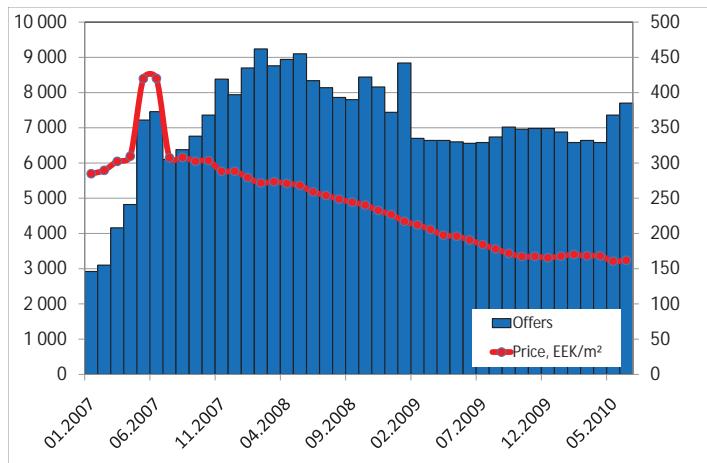


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

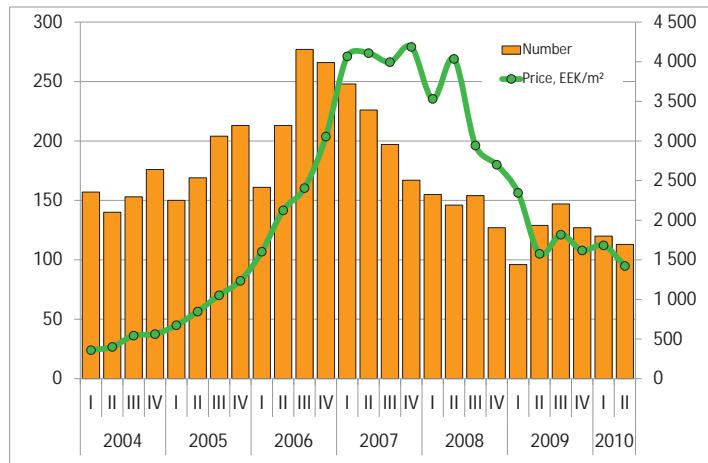


Value, million EEK (left axis) and number (right axis) of real estate transactions

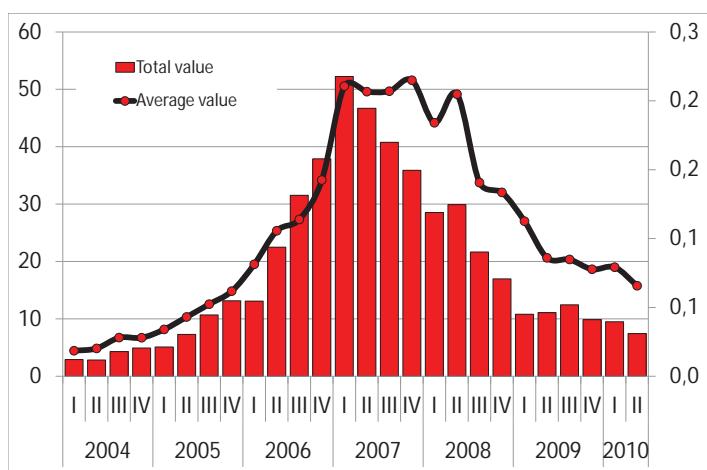
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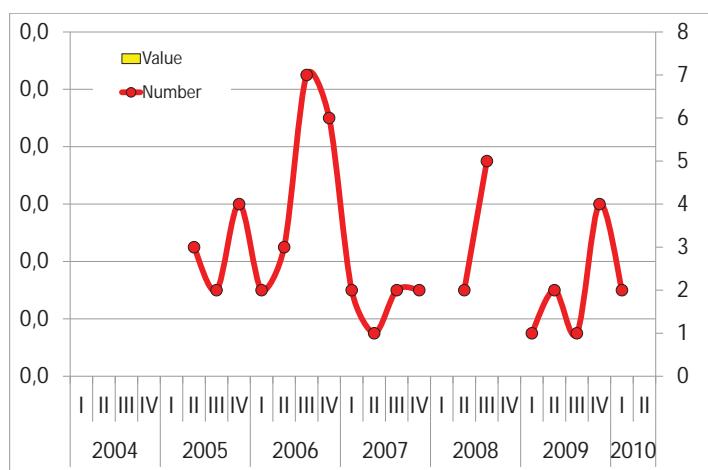
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



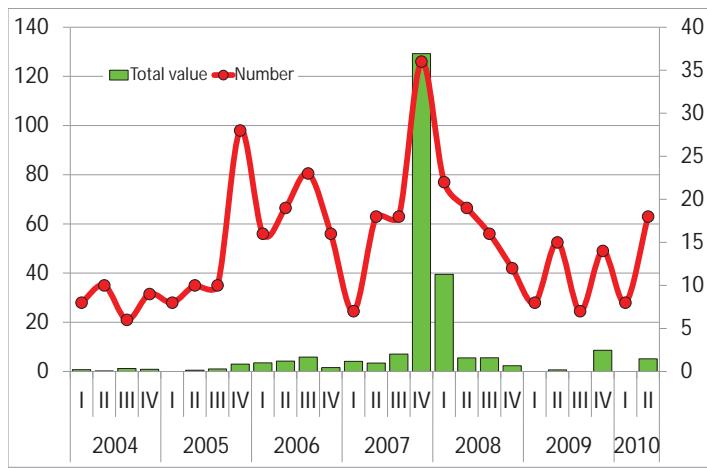
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



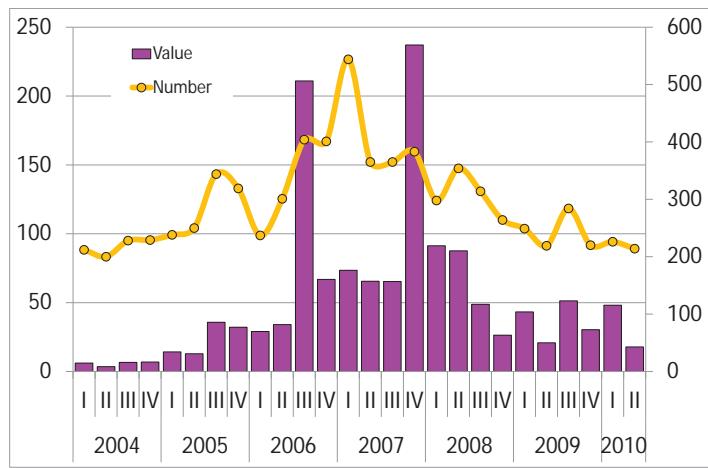
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK



Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings



Value, million EEK (left axis) and number (right axis) of real estate transactions

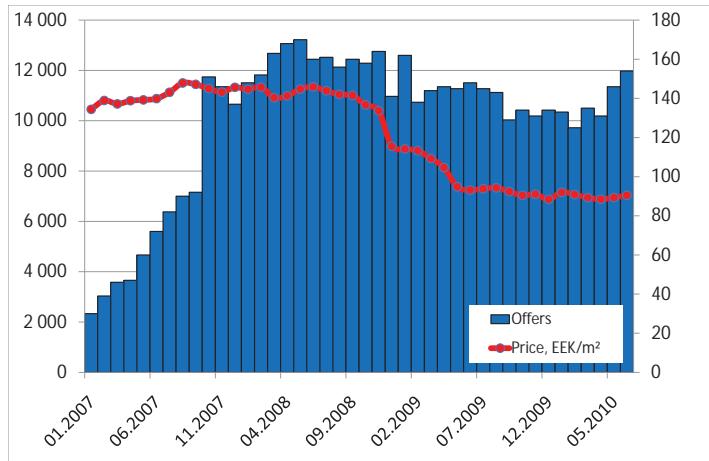


Uus vana Kalamajas!

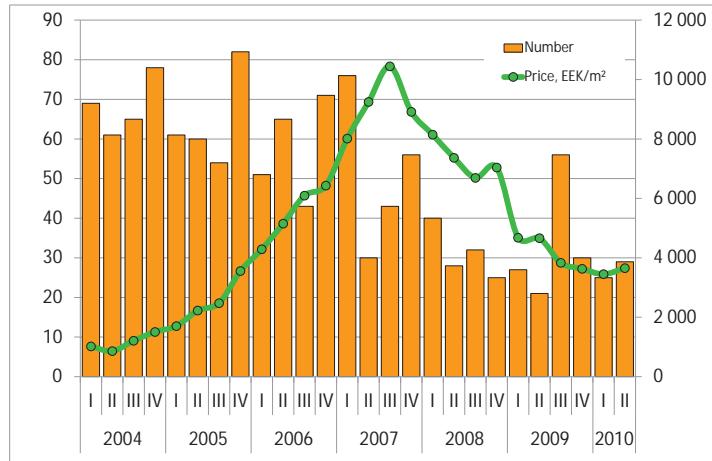
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korterid nüüd müügis

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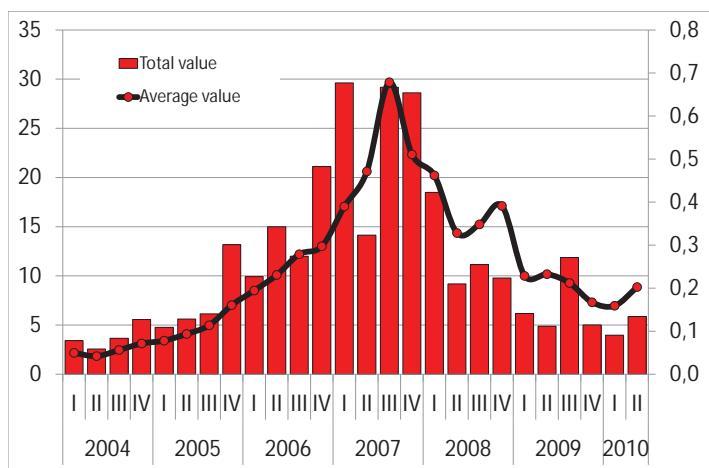
Jõhvi Parish



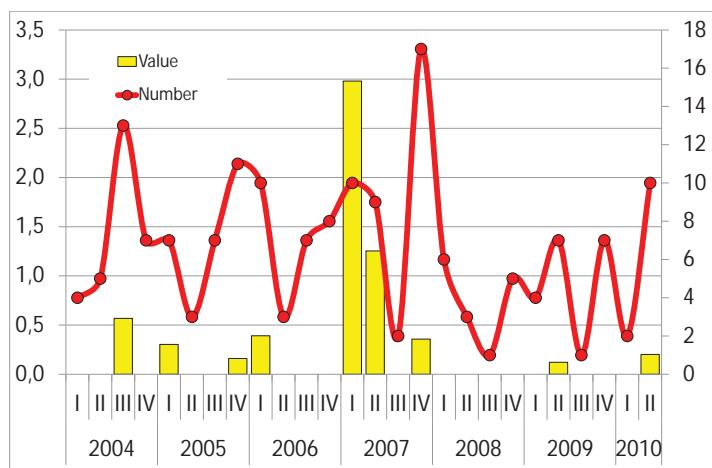
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



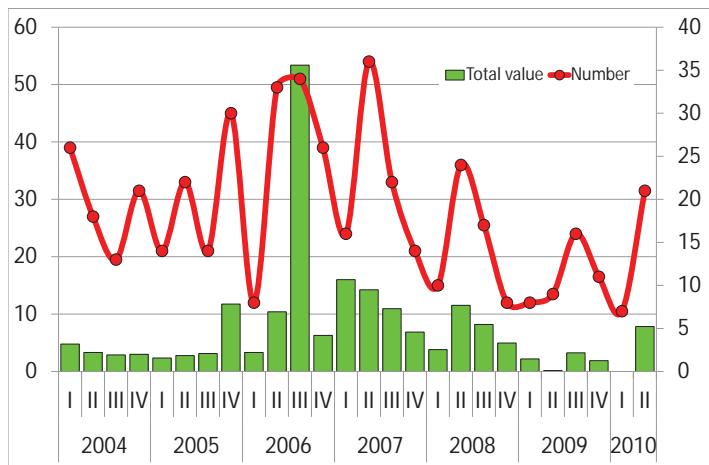
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



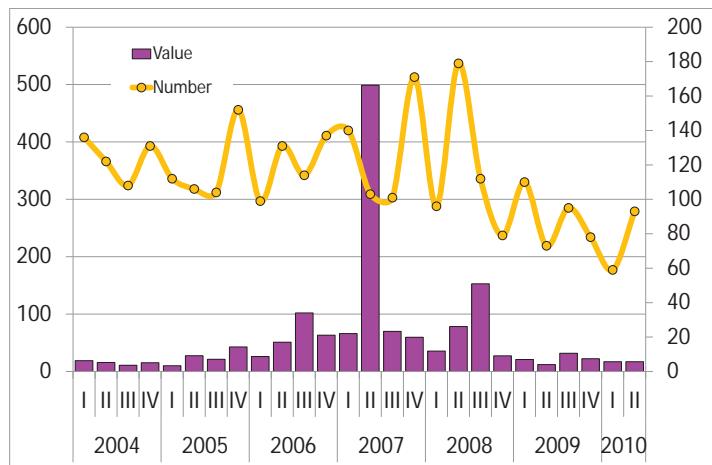
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

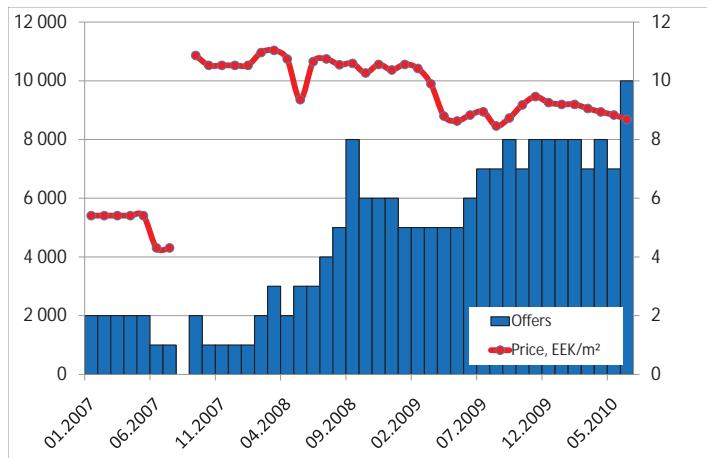


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

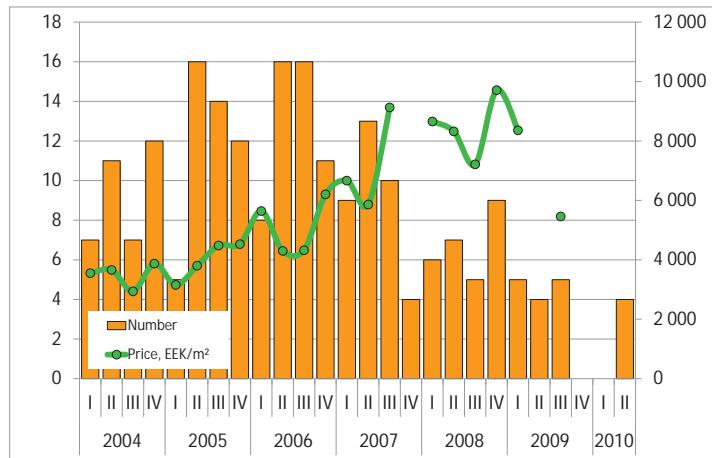


Value, million EEK (left axis) and number (right axis) of real estate transactions

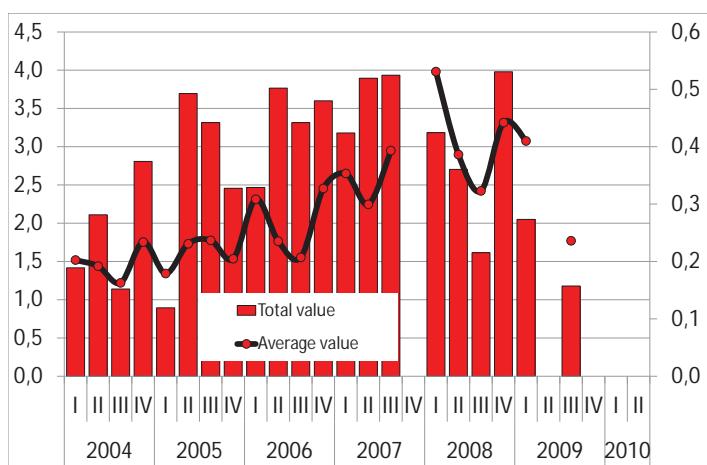
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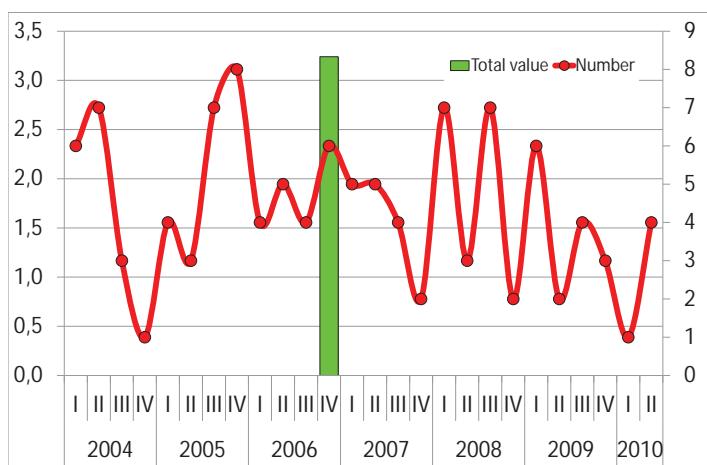
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



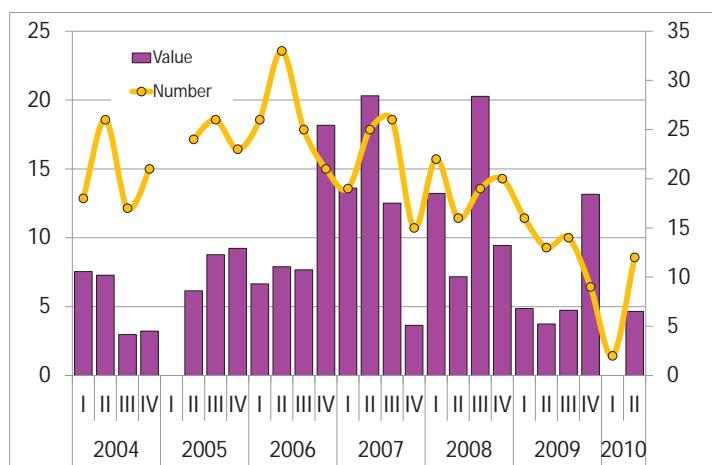
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK

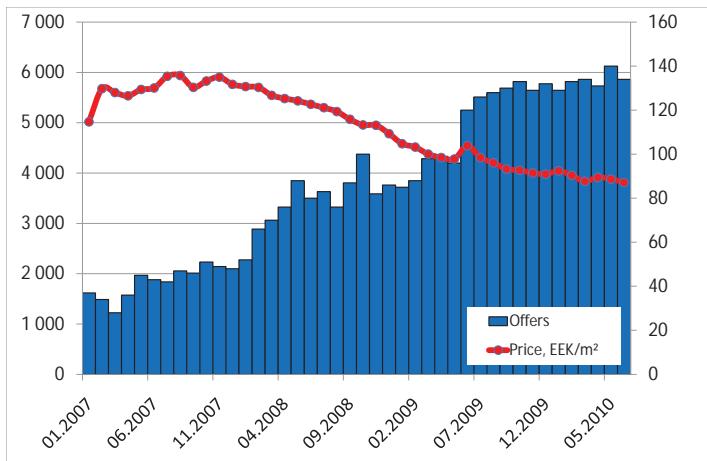


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

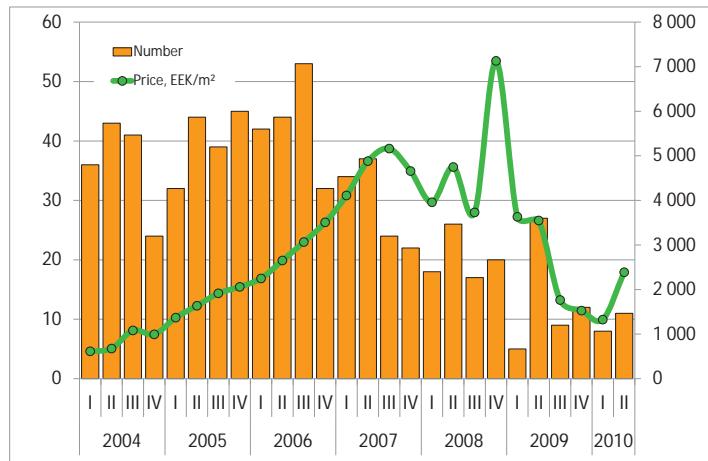


Value, million EEK (left axis) and number (right axis) of real estate transactions

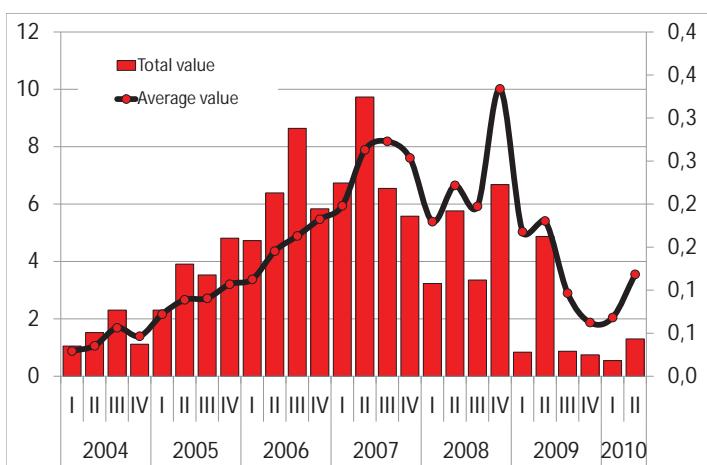
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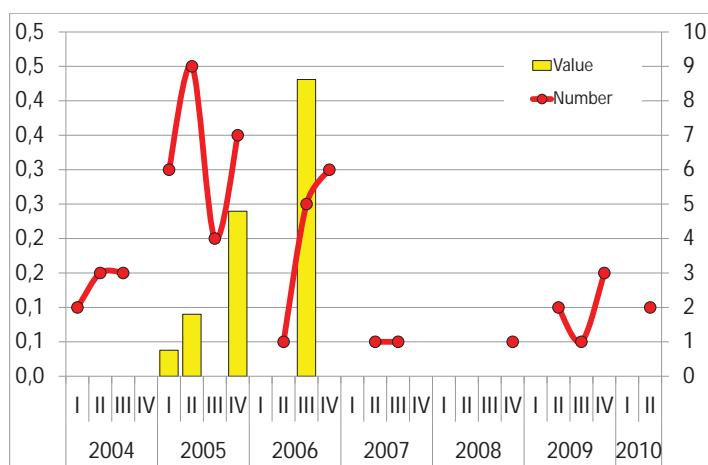
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



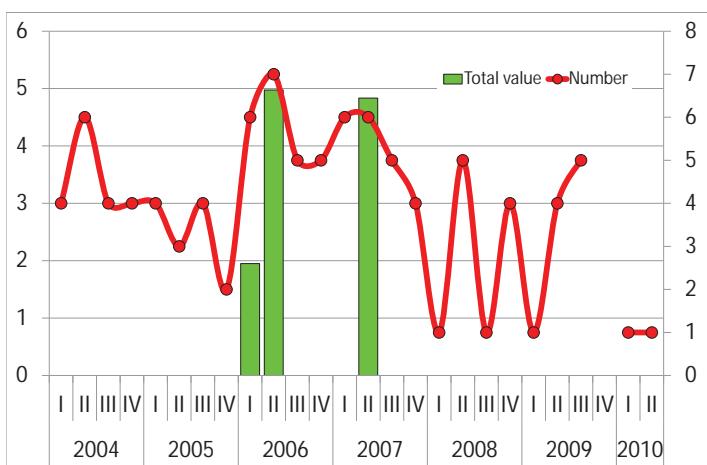
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



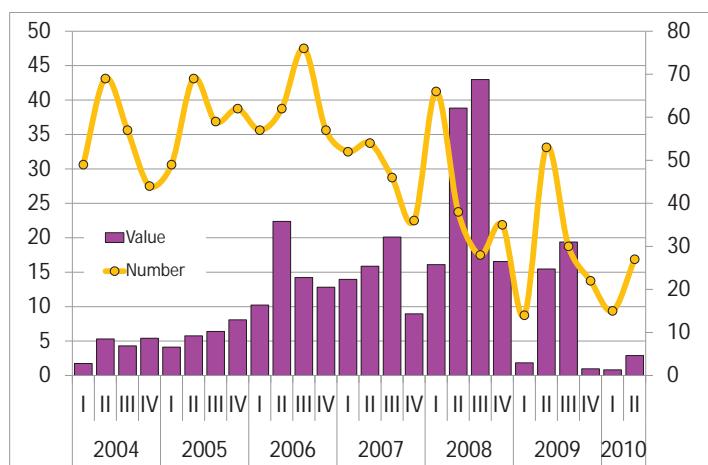
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



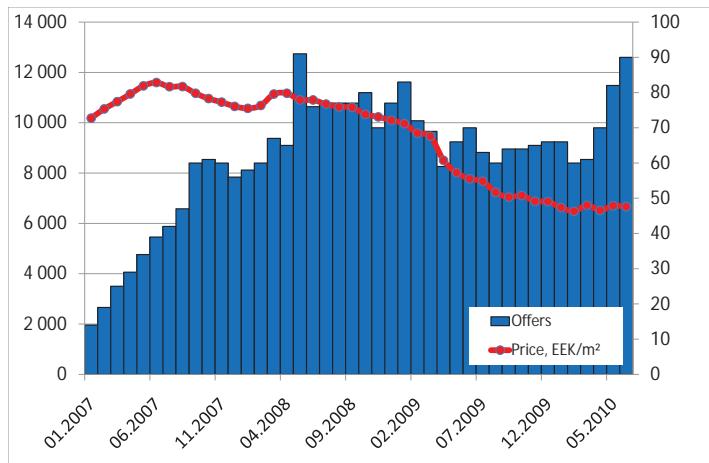
Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK



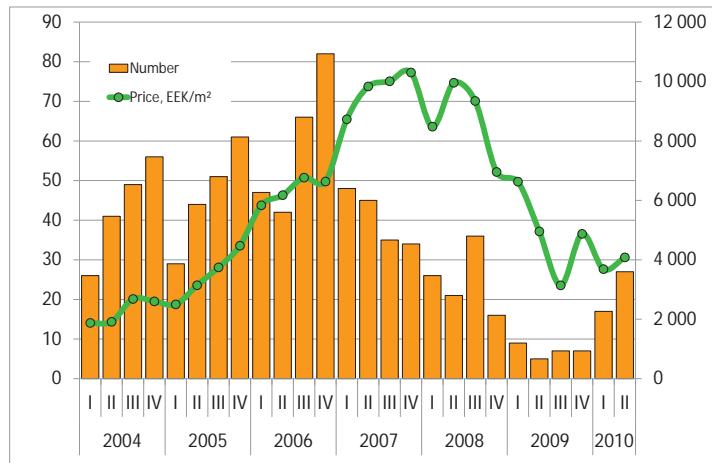
Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings



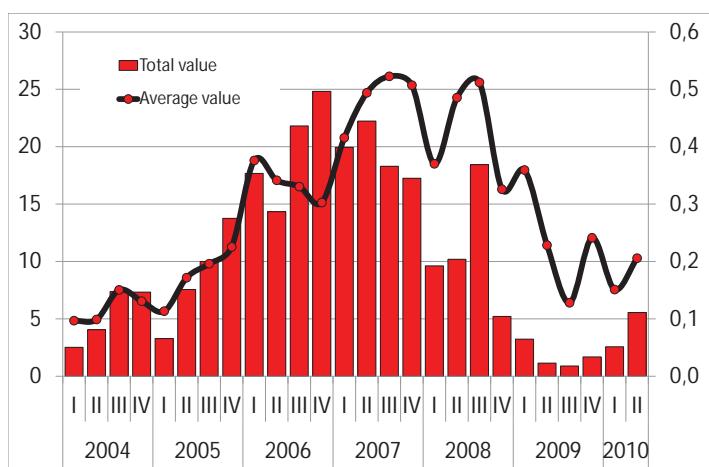
Value, million EEK (left axis) and number (right axis) of real estate transactions



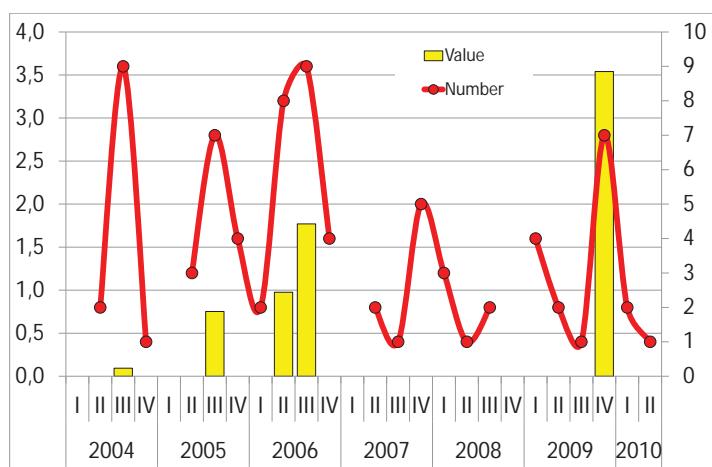
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



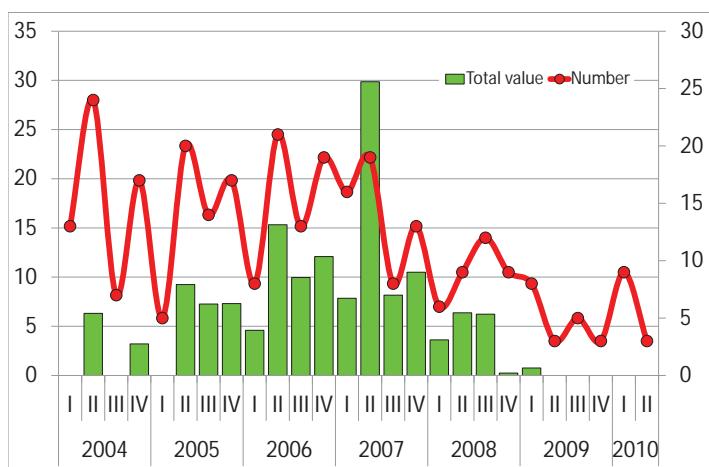
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



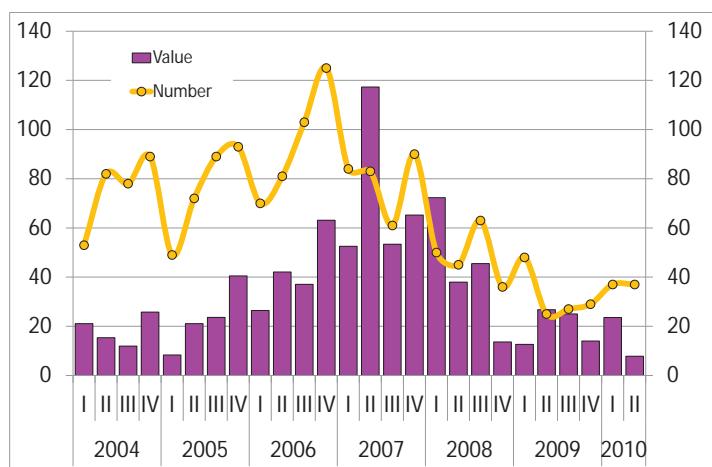
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

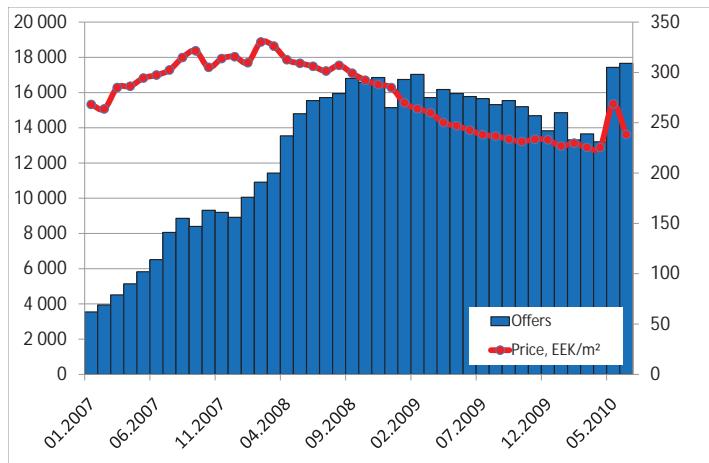


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

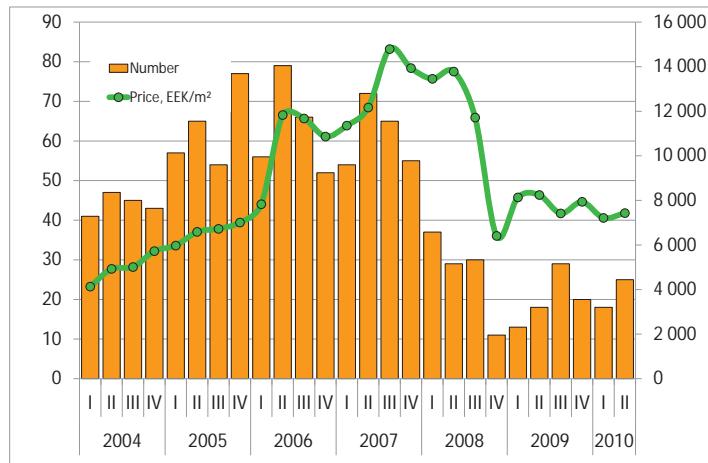


Value, million EEK (left axis) and number (right axis) of real estate transactions

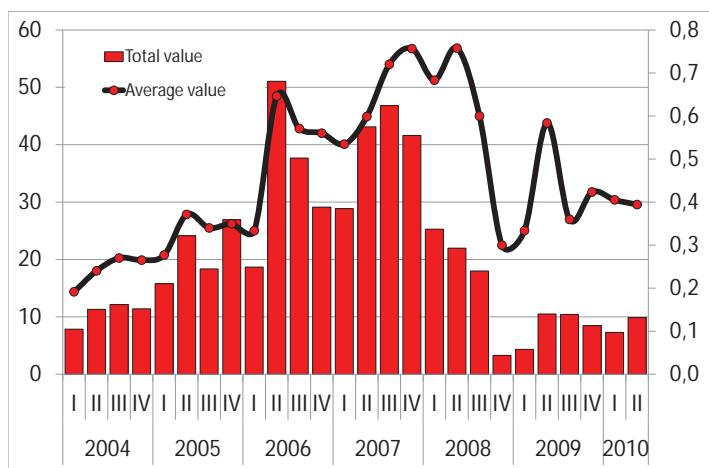
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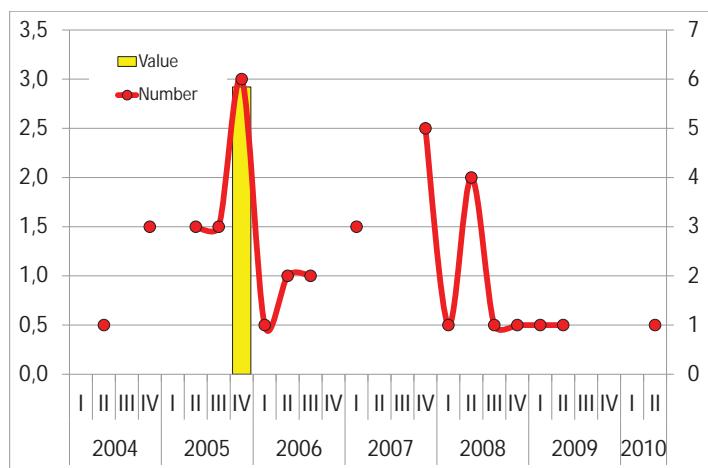
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



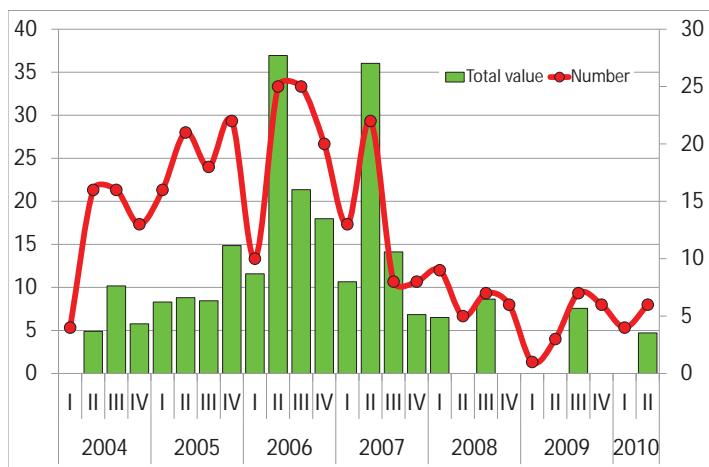
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



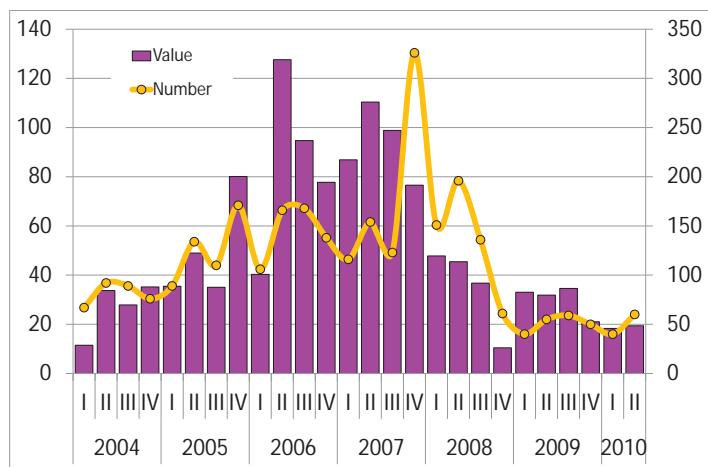
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

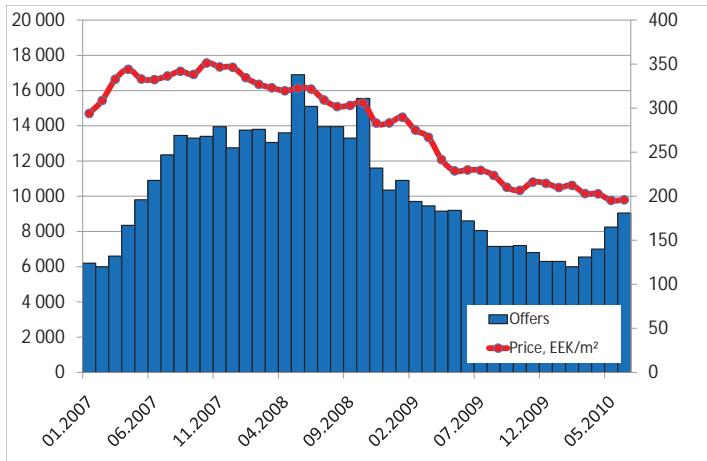


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

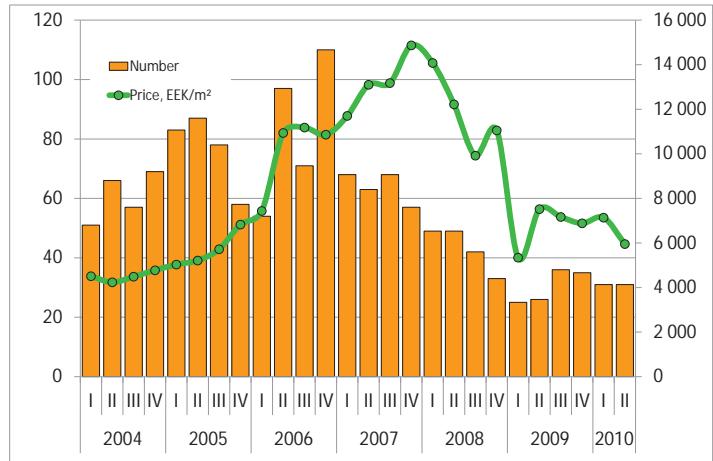


Value, million EEK (left axis) and number (right axis) of real estate transactions

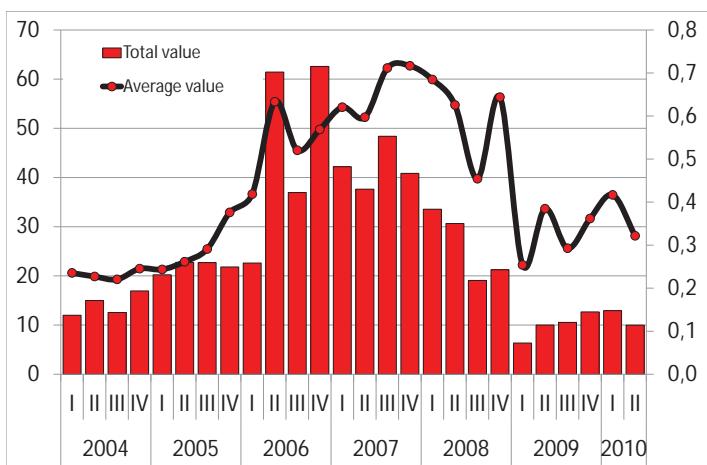
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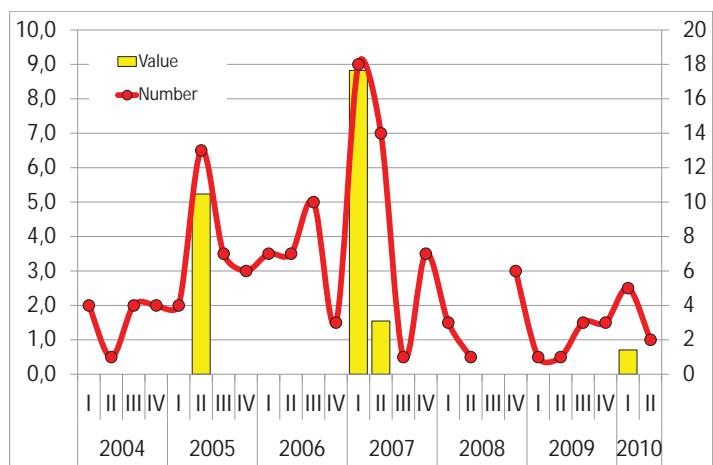
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



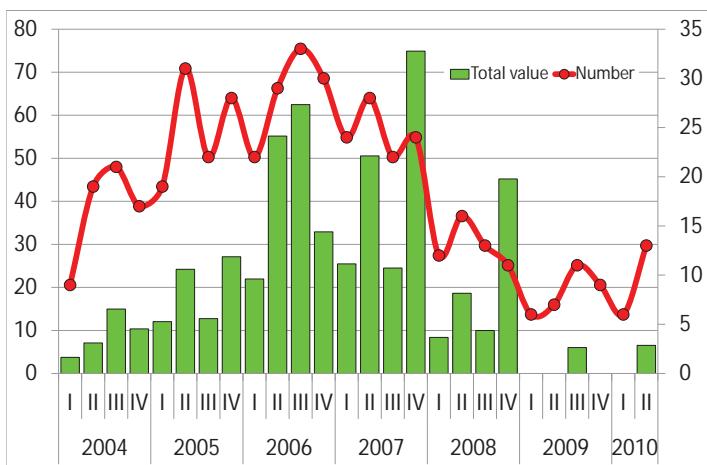
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



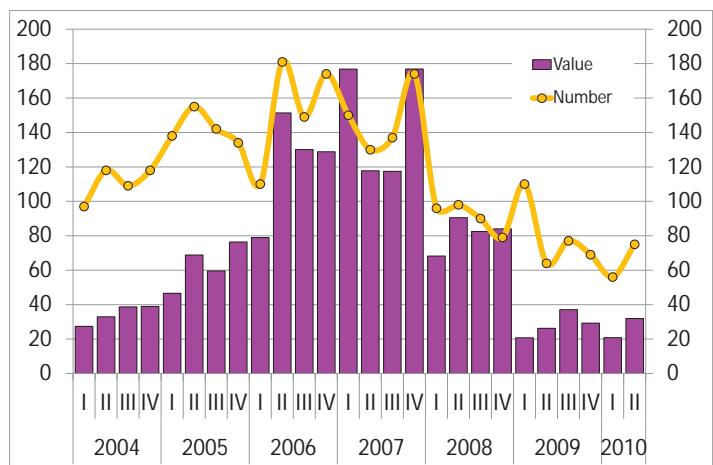
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

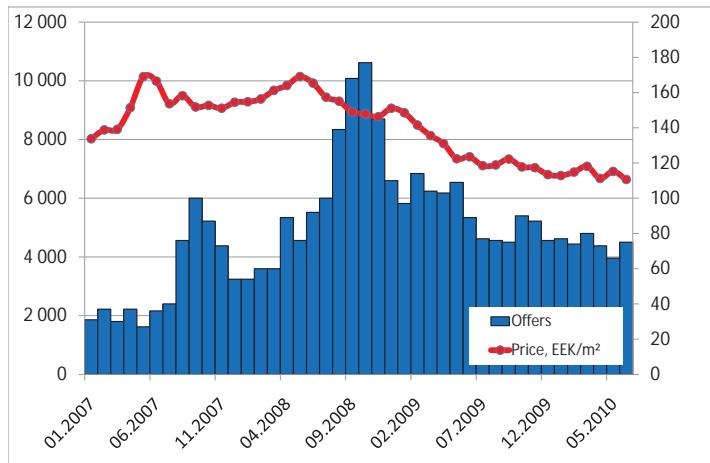


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

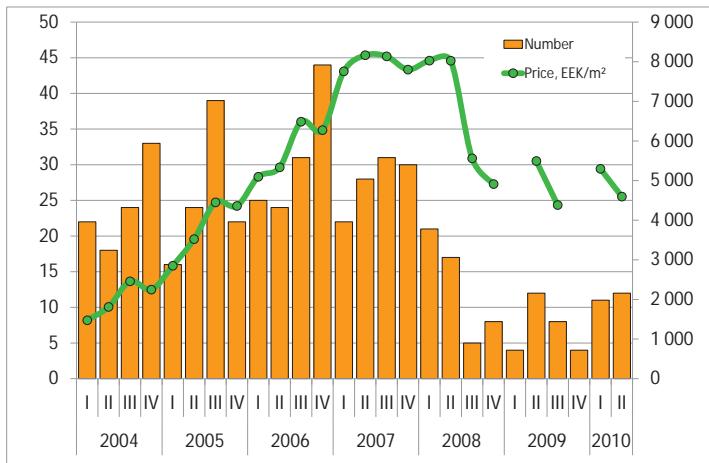


Value, million EEK (left axis) and number (right axis) of real estate transactions

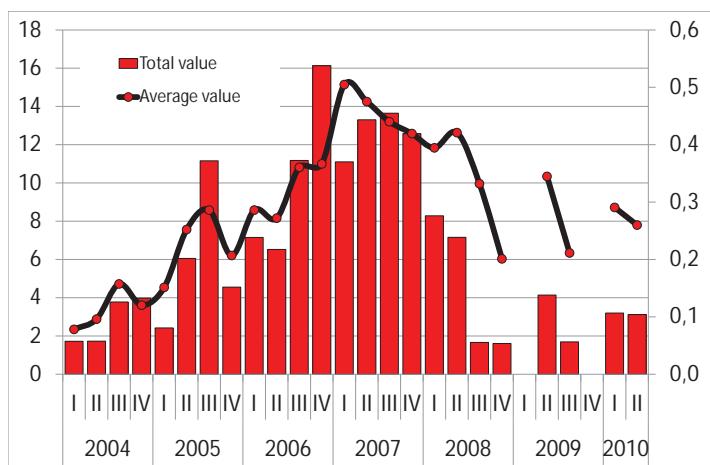
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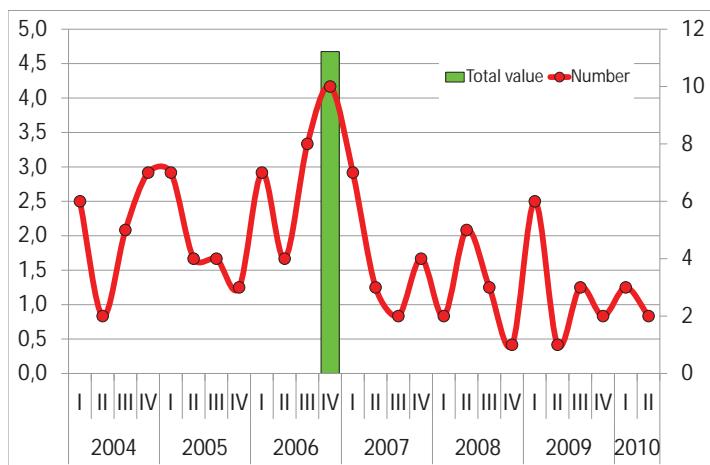
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



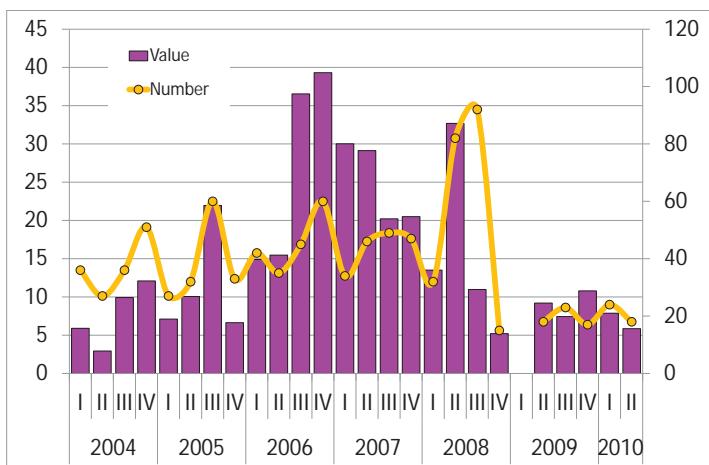
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK

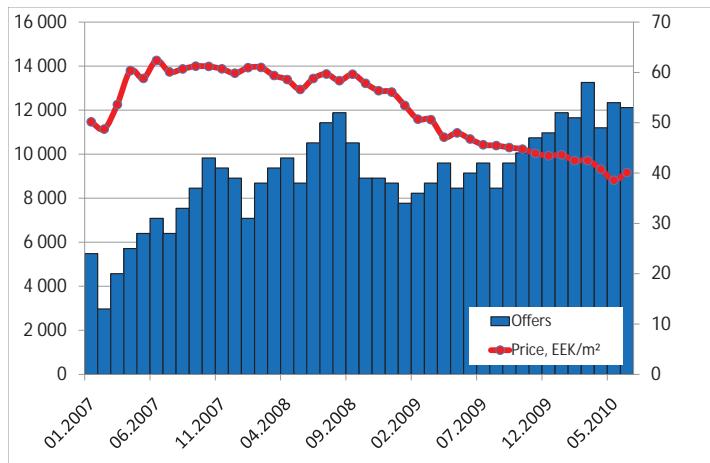


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

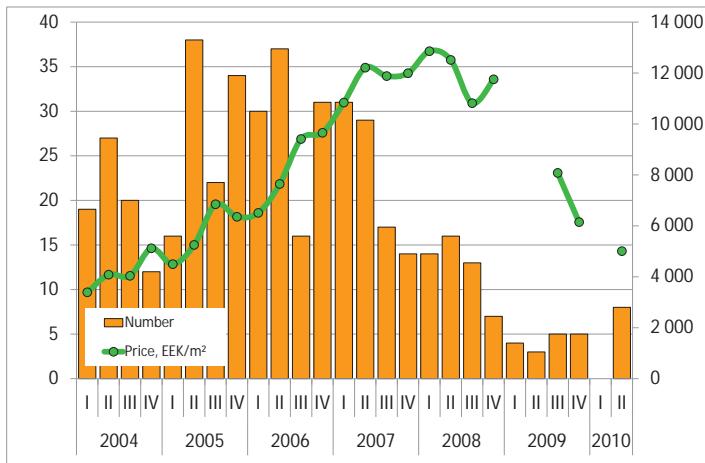


Value, million EEK (left axis) and number (right axis) of real estate transactions

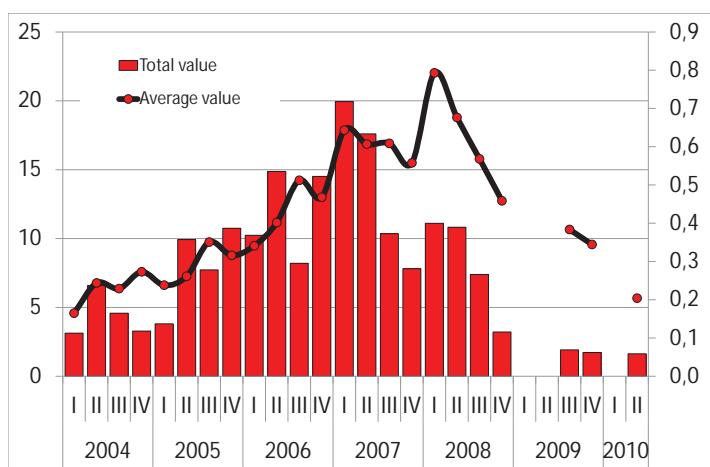
Rapla Parish



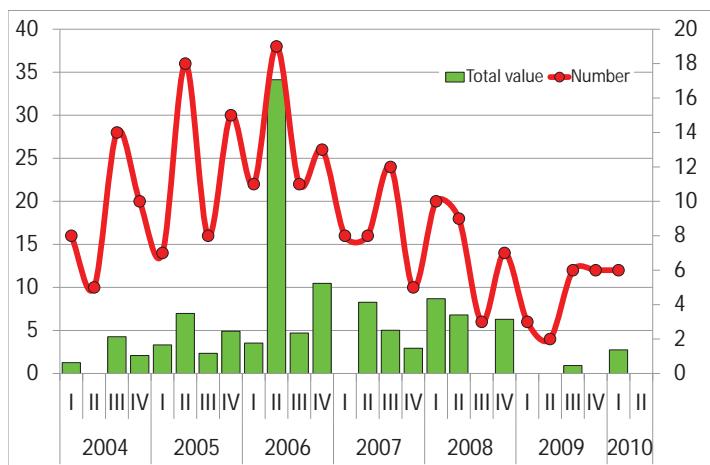
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



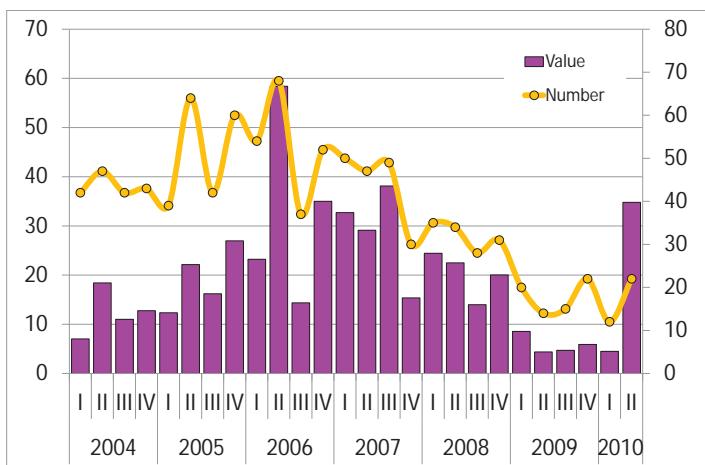
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK

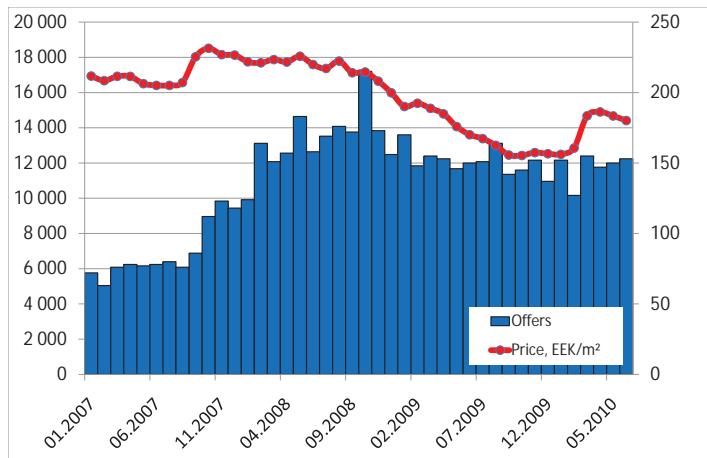


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

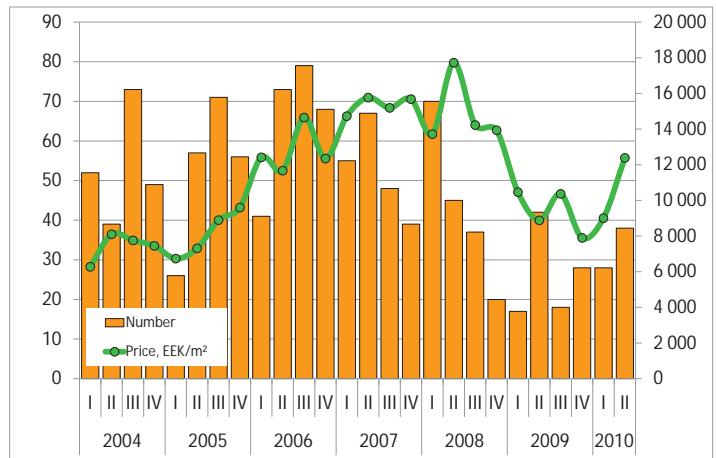


Value, million EEK (left axis) and number (right axis) of real estate transactions

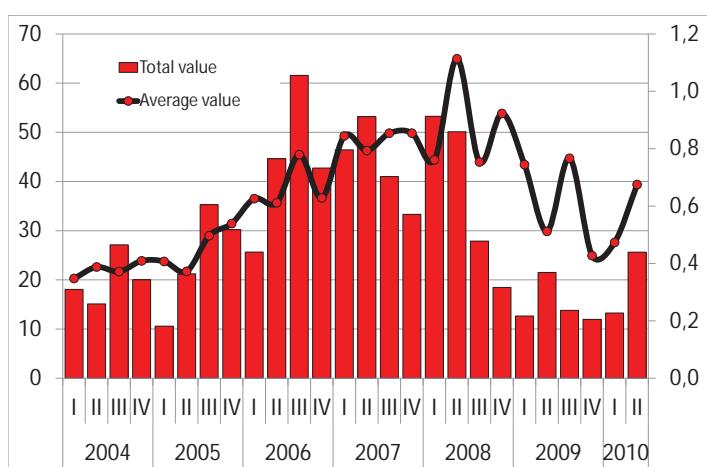
Kuressaare



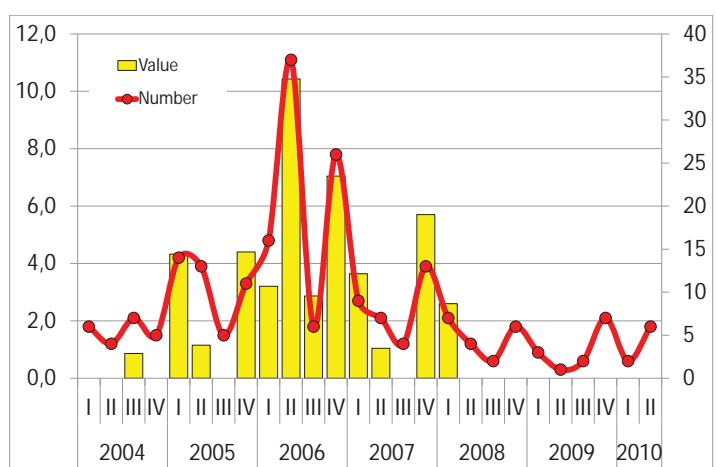
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



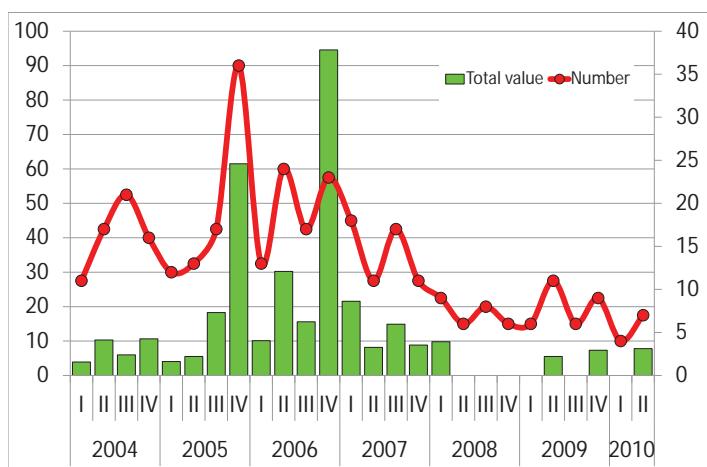
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



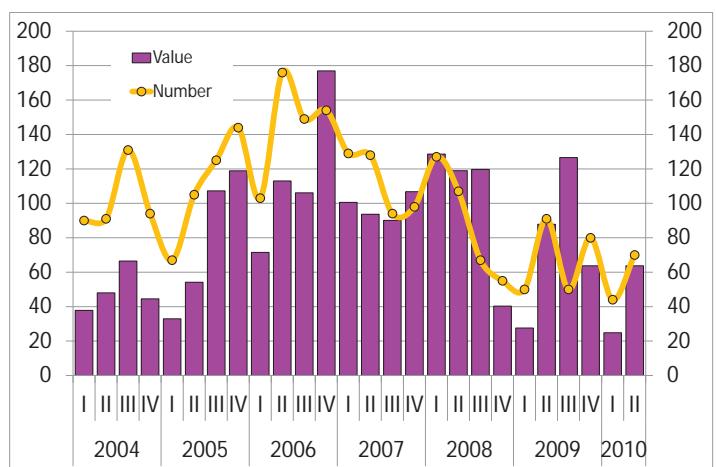
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

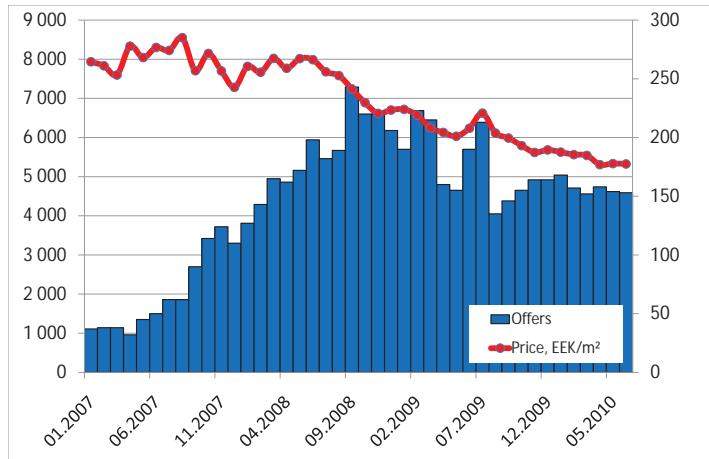


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

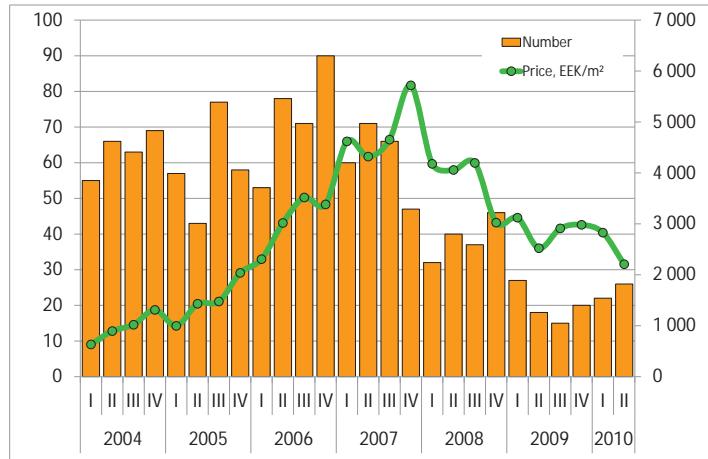


Value, million EEK (left axis) and number (right axis) of real estate transactions

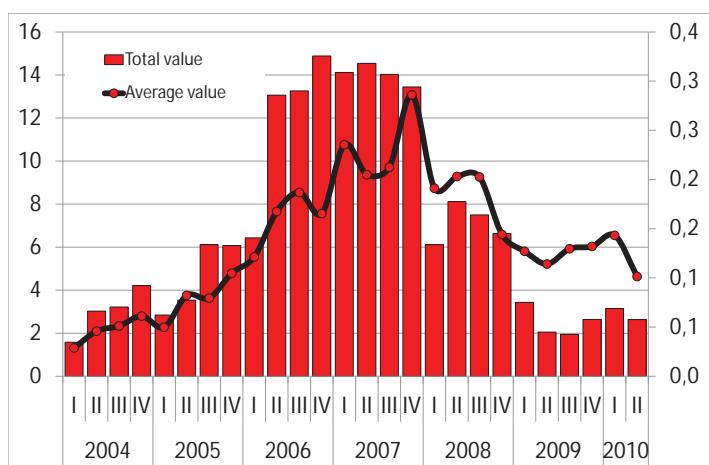
Valga



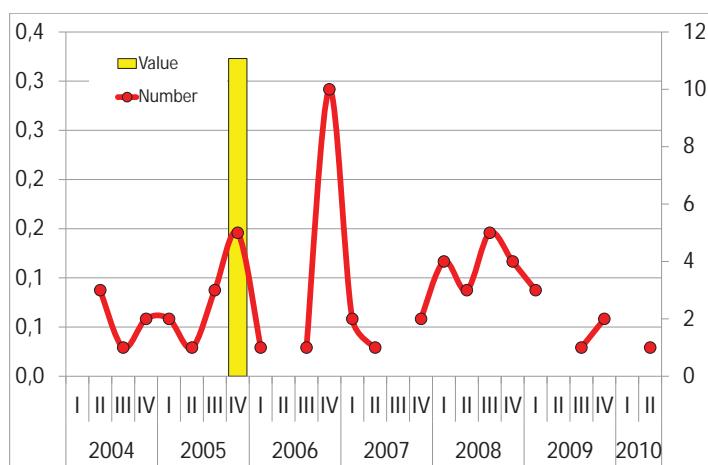
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



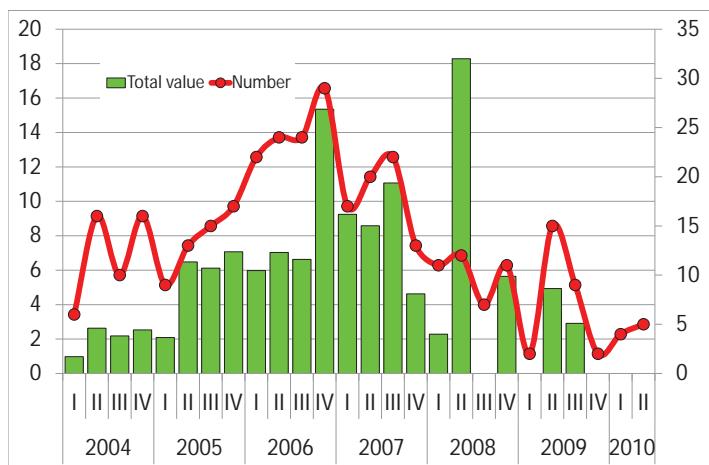
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



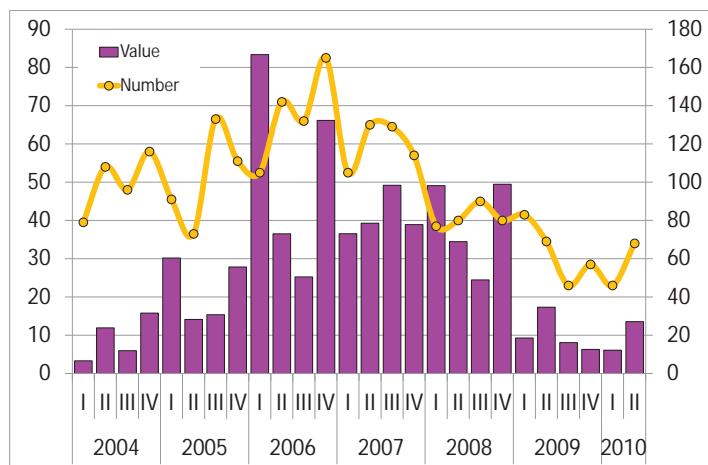
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

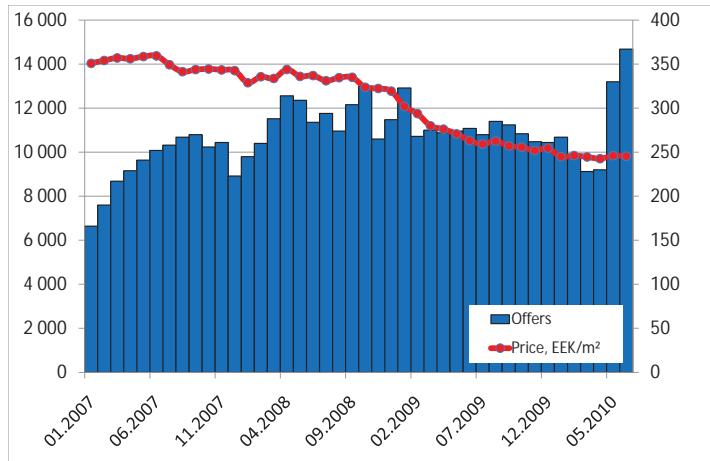


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

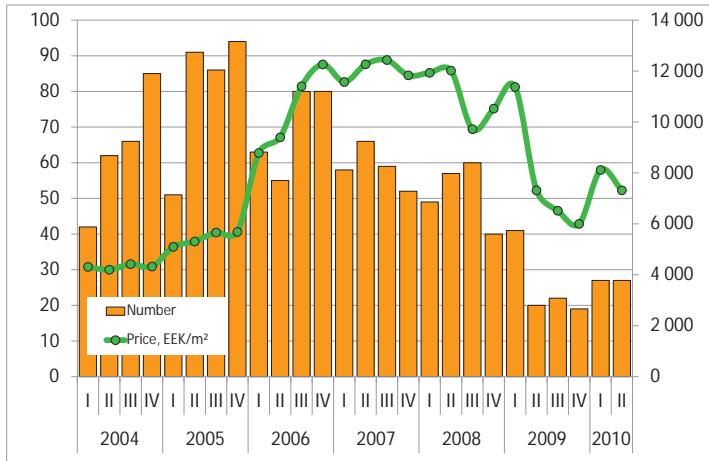


Value, million EEK (left axis) and number (right axis) of real estate transactions

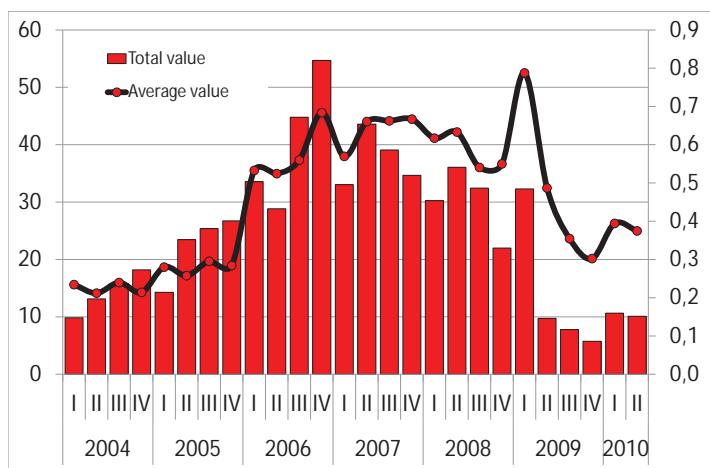
Viljandi



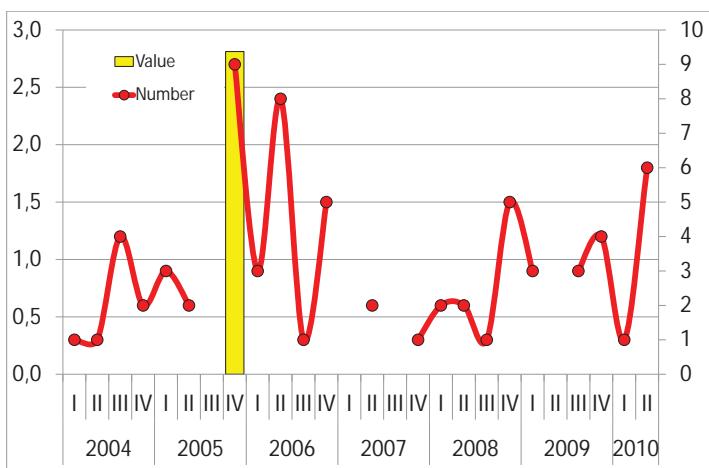
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



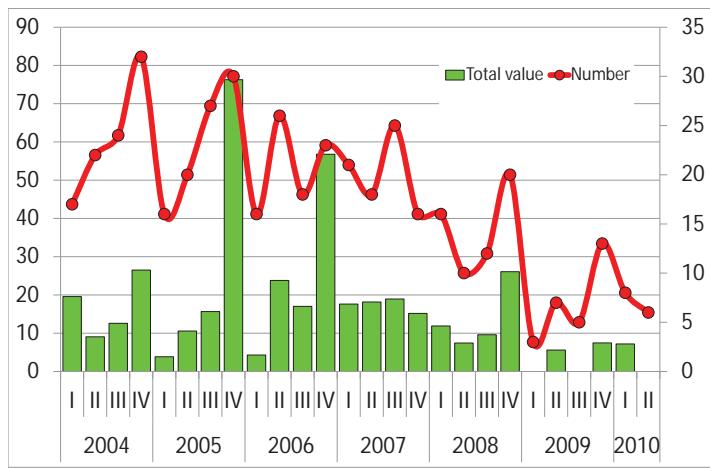
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



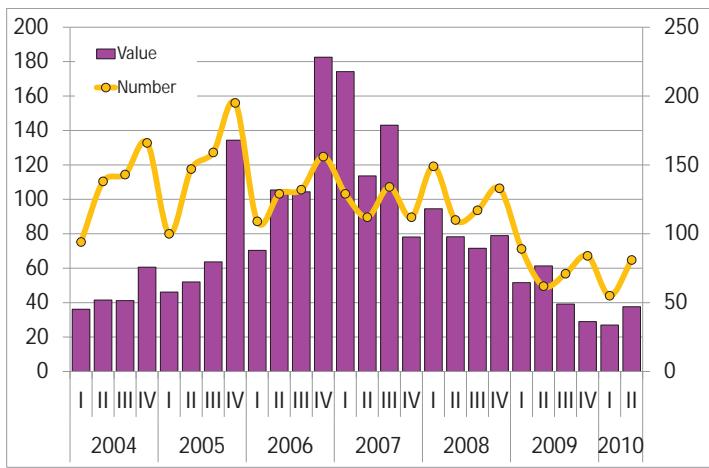
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK

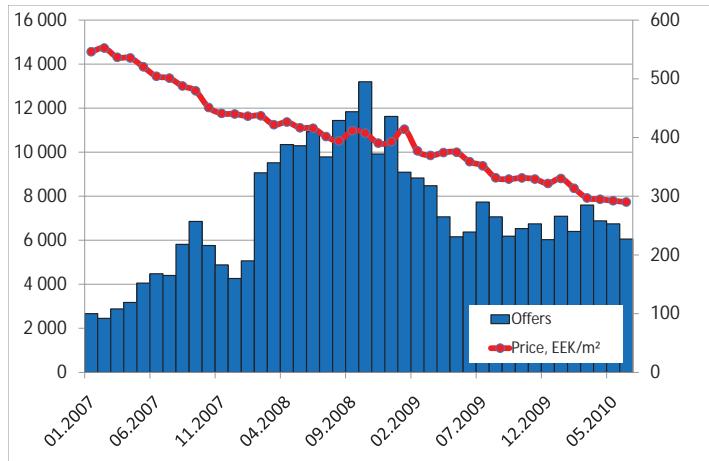


Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings

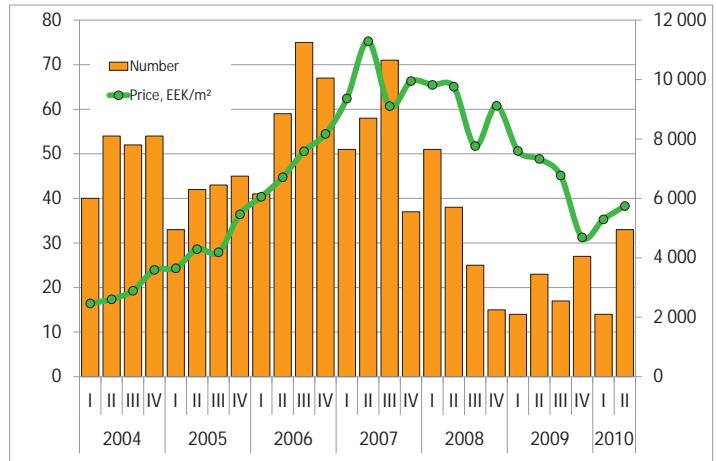


Value, million EEK (left axis) and number (right axis) of real estate transactions

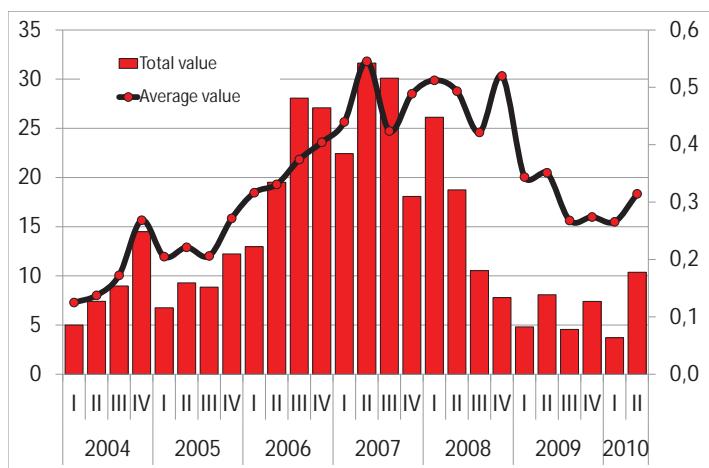
Võru



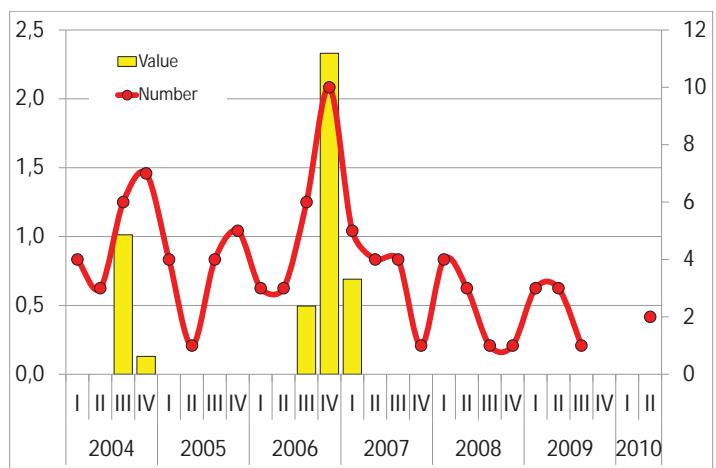
Average offer price, EEK/m² (left axis) and number of offers (right axis) in the KV.EE portal



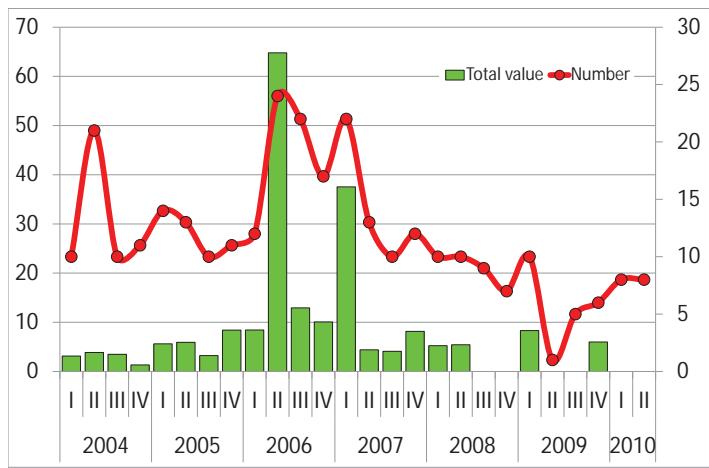
Number (left axis) and average price, EEK/m² (right axis) of apartment ownership transactions



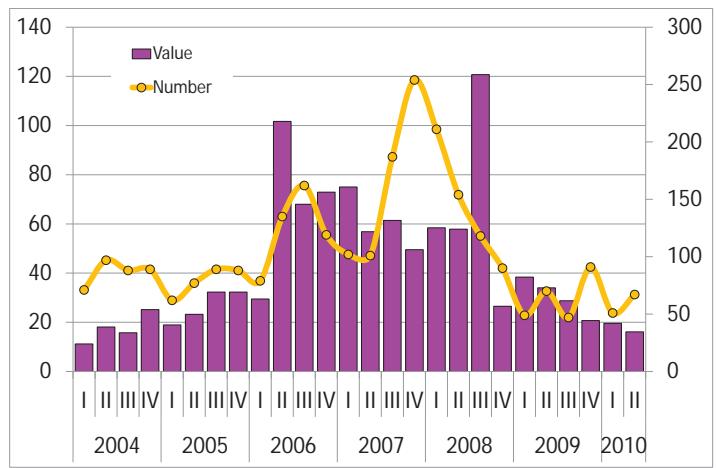
Total value (left axis) and average value (right axis) of apartment ownership transactions, million EEK



Total value (left axis) and number of transactions (right axis) of land without buildings, million EEK



Total value, million EEK (left axis) and number of transactions (right axis) of land with buildings



Value, million EEK (left axis) and number (right axis) of real estate transactions



Real estate portal KV.EE has been active since year 1999. Today, more than 300 real estate companies and ca. 1,500 brokers have joined the portal. Currently there are more than 45,000 ads from brokers and owners registered in the portal. The portal is maintained by the company Diginet OÜ which belongs to the Moonfish Media Group together with the auction portal Osta.ee and three Lithuanian portals.

Adaur Grupp OÜ was established in year 2002. The company is active in real estate market monitoring, preparing prognoses, overviews, analyses, training and real estate consultations.

The sources of the data used in this market overview are Estonian National Bank, Estonian Statistical Office, Land Board, KV.EE.

This overview has been prepared as a co-operation of the KV.EE real estate portal and Adaur Grupp OÜ. The preparers of the overview have made their best effort to ensure high quality of the information presented in the overview. We consider the information sources used in preparing this overview to be trustworthy, but this does not exclude a possibility of error. Thus, the preparers of this overview will not accept any responsibility for any direct or indirect damages resulting from using the information presented in this overview.

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