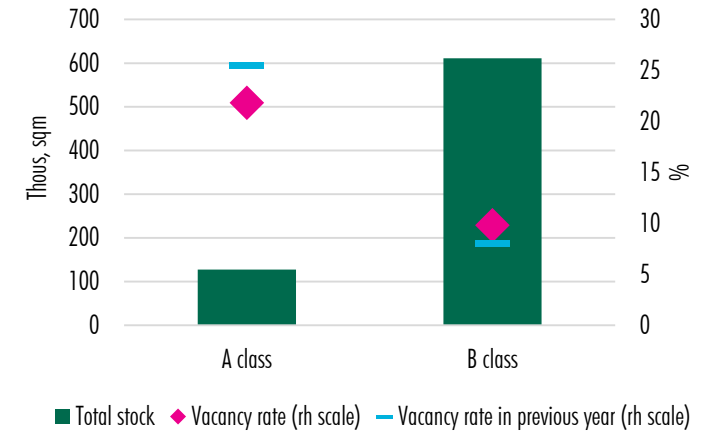


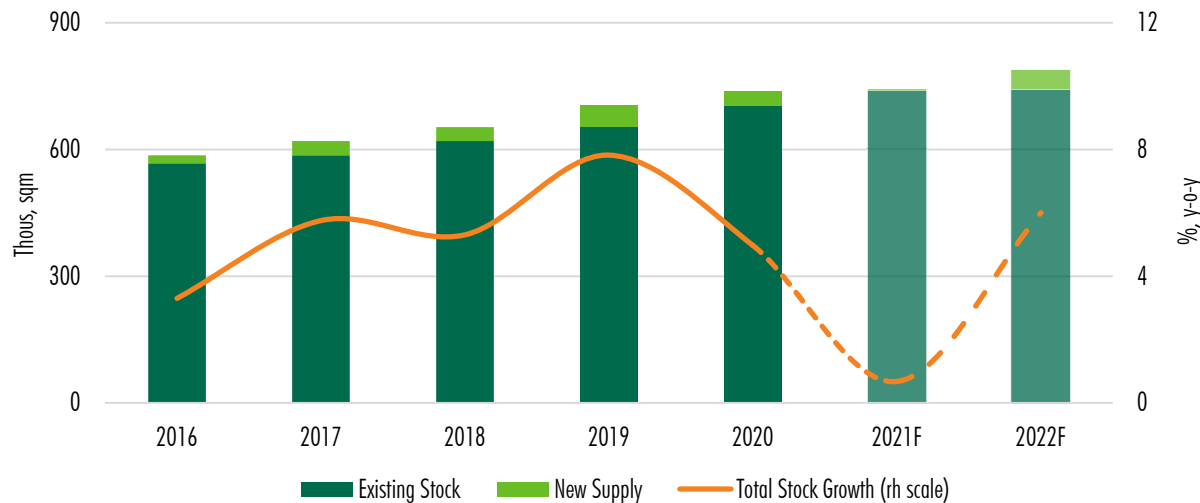
Highlights:

- Three pipeline projects (*Verde* by Capitalica, *Novira Plaza* by Novira Capital and *Preses Nama Kvartāls* by Lords LB) are under construction in Q1 and will add around 70,000 sqm of new office space to the market by the summer of 2023.
- Office take-up was 11,000 sqm in Q1, with more than third of the total take up absorbed within projects commissioned in the past two years.
- Headline rents for A and B1 class offices remained stable in Q1, with several B2 class office projects offering slightly lower rents. Extra incentives are expected from landlords to attract tenants.
- The vacancy rate decreased for the second straight quarter, settling at 11.9 %. We expect this trend to continue as no significant pipeline projects are expected for delivery in 2021.
- *Z Towers* - a premium class project that entered the market in Q1 2020 has set a new benchmark rent rate for premium class office space exceeding the current highest rate of 17 EUR per sqm in Riga.
- Three significant office lease transactions (exceeding 1,000 sqm) were finalised in Q1 2021, showing the supremacy of the IT and Finance sector in market tenancy.

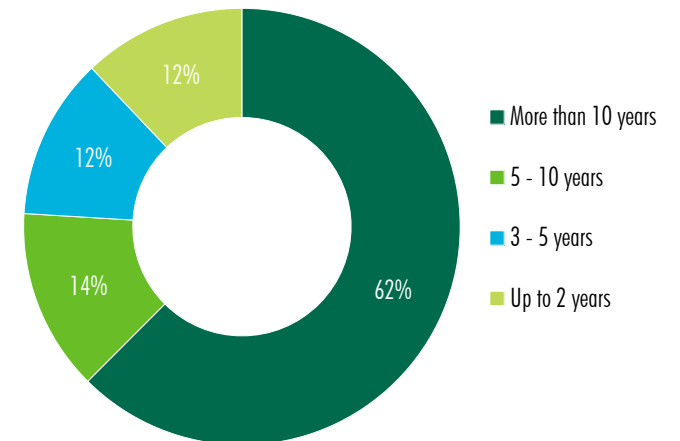
Office Vacancy by Class:



Riga Modern Office Stock:



Age of Offices based on GLA Distribution:



Notes:
KPI figures show Q1 2021 results. Arrows indicate Q4 2020/Q1 2021 change.
Sources: CBRE Baltics

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